



drink sensibly



A COMMITMENT TO SUSTAINABILITY

**CORPORATE RESPONSIBILITY
REPORT 2015**



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STATEMENT FROM THE CHAIRMAN AND THE MANAGING DIRECTOR

A portrait of Datuk Seri Saw Choo Boon, the Chairman, wearing a dark suit, white shirt, and red tie, with glasses and a smiling expression.

DATUK SERI SAW CHOO BOON
Chairman

**BUILDING A SUSTAINABLE FUTURE IS KEY
TO OUR GROWTH. THIS MEANS ENGAGING
IN COLLABORATIONS THAT HELP DRIVE AND
INFLUENCE OUR CORPORATE
RESPONSIBILITY AGENDA IN MALAYSIA.**

STATEMENT FROM THE CHAIRMAN AND THE MANAGING DIRECTOR



HANS ESSAADI
Managing Director

As we continue into our third year as Chairman and Managing Director of Guinness Anchor Berhad (GAB), we are pleased with the progress of the Company, both in the financial and corporate responsibility (CR) domain. CR is an essential part of our business, and in creating sustainable value with our stakeholders and the communities we work with, we have continued to keep this commitment paramount in our priorities.

GAB walks the talk as a responsible corporate organisation. We faced a challenging market environment with escalating costs and low consumer sentiment, the implementation of the Goods and Services Tax (GST), the ongoing battle against contraband beers; and within the business, a recalibration of our strategy, new systems and processes. Despite these challenges, we did not waver in our commitment to our CR priority.

This is evident through the results the Company has achieved for financial years FY14/15. We have exceeded performance targets on many of the goals under our environmental performance pillars. From the collective progress achieved over the past years, we were able to build on these blocks and expand many of the programmes under the GAB Foundation towards enriching local communities. Ongoing stakeholder dialogue kept us connected with our stakeholders and helped ensure our CR initiatives are relevant and impactful.

AS MARKET TRENDS CHANGE, THE BUSINESS MUST ALSO EVOLVE AND THE MANAGEMENT TOGETHER WITH THE BOARD HAVE A SOUND STRATEGY TO MANEUVER THROUGH THE CHALLENGES SO THAT WE MAY BE IN THE BEST SHAPE TO CELEBRATE GAB'S 50 YEARS OF BREWING EXCELLENCE IN 2016.



LIVING OUR VALUES

As we continue to progress in our CR agenda, it is critical that we do so in alignment with GAB's set of key values that drive the way we operate. We have recently revisited our corporate Values to continue building an engaging and supportive culture that empowers talented people to achieve exceptional results. Our refreshed Values focus on delivering excellence, collaborating with respect, learning and growing, winning with integrity and finally, enjoying our efforts and celebrating our successes. We believe as long as every single one of us continue to ascribe to these Values, together we will make a meaningful difference.

LEADING BY EXAMPLE

At GAB, we operate under a strict code of ethics and integrity. We enhanced our breach reporting channel called 'Speak Up', an independently managed platform which enables and encourages employees and distributors to anonymously voice any ethical issues or non-compliance with our Code of Conduct.

We expect the same excellence and integrity from our suppliers, and we reciprocate through our commitment to be a true business partner. The supplier stakeholder engagement conducted in FY15 revealed that our suppliers consider GAB to be 'the best and most reliable partner in business' and see an opportunity to 'grow together' with our Company. One case in point is how GAB helped our trade partners and distributors transition smoothly and without any business disruption into the new Goods and Services Tax (GST) environment, which included equipping them through training sessions, simplification of trade claim processes, IT and accounting systems readiness, FAQs and helpline support. The detailed results are available within the report.

We also continued to take the lead in the responsible drinking agenda with our Drink Sensibly (DS) programme. To date, we have reached out to over 140,000 consumers via on-ground engagements and approximately 10,000 retail staff trained through our GAB Professional Solutions (GABPS). We would also like to inform you that our annual year-end DS Festive Campaign was shortlisted for 'Best Consumer Engagement' at the 2015 Ethical Corporation Responsible Business Awards.

STATEMENT FROM THE CHAIRMAN AND THE MANAGING DIRECTOR

ACHIEVING SUSTAINABLE GROWTH

We have conscientiously kept our utility resources consumption as low as possible. Each year, we push ourselves further to reduce our consumption that is tracked by our Energy Saving Programme (ESP). We are happy to share that we have exceeded over and beyond all the environmental targets we have set for ourselves for the year under review. We recorded 19.2% savings with the reduction of our water consumption, exceeded 6.2% of savings for electricity and reduced our thermal energy usage by 9.6%. These results demonstrate GAB's capacity to produce quality brews through responsible consumption of resources.

CREATING A GREAT AND SAFE WORKPLACE

Employees are a key priority in GAB, and initiatives were focused on creating a healthy, conducive workplace, in the areas of employee wellbeing, safety and development growth. Year-on-year we benchmark ourselves against best practices in human resources management, solicit ideas and feedback from our own employees and review our business and people strategies. This led to the creation of GAB's new people aspiration, GAB – A Great Place to Work.

In our culture where there is no compromise to employees' safety, we are extremely pleased that with the rollout of our 'Achieving Zero Accidents' safety platform, we recorded 547 consecutive accident-free days as at 30 June 2015. Within the workplace, we continue to invest in their career and personal growth through various technical and personal development training modules. The launch of the new GAB Leadership Curriculum will also help embed our culture of encouraging leadership at every level.

ENRICHING COMMUNITIES

We are indeed happy with how the GAB Foundation has progressed. To date, the Foundation has reached out to more than 27,000 community members, 169 local businesses and grassroots communities and 308 educational institutions in the three main areas of Environment, Education and Community.

Now into its eighth year, our flagship initiative W.A.T.E.R (Working Actively Through Education and Rehabilitation) Project has expanded to two river projects with Sungei Way (pioneer site) and Sungai Kinta. Through the programme, Sungei Way which has since improved from Class IV (extremely polluted) rating to Class III (suitable for living organisms), now also hosts two river education centres that are part of its awareness and education thrust with the local communities and schools.

The W.A.T.E.R Project expanded its reach to 20 companies operating along Sungei Way with the introduction of the Business Community Training Programme (BCTP). This platform shares best environmental management practices and environment initiatives that the businesses can adopt and implement.

The Perak state also hosted its first River Carnival at Sungai Kinta in conjunction with World Rivers Day on 23 September 2014, with full support from GAB Foundation. The festive educational-themed event reached out to over 2,000 people from over 40 schools, 18 communities, 10 businesses and local authorities.

The Foundation has invested close to RM3 million in its flagship education programme, the English Enrichment Training Programme (EETP) since it was first introduced in 2012. Since then, it has reached out to over 170 vernacular schools and trained over 270 teachers which in turn has benefitted more than 4,900 students. We are pleased that in FY15, the fourth EETP expanded into a seventh state, Johor, and 58 teachers from 33 schools across Malaysia attended the training.

MOVING FORWARD WITH HOPE

Although our current environment poses many challenges, we are confident that GAB will be able to navigate progressively ahead and continue to make positive and sustainable impact through its CR agenda. We would like to thank the Board of Trustees of GAB Foundation and the Board members, the Management Team and employees of GAB, for their tireless commitment and dedication in working towards achieving greater sustainability in the things we do.

It is a journey we are pleased to be part of and look forward to in the many more years to come.

Datuk Seri Saw Choo Boon
Chairman

Hans Essaadi
Managing Director

GAB AT A GLANCE

VISION

**TO BE MALAYSIA'S MOST
CELEBRATED DRINKS COMPANY**

MISSION

**BREWING GREAT MOMENTS
WITH GREAT DRINKS**

Guinness Anchor Berhad (GAB) is Malaysia's leading brewer. We produce iconic international brands including Tiger, Guinness, Heineken, Anchor Smooth, Anchor Strong, Kilkenny, Anglia Shandy and Malta. We also market imported brands Strongbow and Paulaner.

In FY14, we expanded our portfolio with Kirin Ichiban, Japan's No.1 100% malt beer, and Smirnoff Ice, the World's No.1 ready-to-drink alcoholic beverage. This was a direct response to our consumers' demands for new tastes and experiences.

BEYOND BREWING

Besides brewing and distributing beverages, GAB provides a vast range of services within the retail and hospitality trades. These include:

PROMOTIONS AND MARKETING

TECHNICAL SUPPORT FOR COOLING SYSTEMS

COLLECTION AND RECYCLING OF KEGS AND BOTTLES

TRAINING OF FRONTLINE STAFF

OUR VALUES

DELIVER EXCELLENCE

We are passionate about our Company. We always take responsibility and act as owners. We have a “can-do attitude” and strive to excel in everything we do.

COLLABORATE WITH RESPECT

We believe in the power of relationships and working together for a common goal. We celebrate our differences and respect our individuality.

LEARN AND GROW

We are open minded and eager to learn. We keep moving forward without forgetting the lessons of the past. Our individual learning drives business success.

WIN WITH INTEGRITY

We believe that achieving sustainable success requires us to do the right thing. We are committed to demonstrate the highest standards of integrity.

ENJOY AND CELEBRATE

We recognise that brewing great moments starts with us. We create an environment that fosters celebration and enjoyment at every touchpoint.

OWNERSHIP & GOVERNANCE

GAB's Board of Directors have the ultimate responsibility for the success and integrity of our business. The Board determines the Group's strategic direction and ensures that GAB continues to develop as a financially, socially and environmentally responsible Company.

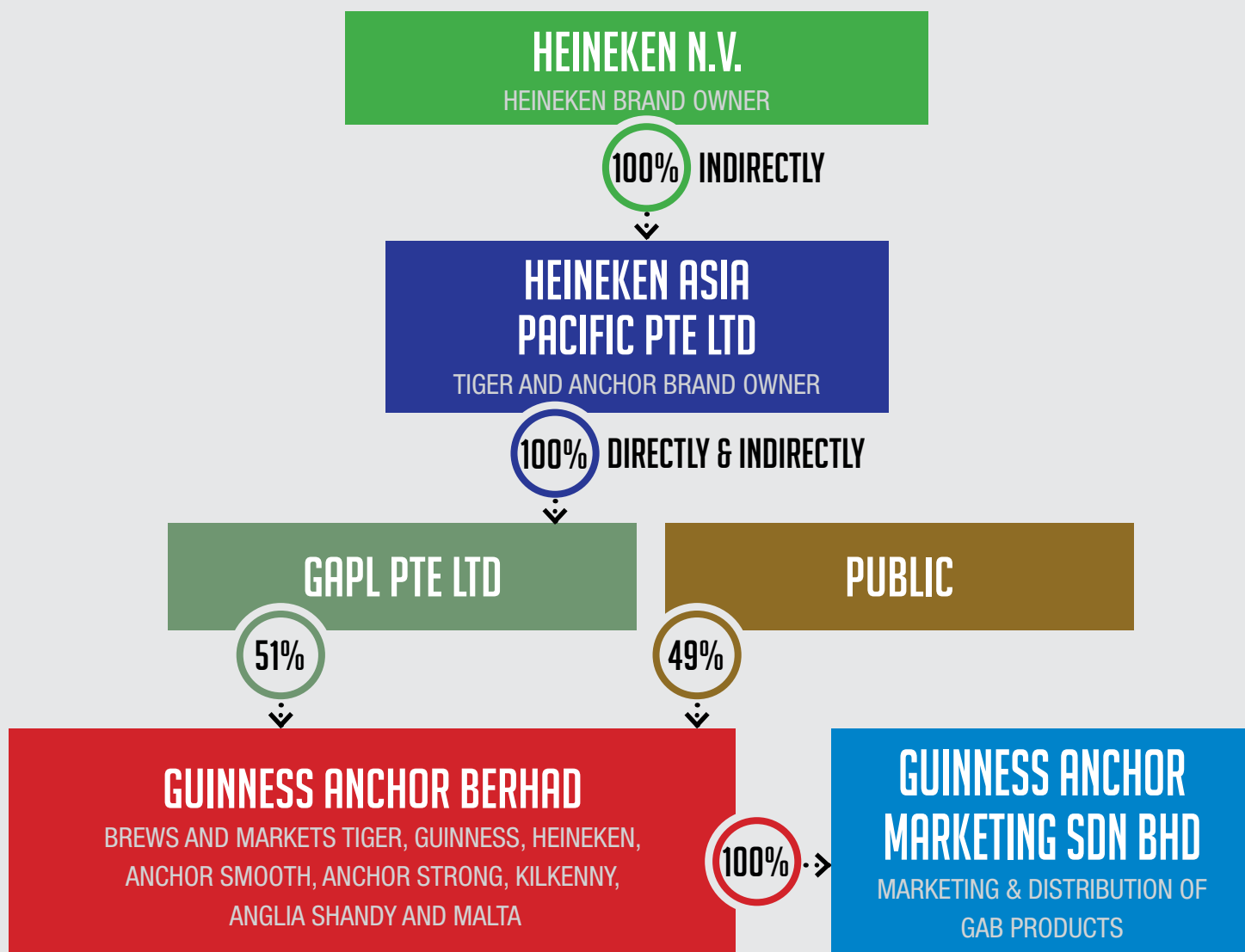
As of 9 October 2015, the Board has seven members. These include six Non-Executive Directors, three of whom are independent, including the Chairman, Datuk Seri Saw Choo Boon. Managing Director Hans Essaadi is the only Executive Member. The Board comprises of nationals from Netherlands, Singapore and Malaysia.

Full details of our corporate governance structure and risk management framework can be found in our Annual Report 2015, which is published at www.gab.com.my.

GAB OWNERSHIP STRUCTURE

Listed on the Main Market of Bursa Malaysia, GAB's principal shareholder is GAPL Pte Ltd based in Singapore. GAPL Pte Ltd is wholly owned by Heineken N.V.

On 7 October 2015, Heineken N.V. acquired the entire interests of Diageo in GAPL Pte Ltd, a major shareholder which holds 51% interest in GAB. Heineken N.V. now owns 100% of GAPL. This transaction will not affect GAB's portfolio of brands as both companies have agreed to continue the current license agreements for the Diageo brands. Heineken N.V. as the ultimate controlling shareholder, will bring about a positive impact to GAB.

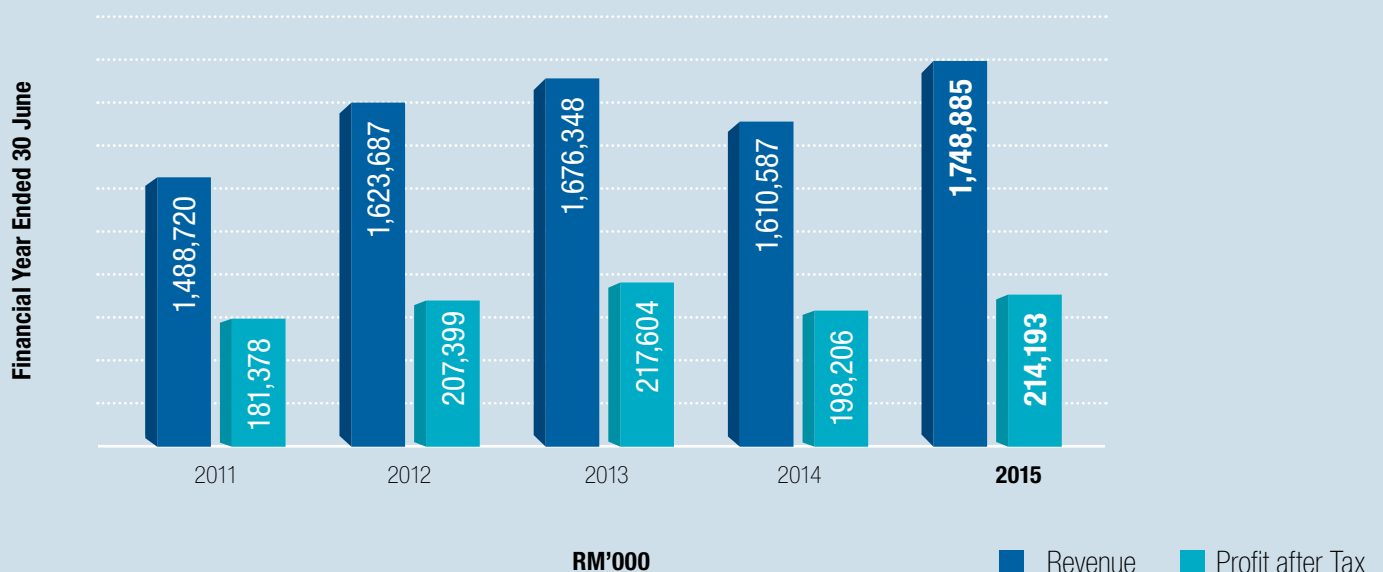


SALES OFFICES



GAB operates across Peninsular Malaysia, Sabah and Sarawak. We have 15 sales offices and a network of distributors who supply our products to bars, restaurants and retailers. Our workforce is made up of 573 permanent employees (as of 30 June 2015). The majority are based at our headquarters at the Sungei Way Brewery in Selangor.

REVENUE AND PROFIT AFTER TAX



2015 CR HIGHLIGHTS

140,000

CONSUMERS ENGAGED

THROUGH DRINK SENSIBLY ON-GROUND ACTIVATION



7,000+

DOWNLOADS

OF THE DRINK SENSIBLY APP



10,000

FRONTLINE RETAIL STAFF TRAINED ON RESPONSIBLE SERVING VIA GAB PROFESSIONAL SOLUTIONS



19.2%

REDUCTION IN WATER CONSUMPTION



9.6%

REDUCTION IN THERMAL ENERGY CONSUMPTION



6.2%

REDUCTION IN ELECTRICITY CONSUMPTION



Achieved

100%

PACKAGING QUALITY SCORING FOR HEINEKEN



547

ACCIDENT-FREE DAYS AS OF 30 JUNE 2015



REVAMPED CODE OF CONDUCT AND A NEW CHANNEL FOR BREACH REPORTING 'SPEAK UP'

Around

4,900

STUDENTS

impacted through

THE ENGLISH ENRICHMENT TRAINING PROGRAMME (EETP)



6



NEW COMMUNITIES engaged in

THE SUNGEI WAY W.A.T.E.R PROJECT

EETP REACHED OUT TO OVER 170 SCHOOLS AND TRAINED OVER

270



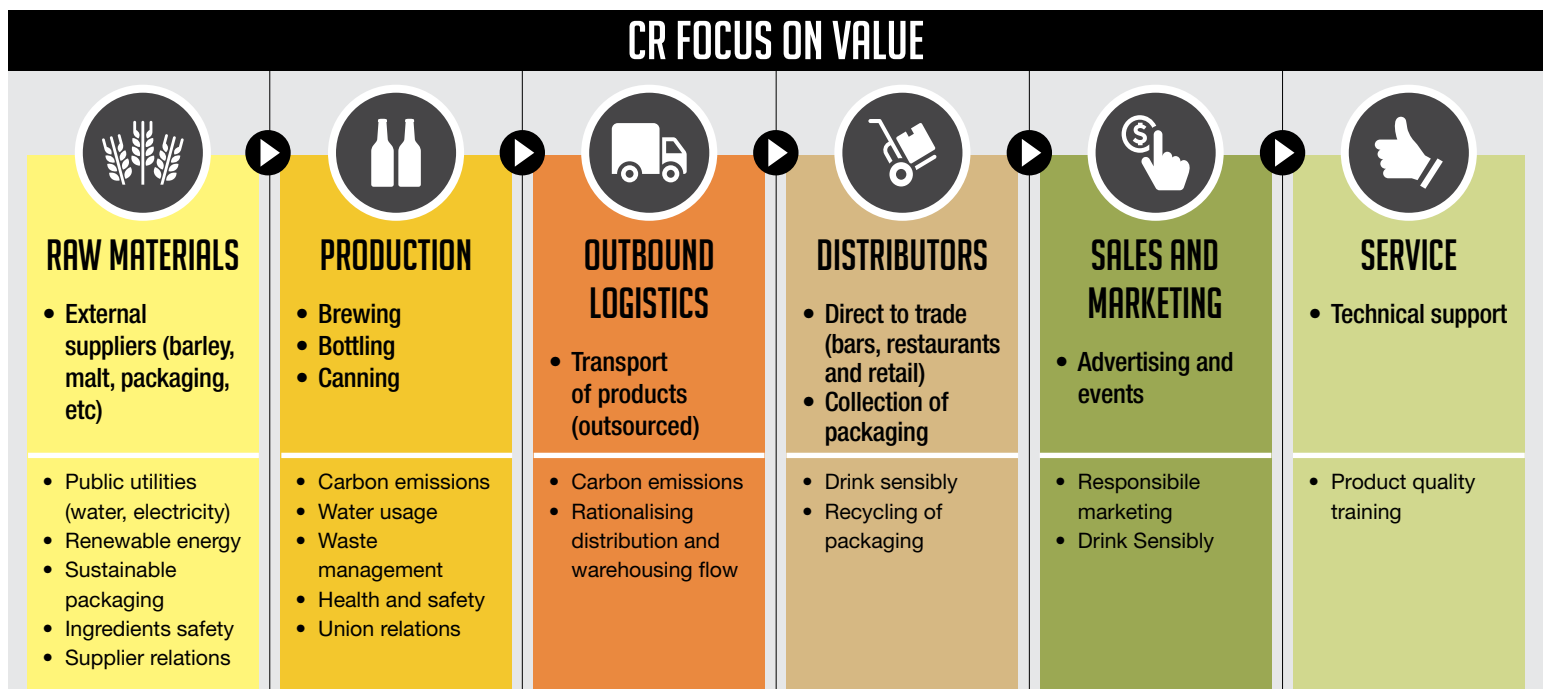
TEACHERS

CORPORATE RESPONSIBILITY

IT'S IN THE WAY WE WORK

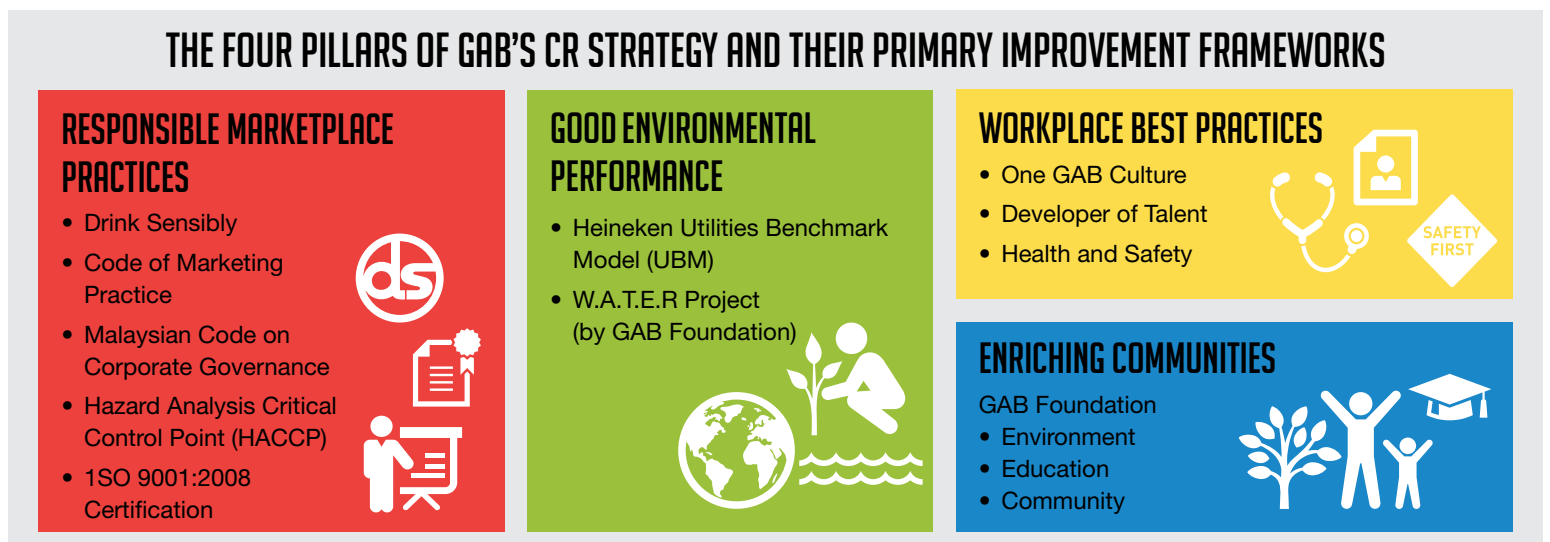
We have built corporate responsibility into our business. By analysing and optimising every process throughout our value chain, we aim to minimise the negative impact of our operations and maximise the value we bring to:

- consumers
- society and local communities
- the environment
- business partners
- shareholders



CR FRAMEWORK & PILLARS

We develop and implement our corporate responsibility activities in four strategic areas or 'pillars'. Each pillar is founded on a robust management system and comprises a number of flagship initiatives.



STAKEHOLDER EXPECTATIONS

Building value together

GAB continuously gathers feedback from a broad range of internal and external stakeholder groups. Their input guides our business strategies and our approach to corporate responsibility. Our engagements are carried out through:

- Surveys
- Meetings
- Focus group sessions

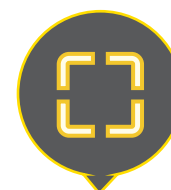
We continue to strengthen our dialogues with community members, as well as with Non-Governmental Organisations (NGOs) that specialise in the areas targeted by our social and environmental activities.



WHO WE ENGAGE



HOW WE ENGAGE



OUR FOCUS

WHO WE ENGAGE	HOW WE ENGAGE	OUR FOCUS
REGULATORS AND PUBLIC AUTHORITIES	<ul style="list-style-type: none"> • Regular scheduled meetings • Dialogue sessions • Round-table discussions 	<ul style="list-style-type: none"> • Excise duty rates and need for tax reform • Industry issues
EMPLOYEES	<ul style="list-style-type: none"> • Employee Climate Survey • Quarterly Townhalls • Department Away Day/Teambuilding • Annual HR roadshow (HR4U) • ICON magazine • Quarterly senior leadership meetings • Wellbeing programme (Lunch & Learn, evening fitness programme) • Sports & recreation activities • Quarterly meet & lunch with Union employees • Inclusive, supportive & open work environment 	<ul style="list-style-type: none"> • Developing Talent • Strengthening the “One GAB” culture • Creating a “Great Place to Work” • Fostering industrial harmony and positive employee relations
SUPPLIERS	<ul style="list-style-type: none"> • Biennial supplier engagement programme (online engagement via survey or field event) • Supplier evaluation & feedback session 	<ul style="list-style-type: none"> • Win-win situation • Long-term partnership
TRADE PARTNERS	<ul style="list-style-type: none"> • Annual trade partner engagement 	<ul style="list-style-type: none"> • GAB Professional Solutions training for frontline staff • Drink Sensibly engagement
DISTRIBUTORS	<ul style="list-style-type: none"> • Annual National Commercial Conference • Third party one-on-one interviews • Pre-GST implementation training 	<ul style="list-style-type: none"> • Market strategy and business targets
MEDIA/ANALYSTS	<ul style="list-style-type: none"> • Media and analyst briefings • Third party one-on-one interviews 	<ul style="list-style-type: none"> • Strategic direction and business performance
SHAREHOLDERS	<ul style="list-style-type: none"> • Annual General Meeting • Write-in to Company Secretary • Shareholder engagement survey 	<ul style="list-style-type: none"> • Strategic direction and business performance
CONSUMERS	<ul style="list-style-type: none"> • Brand events • Social media • Third party one-on-one interviews 	<ul style="list-style-type: none"> • Drink Sensibly • Product quality and freshness
COMMUNITIES AROUND BREWERY	<ul style="list-style-type: none"> • Direct engagement through GAB Foundation • Facilitated engagement through local NGOs 	<ul style="list-style-type: none"> • W.A.T.E.R Project • English Enrichment Training Programme

Stakeholder engagement

To ensure that stakeholders were able to share their concerns freely, we engaged a third-party consultant who facilitated the stakeholder engagements that form the basis of this report. The engagements were conducted between June and August 2015. The objectives were four-fold:

- Gather expectations and opinions of GAB with particular regards to organisational changes
- Identify areas perceived by stakeholders to be strengths, weaknesses, opportunities or threats for GAB
- Recommend priority focus areas for GAB
- Recommend benchmarks for use in future stakeholder engagements

The engagement process was designed in accordance with the AA1000 stakeholder engagement standards. In order to promote relevant and constructive dialogue, only GAB stakeholders and business partners were invited to participate. No passive recipients or bystanders to GAB operations were involved.

Engagement process

GAB identified relevant stakeholders in consultation with department directors. An engagement methodology was designed for each group.

Stakeholder groups	Avenue of engagement	Number of people engaged
Directors / managers	One-on-one interview	3
Employees	Focus groups	58
Distributors	One-on-one interview	5
Suppliers	Online questionnaire survey	123

The consultants conducted most of the interviews and focus groups face-to-face without supervision by GAB representatives. This ensured that participants were able to express their opinions without restraint. Focus groups were conducted using the Chatham House Rule, which protects speakers' anonymity. The consultants summarised main points raised during each engagement and circulated the summaries among the stakeholders for comments and approval before being shared with GAB.

Engagement findings: managers, employees and distributors

The 2015 stakeholder engagement process highlighted 27 topics raised by three stakeholder groups: management, employees and distributors.

The following topics were considered by all groups to be of high importance to them, and to be areas where GAB is performing well:

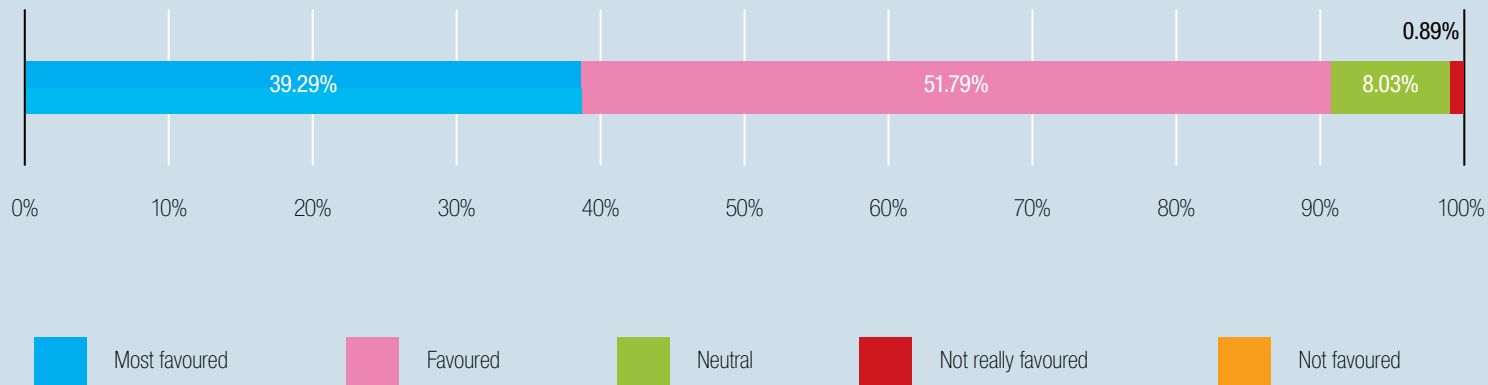
- GST preparedness
- Company profit / performance against KPIs
- IT systems
- Training and development
- Employees' health and safety
- Sales and marketing
- Compliance

Engagement finding: Supplier Engagement Survey

We commit to meeting with our suppliers every two years to obtain input on how we can improve as a business partner. We also conduct regular surveys to understand their changing needs. Our FY15 survey of 123 suppliers reveals high levels of satisfaction with GAB as a business partner:

- 90% rate their satisfaction level as ‘excellent’ or ‘good’ for our processes (e.g. payment timelines, procurement and commitment to business agreements)
- Over 80% rate their satisfaction level as ‘excellent’ or ‘good’ for our communication (e.g. practicing two-way communication and providing clear communication channels)
- Over 90% agree that GAB is a fair, professional and ethical company
- Over 80% report having an excellent working relationship with GAB

HOW WOULD YOU RATE GAB AS COMPARED TO YOUR OTHER CUSTOMERS AS A COMPANY TO DO BUSINESS WITH?



SUPPLIER FEEDBACK: A STRONG PARTNER

Suppliers see GAB as professional, approachable, fair and innovative. They agree that we practice good business ethics, have a good code of business conduct, and that we make our payments on time. GAB makes our suppliers feel like ‘true partners’. Our suppliers consider us to be ‘the best and most reliable partner in business’ and see an opportunity to ‘grow together’ with our Company.

We encourage all our suppliers to operate sustainably and support them to do so where possible.



FY15 engagement process summary

GENERAL

- Stakeholders understand that if GAB performs well – e.g. profits and KPIs – they will do well too
- Success stories: GST preparedness in supply chain and compliance
- Anxiety about FY16 incremental targets and success of Project Breakout (our IT transformation project)
- Transparency discrepancy between management and employees

DIRECTORS AND MANAGERS

- New directions: structure and strategies in place
- Challenge: supporting and encouraging employees' mindset change

EMPLOYEES

- Concerned about frequency of organisational changes and communication between line managers and staff
- Worried about job security due to external environment factors

DISTRIBUTORS & SUPPLIERS

- Very satisfied with support from GAB as a business partner and perceived an ability to grow together
- Discontented with 'tedious' processes due to ongoing IT structural changes
- Feel there is a lack of communication on promotional activities

Engagement follow-up

This engagement process proves that our stakeholders would like to share views and expectations regarding the ways of working at GAB.

The findings will be reviewed by GAB's Management Team who will determine what actions are to be taken with regards to:

- Guiding company strategy
- Bridging gaps in the current stakeholder communications methodology
- Strengthening future engagement projects



CR PILLAR

OUR COMMITMENT FOR FY14-FY15

RESPONSIBLE MARKETPLACE ACTIVITIES



- Continue raising awareness internally and externally, widen engagement
- 20,000 additional consumers engaged on Drink Sensibly
- 10,000 Drink Sensibly App downloads
- No incidences on non-compliance with the Competition Act

GOOD ENVIRONMENTAL PERFORMANCE



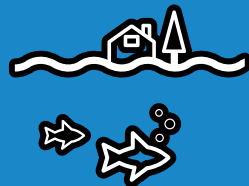
- Target to reduce water consumption to 4.79 hl/hl
- Target to reduce electricity consumption to 10.92 kWh/hl
- Target to reduce thermal energy usage to 92.00 MJ/hl
- Develop carbon footprint report

WORKPLACE BEST PRACTICES



- Enhance Health & Safety agenda
- Enhance ways of working
- Improve new joiners' experience
- Develop employee skill sets and capabilities

ENRICHING COMMUNITIES



- Engage and educate business operators along Sungei Way, Sungai Penchala and Sungai Kinta to adopt best practices on waste management
- Develop and implement an employee engagement campaign to increase employee understanding of and participation in GAB Foundation activities
- Develop a community project measurement tool to quantify the impact of our community investment

OUR PERFORMANCE IN FY14-FY15

- Engaged more than 140,000 consumers on Drink Sensibly (DS)
- More than 7,000 downloads of the DS App
- Zero compliance incidences reported through 'Speak Up'

- Exceeded target, reduced water consumption to 3.99 hl/hl
- Exceeded target, reduced electricity consumption to 10.69 kWh/hl
- Exceeded target, reduced thermal energy consumption to 86.74 MJ/hl

- Career Conversations Toolkit deployed
- Piloted Mentoring Programme for selected staff paired with MTs as mentors with Mentoring Toolkits in place
- Additional channel via 'Speak Up' in place for breach reporting, managed by a third party provider
- Enhanced Code of Conduct deployed via an e-learning platform
- Rolled-out a revised new hire Onboarding Programme: supported by a Line Manager Guide and a new induction programme called "Discovering GAB"
- Achieved 547 consecutive zero accidents days as of 30 June 2015

Best practices on waste management:

- Organised a Business Community Training Programme for businesses along Sungei Way and Sungai Penchala
- 30 participants from 20 companies as well as representatives from 11 government agencies attended the training
- Installed 20 oil and grease traps in food courts and school canteens in Perak

Employee engagement campaign:

- Increased employee participation in GAB Foundation activities
- More than 50 employees attended GAB Foundation events in the first half of FY15

Others:

- Trained 136 teachers from 70 schools. 4,900 pupils from Perak, Negeri Sembilan, Malacca, Sabah, Sarawak, Kedah and Johor assisted from the English Enrichment Training Programme
- Engaged 6 new communities in the Sungei Way Rehabilitation W.A.T.E.R Project
- Engaged 14 new communities in the Sungai Kinta Education W.A.T.E.R Project

OUR GOALS FOR FY16-FY18

- Leading the responsible consumption agenda in the industry
- Expand work with trade outlets to step up engagement with consumers and on the digital front
- No incidences on non-compliance with the Competition Act

- Reduce water, electricity and thermal energy consumption to Heineken Utilities Benchmark Model (UBM) targets by FY18

- Be a Developer of Talent
- Strengthen the One GAB culture

- Enhance GAB Foundation's position as a leader in driving the water conservation agenda in Malaysia
- Expand the GAB Foundation's flagship initiative W.A.T.E.R Project

MARKETPLACE PRACTICES

IN EVERYONE'S BEST INTEREST

Economic uncertainty caused by rising cost of living and changes to the taxation law continued to affect consumer confidence in FY14–FY15. However, an unpredictable marketplace is no excuse to underplay the importance of responsible marketplace practices. We continued to produce great beverages according to international safety and quality standards, market our products respectfully and encourage responsible drinking. We also took a proactive lead in supporting our partners to prepare for new business realities.



CODE OF MARKETING PRACTICE

Setting the standard

Every GAB employee and representative is required to follow our Code of Marketing Practice when promoting our products. Supported by a stringent approval system, the Code ensures our marketing materials are in compliance with local laws and regulations and in line with our commitment to sensible drinking. Moreover, the Code promotes respectful, non-offensive communication. This is particularly important as the majority of Malaysians abstain from alcohol due to religious and cultural requirements, preferences and sensitivities.

In FY14–FY15, we expanded our focus on responsible marketing to encompass emerging media channels. Our goal is to make sure that GAB's social media engagements live up to the same compliance standards as our traditional marketing activities.

GAB'S CODE OF MARKETING PRACTICE PROVISIONS

PROV. 01

Complies with Laws & Regulations

PROV. 02

Does not Target Underage Drinkers

PROV. 03

Encourages Sensible Drinking

PROV. 04

Shows Respect for Abstinence

PROV. 05

Does not Display Offensive Marketing

PROV. 06

Presents Clear & Factual Information on Alcohol Content

PROV. 07

Does not Imply Medicinal & Therapeutic Benefits

PROV. 08

Does not Promote Drinking & Driving

PROV. 09

Does not Imply Social & Sexual Success

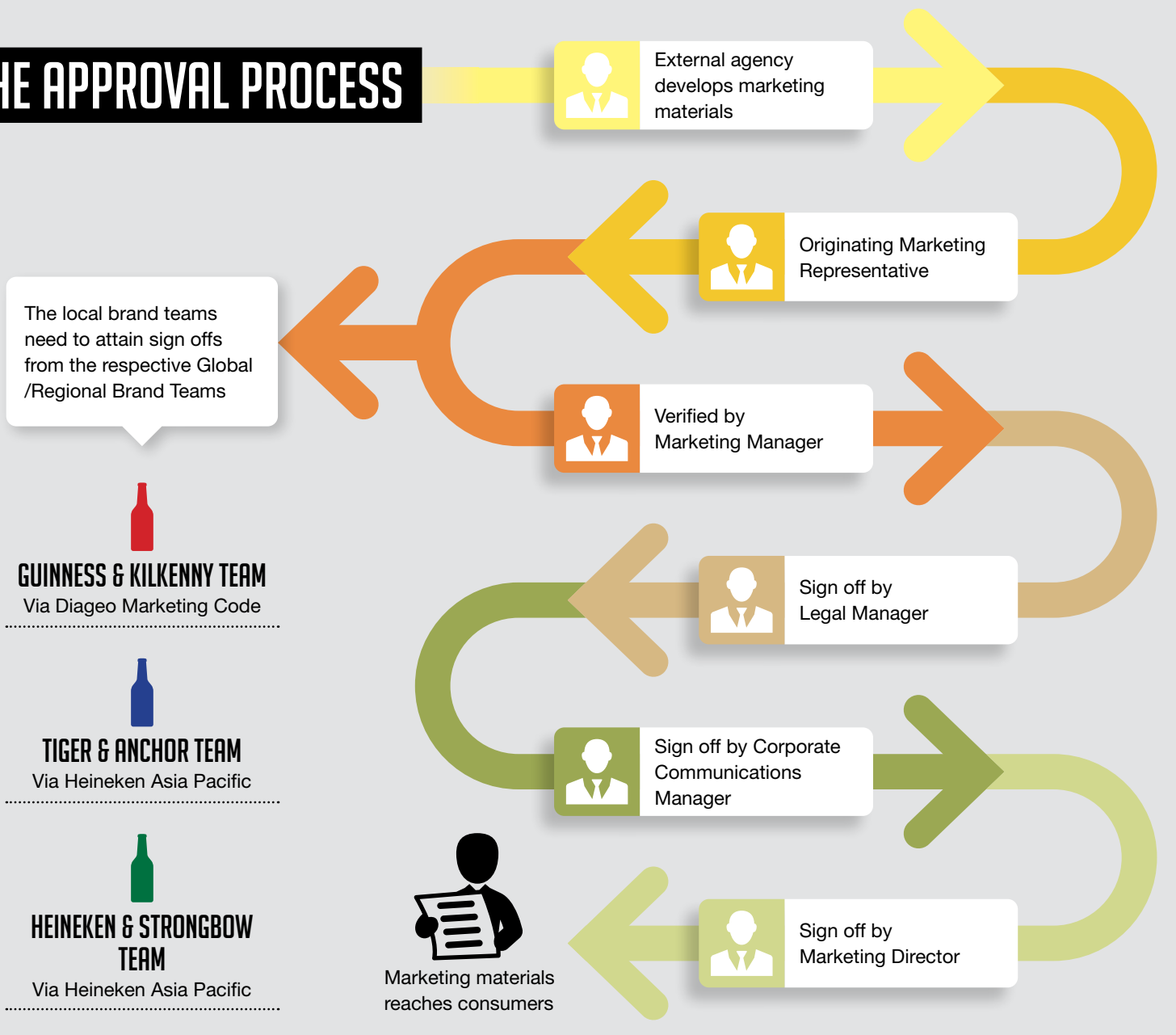
PROV. 10

Does not Portray Anti-Social Activities

PROV. 11

Promotions do not Encourage Excessive Drinking

THE APPROVAL PROCESS



CODE OF CONDUCT

A foundation for ethical thinking

We strictly adhere to all local laws and regulations. Beyond these, we act in accordance with our own high standards. GAB's Code of Conduct is based on our Vision, Mission and Values. It comprises a set of principles that we expect every employee to live up to every day.

Code of Conduct e-learning

Every GAB employee should understand precisely what is expected from him or her in terms of business practices and personal conduct. We have therefore revamped our Code of Conduct training with a more holistic content, including illustrative case studies, to make these expectations even clearer. This training is now available as an e-Learning module.

Speak Up

'Speak Up' is an additional, independently managed platform that enables employees and distributors to voice concerns or highlight breaches of compliance relating to GAB. Reports can be made anonymously, either by telephone or in writing.

Alcohol at work

GAB has a comprehensive policy on alcohol consumption. While it may be necessary for GAB employees to sample alcohol for product knowledge, we recommend individual discretion. We also raise internal awareness and provide education about alcohol and its effects as part of our Drink Sensibly campaign.

SUPPLIER CODE OF CONDUCT

Driving industry excellence

We demand the same excellence and integrity from our suppliers as we do from our employees and other business partners. In addition to commercial requirements, our Code of Conduct for suppliers and vendors outlines our expectations regarding labour standards and policies, environmental policies, health and safety regulations and applicable laws.

GAB's suppliers fall into three categories:

- Commercial suppliers that provide goods and services to our Sales and Marketing departments
- Non-commercial suppliers that service our Supply Chain department (e.g. packaging and logistics)
- Other suppliers that service our Support Functions (e.g. Finance, IT and Human Resources)

DRINK SENSIBLY

Championing responsible consumption

Drink Sensibly (DS) is GAB's flagship initiative for encouraging responsible drinking. Targeting consumers directly through public campaigns and retail outlets, DS raises awareness about the effects of alcohol and provides information on measuring and managing consumption. All GAB brands and communication materials are required to carry the DS logo as part of our Code of Marketing Practice.

In July 2015, the DS Festive Campaign was shortlisted for 'Best Consumer Engagement' in the category of 'Communications Excellence' at the Ethical Corporation Responsible Business Awards.

Drink Sensibly remains a key platform for GAB to lead the responsible consumption agenda in our industry. We aim to further strengthen consumer engagement in FY16 and FY17 via trade outlets and digital channels.



OUR DS FESTIVE CAMPAIGN WAS SHORTLISTED FOR 'BEST CONSUMER ENGAGEMENT' AT THE 2015 ETHICAL CORPORATION RESPONSIBLE BUSINESS AWARDS



CONTRIBUTING TO GROWTH

GAB faces a challenging market environment with rising cost of living and low consumer sentiment such as the introduction of a new tax system, the ongoing battle against contraband beers, including the realignment of strategy, new systems and processes. Despite these challenges, we continued to honour our commitment towards our CR initiatives.

This is evident in the results we as a team achieved for FY15. We have exceeded performance targets on many of the goals under our good environmental performance pillars.

The beer and stout industry in Malaysia invests approximately RM70 million in international events, trade promotional materials and training for the service staff nationwide on an annual basis. Since 2013, the industry has attracted over 100,000 international tourists through our sponsorship of music and sports events.

GAB, through the Confederation of Malaysian Brewers Berhad (CMBB), engaged associations and businesses, representing 24,000 businesses nationwide to understand their views, challenges, opinions and consensus on the proposed amendments to the Food Act 1983 (ACT 281) & Regulations. Associations and businesses were briefed of the proposed changes. Their opinions were compiled and shared with the Ministry of Health (MOH) for their consideration in respect of the proposed amendments to the Food Act. On the request of MOH, we also invited leading industry players in the food and beverage industry to participate in dialogue sessions organised by the MOH in 2015.

This year marks 50 years of GAB's presence in Malaysia. In 1964, we began as Guinness Malaysia Limited, and on 15 November 1989, the Company changed its name to Guinness Anchor Berhad following the merger with Malayan Breweries (Malaya) Sdn Bhd. Since then, we have grown our portfolio several times over, and today, we are the leading brewery in Malaysia with brands that are loved and enjoyed by consumers all across the country.

BIG WIN: PREPARING FOR GST

A key element of our positive performance for FY15 was the seamless transition into the GST environment for us, and our business partners. We instituted business process changes which delivered cost savings and 70% reduction in administrative processes for GAB and our distributors.



GST implementation highlights

- 45 distributor entities and trade partners directly trained
- Engaged 1,000 internal and external stakeholders via GST Roadshows in 8 regions
- All GAB distributors were GST-ready on time

DISTRIBUTOR FEEDBACK: EFFECTIVE GST SUPPORT

While distributors remain concerned about some aspects of GST – particularly the challenge of maintaining lean stock levels so as not to incur additional GST payments – they complimented GAB's overall assistance through the transition. In addition to the hands-on training and discussions, distributors appreciated GAB's assistance with tax documentation and other GST-related issues both pre and post implementation.



BIG OPPORTUNITIES: REGULATORY ENVIRONMENT



THE REGULATORY ENVIRONMENT

While GAB invests in social awareness campaigns, such as Drink Sensibly, we have identified new opportunities to further support responsible drinking regulations and the efforts of the Ministry of Health.



RETAILER'S CODE

The Retailer's code is a responsible alcohol sales practice code initiated by the Confederation of Malaysian Brewers Berhad. The Code which is currently being developed will set out guidelines for modern trade outlets, including hypermarkets, supermarkets and convenience stores on their commitment to responsible retailing.



THE FIGHT AGAINST CONTRABAND

GAB appreciates the efforts of the Royal Malaysian Customs to reduce the presence of contraband beers. Enforcement initiatives stepped up in FY15, and numerous raids conducted on illegal importers and retailers have been instrumental in helping with our growth.

GAB will continue to engage with the authorities in order to tackle the growing market for contraband beers. The availability of cheaply priced illegally imported beers continues to be an issue. Industry, retailers and consumers must continue to support efforts that are being made to fight the sale of contraband beers in Malaysia. These illicit products are depriving the nation of significant tax revenue.

ENVIRONMENTAL PERFORMANCE

Severe droughts and water shortages continue to affect communities across Malaysia. As water rationing becomes the annual norm for millions of residents and businesses, we have doubled our efforts to manage and utilise water more efficiently at our brewery.



We believe the key to sustainable growth is having the resolution to set and pursue challenging environmental goals. Our primary focus is water conservation, as it is essential and core to our business. We also focus on efficient use of electricity and thermal energy.

Our reduction targets are based on the Utilities Benchmark Model (UBM) developed by Heineken. UBM factors in best practices, good housekeeping and maintenance, as well as investments in technology, to set a minimum benchmark for a brewery's usage of energy and water. We use this to define both our goals and the indicators we use to measure our performance against them.

We have made steady progress towards our UBM targets in the reporting period. This has been supported by the ongoing rollout of our Energy Saving Programme (ESP), which requires us to measure, control and optimise our use of natural resources across all processes. We have also expanded our Total Productive Management (TPM) methodology. TPM takes a holistic approach to production – involving people, equipment and maintenance – in order to secure greater efficiencies.



TPM FOCUSES ON ELIMINATING WASTE AND RESOLVING PROBLEMS AT THE ROOT BY:

- Further enhancing our systems and processes
- Boosting workforce performance
- Cultivating a zero-loss mindset

The savings we make through these activities are translated into monetary terms and displayed prominently in our Supply Chain department. Up to 30% is reinvested to drive improvements in our environmental performance. Additionally, our environmental champions from the ESP team attend trainings and an annual regional workshop where they can share knowledge and best practices with champions from other markets.

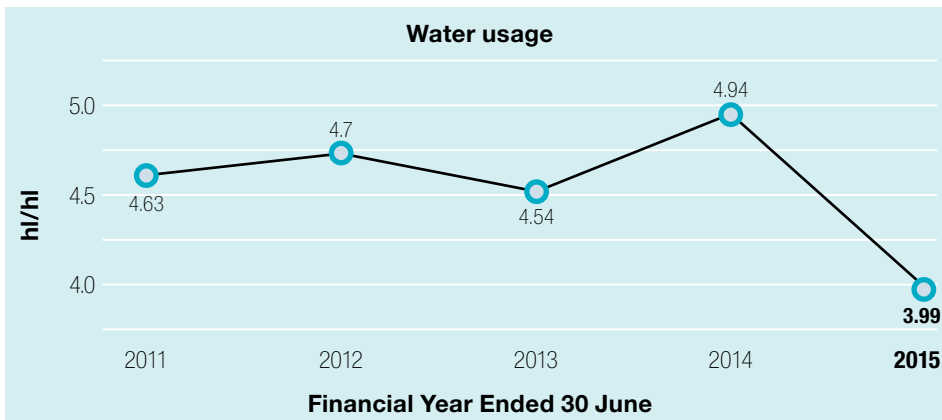


WATER

All our water is drawn from a municipal water supply. We use just over 5.1 million hectolitres (hl) of water annually in the manufacturing of our products.

In FY13, our water usage dropped to 4.54 hectolitres per hectolitre (hl/hl) of product. In FY14, our specific water consumption increased due to lower production volumes. For FY15, we achieved good specific water consumption of 3.99 hl/hl at production volume almost similar to FY13. A total of 19.2% reduction was achieved if we compared FY15 against FY14 actual.

This means we have achieved an overall 14% reduction in water usage over the last five years.



PERFORMANCE OVERVIEW

RESULTS

19.2%

SAVINGS ACHIEVED

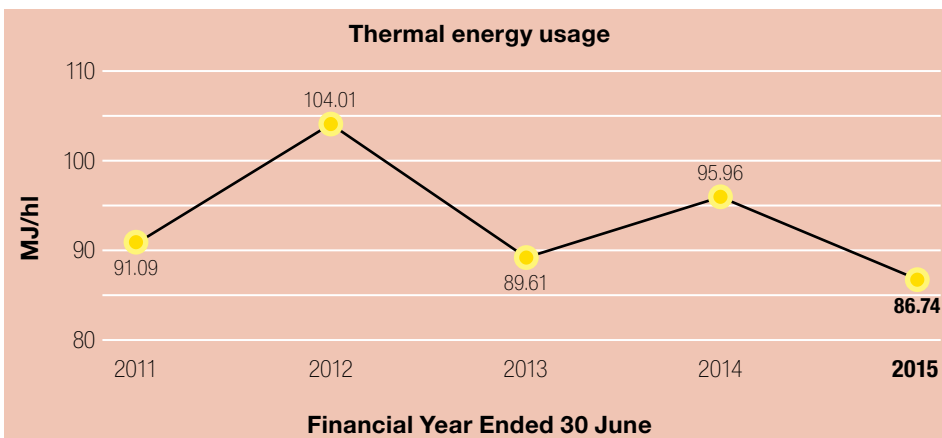
3.99
(hl/hl prod.) **FY15**

*FY15 reduction target adjusted to include indirect as well as direct consumption (definition effective FY15).

THERMAL

Thermal energy used in our brewery contributes significantly to our environmental footprint. We estimate it accounts for approximately 6,400 tonnes of CO₂ per year. Most of our thermal energy is obtained from natural gas, but around 8% comes from renewables such as biogas derived from our wastewater treatment plant.

In FY14–FY15, we exceeded our original target for thermal energy saving from 92.00 MJ/hl down to 86.74 MJ/hl, a 9.6% savings achieved if compared against FY14. A project to recondition our bottle washer contributed to this reduction, saving over 3 million megajoules (MJ) per year. Additionally, the retrofitting of Bottling Pasteuriser with new PU control with cooling water contributed to further saving of 6 million MJ annually.



PERFORMANCE OVERVIEW

RESULTS

9.6%

SAVINGS ACHIEVED

86.74
(MJ/hl prod.) **FY15**

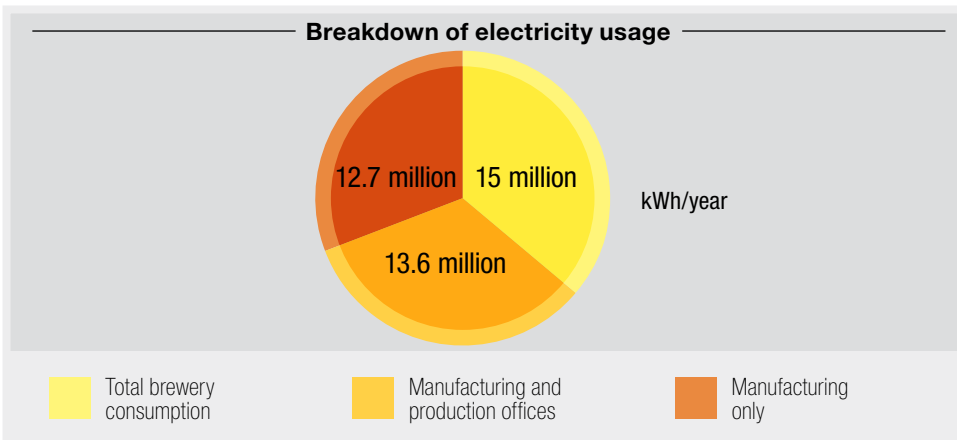
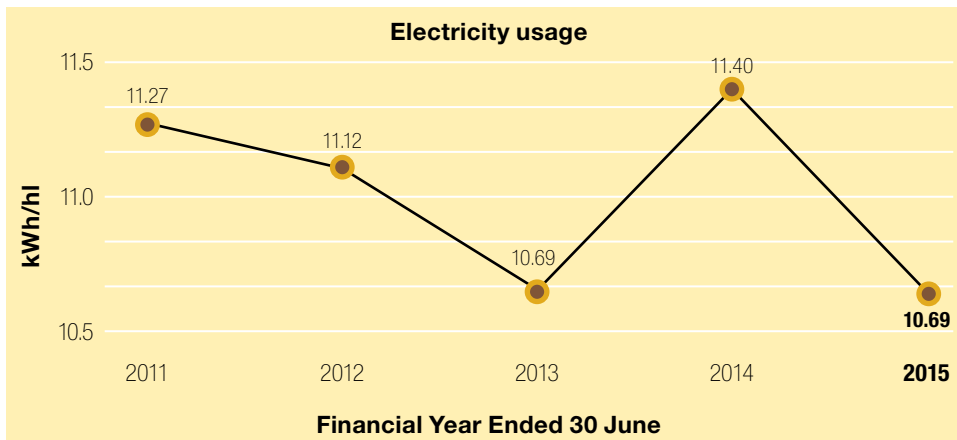
*FY15 reduction target adjusted to include indirect as well as direct consumption (definition effective FY15).

ELECTRICITY

All the electricity we use is purchased from the national grid. Our total brewery consumption is around 15 million kilowatt hours (kWh) per year.

Our FY13 baseline was 10.69 kWh per hectolitre of product (kWh/hl). Our electricity consumption is highly dependant on production volumes which saw an increase in FY14 consumption due to to lower produced volume. For FY15, we achieved 10.69 kWh/hl, contributed to 6.2% saving if compared against FY14 actual.

Over the last five years we have reduced our overall electricity usage by 5%.



PERFORMANCE OVERVIEW

RESULTS

6.2%

SAVINGS ACHIEVED

10.69

(kWh/hl prod.) **FY15**

*FY15 reduction target adjusted to include indirect as well as direct consumption (definition effective FY15).

BIG OPPORTUNITIES: REDUCING WATER & ELECTRICITY USAGE

Our next big environmental opportunity is to reach our UBM benchmarks for water and energy use over the next three years. This represents a significant challenge because fluctuating production volumes dictated by seasonal demands have a disruptive effect on our ability to achieve consistent improvements. Put simply, the higher our production volume, the more efficient our resource use becomes. However, when production is low, the amount of water, electricity and thermal energy used stays fixed and this negatively impacts our performance.

We will continue to invest more and work even harder by enhancing processes, optimising performance and maintaining equipment in order to close the gap on our FY18 UBM targets.

BIG WIN: A SAFER WORKPLACE

GAB has always placed employee safety as a key priority. Recent measures implemented include awareness campaigns, an improved ‘accident, incident and near miss’ reporting process, and safety enhancements to our operations and machinery. In FY14 and FY15, we decided to go even further and launched a two-pronged initiative to make our ‘Achieving Zero Accidents’ ambition a sustainable reality.

The Safety Pyramid

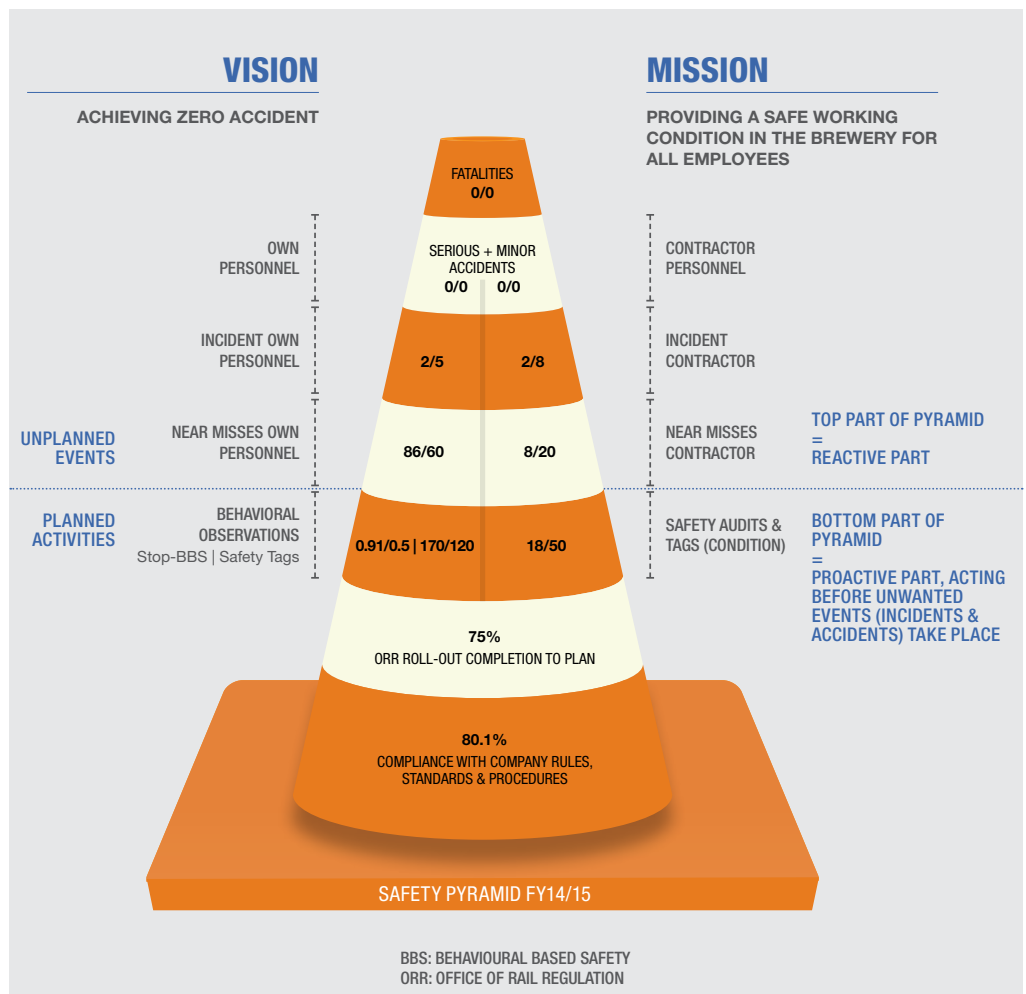
The Safety Pyramid is an organisational tool that we use to strengthen our approach to accident prevention. The top part of the pyramid presents ‘reactive’ indicators of our performance. These include unplanned events, such as:

- Fatalities
- Workplace accidents
- Near misses

By contrast, the bottom half of the pyramid shows ‘proactive’ indicators. These are planned activities that we can undertake to prevent unwanted events occurring, such as:

- Health and safety training
- Behavioural observations
- Safety audits

Essentially, the broader we make the base of the pyramid (representing safety initiatives and compliance), the narrower we make the tip (representing incidents, accidents and fatalities).



Behavioural Based Safety: STOP-BBS programme

Behavioural Based Safety (BBS) uses the science of behaviour change to solve the problem of workplace accidents. By analysing the actions people perform, and understanding why they perform them in a certain way, we can define and encourage safe behaviours. We can also find out what stops people from adopting them.

We have trained 88 employees as part of our STOP-BBS programme since March 2014. These safety 'foot soldiers' conduct a minimum of two monthly walkabouts. Each walkabout requires the observer to:

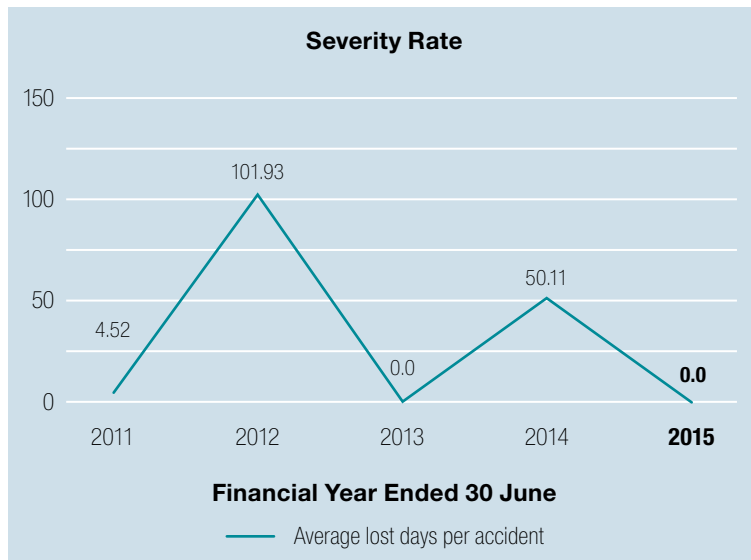
- Carry out safety observations
- Spot potential compliance issues
- Survey co-workers' concerns about working practices
- Encourage safe practices
- Identify risky behaviours

547



CONSECUTIVE ACCIDENT-FREE DAYS AS OF 30 JUNE 2015

Our STOP-BBS observers have helped to inspire a culture where everyone feels responsible for creating a safer workplace.



WORKPLACE EXCELLENCE

INVESTING IN PEOPLE

GAB's future success depends on our ability to deliver value to our shareholders, business partners and consumers. We must continue building an engaging and supportive culture that empowers talented people to achieve exceptional results. Throughout FY14 and FY15, we have worked to reaffirm the fundamental principles that have defined our culture for over 50 years. We have revisited our GAB Values and have developed a range of initiatives that will help us secure the long-term sustainability of our Company.





EMPLOYEE FOCUS GROUP FEEDBACK: A SUCCESSFUL COMPANY THAT COULD BENEFIT FROM CLEARER COMMUNICATION AND MORE INCLUSIVE DIALOGUE

Progress since FY13

Employees see GAB as a profitable organisation with a good approach towards employee welfare and development. They appreciate the implementation of flexible working hours and the extension of maternity leave from two to three months. They also value GAB's employee training programmes and health and fitness initiatives.

New joiners in particular feel that GAB offers more benefits than other companies. Employees agree that GAB has a good working environment, satisfactory medical coverage and a strong focus on health and safety management.

GAB continues to engage with employees through an annual Employee Climate Survey to improve workplace practices. The Survey measures employees' engagement level and alignment to GAB's business goals and values. Results from the survey are translated into organisation-wide and department specific action plans.

GAB EMPLOYER PROFILE

573

PERMANENT EMPLOYEES
(AS AT 30 JUNE 2015)

BALANCED
REPRESENTATION
OF AGE GROUPS

EMPLOYEE TURNOVER
CONSISTENTLY BELOW
INDUSTRY NORM

A NEW FOCUS

Building a great place to work

In FY14, we reviewed our people strategies to ensure the workplace practices are able to support GAB's business objectives. The strategies were developed to ensure alignment with business sustainability and profitability. Not only did we undertake a process to benchmark ourselves against best practices in human resources management, we also solicited ideas and feedback from our own employees. This led to the creation of GAB's new people aspiration: "GAB – A Great Place to Work".

The programmes and activities resulting from this process are focused on two key areas: One GAB Culture and Developer of Talent.

ONE GAB CULTURE

Diverse people, one vision

Developing our 'One GAB' culture is a core part of making GAB a great place to work. The 'One GAB' culture strengthens our overall sense of identity and purpose. It has also led to many new activities that aim to

make GAB Values tangible for employees while complementing existing development programmes. A number of these activities were rolled out in FY14 and FY15.

Away Days

GAB's 'Away Days' initiative builds on our commitment to support open and objective dialogue between management and employees. 'Away Days' enable each department to meet outside the workplace to form stronger bonds as a team, improve ways of working and define future goals. Heads of Department consolidate all employee feedback to provide a clear overview of the issues at stake.

GAB Orientation Programme

We believe in giving every new recruit the best possible start at GAB, so in FY15 we updated the entire GAB Onboarding Programme. The 'Discovering GAB' induction has now been extended to a full day and occurs every two months instead of every quarter or six months. All new joiners are brought together to provide them a platform to get to know each other and the business.

DEVELOPER OF TALENT

Building our capabilities

To make GAB a great place to work we need to strengthen our capabilities as a developer of talent in the broadest sense. In FY14 and FY15, we continued to expand both our technical training programmes as well as focused on soft skills such as leadership, interpersonal aptitude and communication.

We rolled out a Career Conversation Toolkit that enables employees at all levels to better manage their career progression and be proactive about their personal and professional development. The toolkit provides guidance such as questions and checklists for managers and employees to prepare for a meaningful conversation.

We have also established a mentoring programme to provide access for our key talents to learn and have exposure with the Management Team. This programme is also supplemented by a Mentoring toolkit to enable a structured approach towards building an effective mentoring relationship.

BIG WIN: TALENT DEVELOPMENT FOR LEADERSHIP

Strengthening leadership

We believe that leadership development is a critical part of achieving our aspiration of creating a Great Place to Work. With the right knowledge and skills aligned with our Values, an effective leader at GAB would be able to build engagement among the team members and produce the desired results. In FY15, we launched compulsory programmes for our entire leadership team. These included 'Managing through Conversations', a programme that could potentially lead to recognition by the International Coaching Federation (ICF). We have also focused on building leadership skills among our junior line managers through leadership awareness sessions. Both programmes aim to ensure

the rapid advancement of strong leaders across the organisation, and we continue to test their acceptance and success.

For FY16 and FY17, we will be strengthening our leadership development capabilities with the launch of a completely new GAB Leadership Curriculum. This will be tailored to level-specific development needs. For example, junior managers will learn how to lead themselves, middle management will cover leadership of others, and senior managers will further develop their team leadership and influencing abilities.

Our ongoing success depends on putting effective leaders on the production floor as well as in the boardroom. We want to replicate a similar hiring approach as with our Management Trainee programme when selecting our technical officers, by hiring best-performing Diploma holders. To achieve this, we have created a dedicated Supply Chain Technical Trainee Programme. The course spans 18 months and includes a strong focus on career development.

SUPPORTING INTERNATIONAL LABOUR STANDARDS

Labour practices and human rights

We are committed to upholding the human rights of our employees, and to treat them with dignity and respect as understood by the international community. We adhere to the basic principles enshrined in international labour and human rights law. These include the Core Conventions and Recommendations issued by the International Labour Organisation and the Universal Declaration of Human Rights and its covenants.

Non-discrimination

GAB has a zero-tolerance policy towards discrimination of any form. Our Onboarding Programme covers the Code of Conduct

and Sexual Harassment Policy. We did not receive any complaints about discrimination in the FY14 and FY15 period.

Freedom of Association

In January 2015, GAB signed a collective bargaining agreement with the Union of Beverage Industry Workers (UBIW), which represents 104 GAB employees from six departments. The negotiation was concluded amicably due to the good working relationship established between GAB management and the UBIW. The 15th Collective Agreement between GAB and UBIW was signed in one sitting.

GAB is currently finalising a collective agreement with the Beverage Industry Executive Staff Union (BIEU). Formally recognised in 2009, BIEU membership comprises 41 supervisory level employees in the Supply Chain department. Once signed, this will be the second collective agreement between GAB and BIEU.

Ensuring fair pay

The Malaysian Government defines minimum wage as between RM800-900 per month, depending on region. Our standard entry-level wages are well above this, starting from RM1,600 for manual workers.

Bonded labour and child labour

At GAB, we identified zero risk of forced or bonded labour during the FY14 and FY15 period. Nor did we employ any foreign workers. The vast majority of our employees are on a permanent contract, with only 6% employed on a temporary basis.

GAB does not and will not employ any person below the age of 18. Nor will we allow any contractor to employ underage workers while on assignment for GAB.

BIG OPPORTUNITIES: EMPLOYEE ENGAGEMENT

We believe that an engaged workforce is more productive, more able to adapt to changes driven by market pressures, and more likely to support our strategies – both as employees and ambassadors beyond the company gate.

However, employee engagement is a process subject to multiple challenges. We work constantly to close the gap between the way we see ourselves as an employer and the way our actions are perceived by employees.

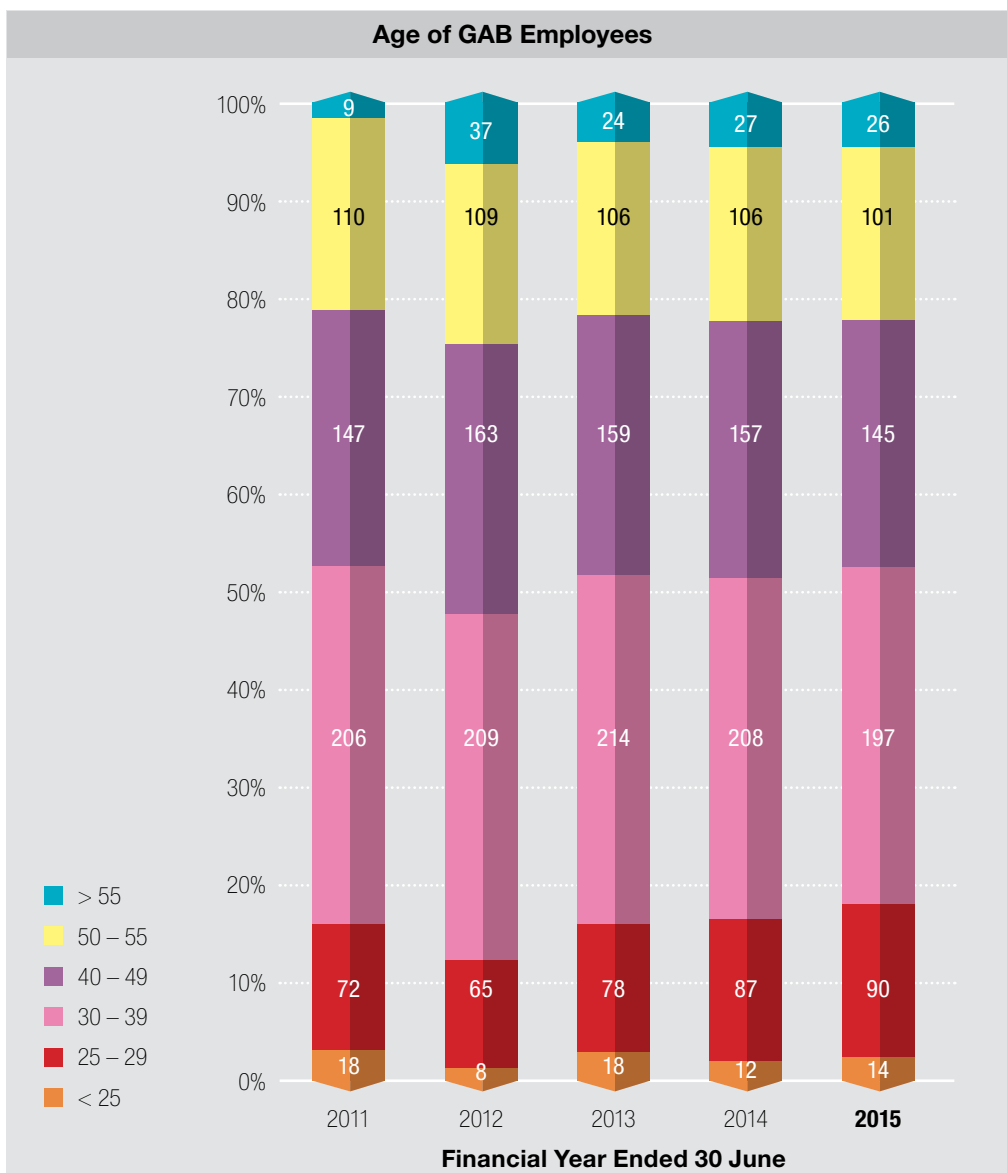
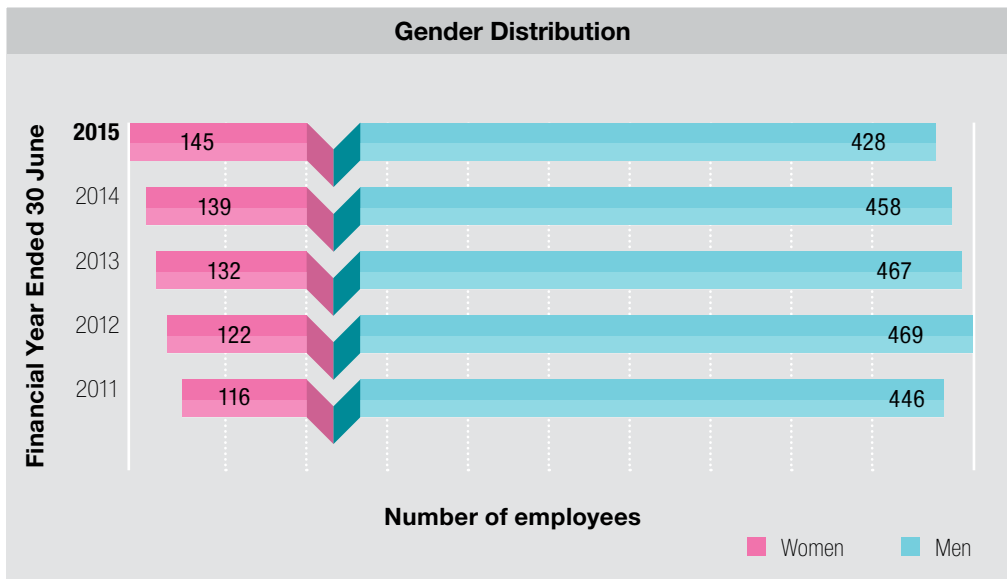
In an increasingly competitive recruitment market, we know we need to offer more than good reward and remuneration packages in order to attract and retain the best people. That is why in FY16 and FY17 we will continue to focus on:

- Creating meaningful professional and personal experiences
- Supporting talent development at every level
- Strengthening GAB's culture of transparency

Towards gender equality

Advancement at GAB is not limited by gender, age, race or religion. Remuneration and promotion are based on ability and performance. We have consistently increased the number of female employees in the senior management category since 2009. As of 30 June 2015, 34% of our employees in this category are women.

GAB remains committed to attracting female employees and providing a supportive and inclusive working environment.



COMMUNITY OUTREACH



MAKING A DIFFERENCE

Our community activities are driven by the GAB Foundation. Established in 2007, the purpose of the Foundation is to create a positive impact and make a difference in the community we operate in. To date, the Foundation has reached out to more than:

27,000 COMMUNITY MEMBERS

169 LOCAL BUSINESSES

308 EDUCATIONAL INSTITUTIONS

With such broad aims, we need to focus our time and resources on the areas where we can have the biggest impact. These areas are defined by the three pillars of the Foundation:

- Environment
- Education
- Community

In the past 2 years, the GAB Foundation further expanded its activities to target on each of these areas. The Foundation projects are supported by Federal and State government departments while local communities and NGOs contributed valuable knowledge and technical advice.

ENVIRONMENT: W.A.T.E.R PROJECT

Now in its eighth year, the W.A.T.E.R (Working Actively Through Education and Rehabilitation) Project engages local communities in improving the environment. We continued to extend the Project beyond Sungei Way throughout the reporting period.

Sungai Kinta Education Programme

In 2014 and 2015, we continued to focus on Sungai Buntong, Sungai Senam and Sungai Kledang. These are three tributaries of Sungai Kinta, one of the main branches of the Perak River that runs through Ipoh city. This three-year project which began in 2012, aims to support the rehabilitation efforts of Perak and Kinta's Department of Irrigation and Drainage.

Community education is key to the Project's success. Baseline surveys conducted by Global Environment Centre (GEC) indicated a low level of understanding among local communities about the connection between household waste disposal and river pollution. To mobilise a comprehensive response, we built partnerships with stakeholders who contributed their technical know-how that helped us achieve our goals.

The following government agencies and institutions are part of our technical committee:

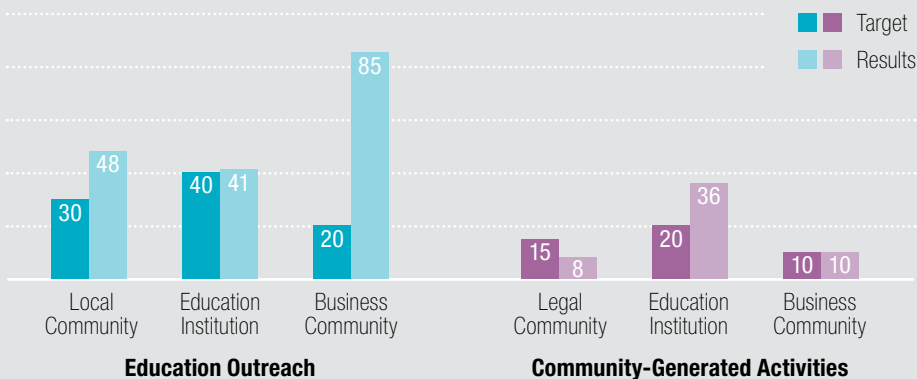
- Perak & Kinta Department of Irrigation and Drainage
- Ipoh City Council
- Perak State Department of National Unity and Integration
- Perak State Department of Education
- Universiti Tunku Abdul Rahman (UTAR)

In 2013, a Memorandum of Understanding was signed between GAB Foundation, UTAR and GEC. This tri-party agreement enabled students to perform water quality and biodiversity studies, as well as conduct training programmes, workshops and outreach activities for the local communities. These students are awarded credits that will contribute towards their final year results.

Project impact to date:

- Sungei Way water quality improved to Class III (suitable for living organisms and enhancement of biodiversity)
- Sungei Way water quality maintained at Class III throughout the reporting period
- Communities engaged have since taken full ownership of maintaining Sungei Way and its surroundings

2013-2015 (3 year) Targets vs Results



COMMUNITY

14 new

EDUCATION INSTITUTIONS

25 primary/
secondary

BUSINESS COMMUNITY

Installed oil & grease traps in 10 food courts & 10 school canteens

Mobile River Care Unit (MRCU)

The MRCU is a mobile and interactive river education centre on wheels. Launched in March 2011, the MRCU visits schools and other public venues to train and encourage students and members of the community to play an active role in protecting Malaysia's rivers. Each training session takes half a day, and each group is expected to follow up by initiating an environmental project. Projects may include recycling, composting or testing the water quality of a local river.

MRCU 2013-2015 highlights:

- 61 educational institutions visited
- 35 community groups engaged

Measuring our progress:

Surveys are conducted at every MRCU Roadshow. These are used to assess how effective the training sessions are. We also monitor progress on group environmental projects.

W.A.T.E.R Project River Carnival

This outreach event provides a fun way for local communities to learn about river conservation. The GAB Foundation has organised four River Carnivals in Selangor and Perak since 2009, and these have engaged approximately 6,000 people to date.

River Carnival highlights:

- Around 6,000 people educated through Carnival activities
- The biggest River Carnival so far was held at Zoo Negara in 2013
- 2,000+ people attended Perak's first River Carnival at Sungai Kinta, on World Rivers Day 2014

Measuring our progress:

We measure the impact of the River Carnival in terms of the support GAB Foundation receives from media and government agencies, and by determining how well our messages are being conveyed to the public. In a survey (random sampling) of 100 people at the 2014 Sungai Kinta River Carnival, 78% of respondents said they have learned more about the importance of river conservation.

Sungai Kinta River Care Education Centre (RCEC)

The RCEC has been set up by GAB Foundation in recognition of the local communities effort to maintain Sungai Senam, Sungai Buntong and Sungai Kledang tributaries. The Centre is equipped with tools to test water quality and resources to support local educational programmes on river rehabilitation and water conservation. We measure the RCEC's impact by the number of projects initiated by the communities we have trained.

RCEC highlights:

- Perak's first RCEC launched on 7 June 2015 in celebration of World Environment Day
- Worked with 14 communities to date

Project impact to date:

6 community activities initiated in 2014 with RCEC's support



EDUCATION: ENGLISH ENRICHMENT TRAINING PROGRAMME

English Enrichment Training Programme

The objective of the English Enrichment Training Programme (EETP) is to enhance teachers' creative teaching skills and classroom management to make learning English fun for pupils.

To kick start the year long EETP, teachers are required to attend a four-day intensive training workshop conducted by experienced early childhood education and English language professionals. Following the workshop, participating schools will organise supplementary after-school English classes for their pupils. These classes are facilitated by the trained teachers and are conducted on a weekly basis for 22-weeks.

EETP 2014–2015

For the third EETP, launched in 2014, we invited participating schools and EETP alumni to attend and further sharpen their English teaching skills. We also opened the programme up to teachers from other institutions. Participants were divided into two groups and each group undertook the four-day intensive training workshop. Specific training sessions were scheduled on different days to encourage a closer and more conducive learning environment.

In 2015, we raised the bar even higher by expanding the EETP to Johor state. In total, 58 teachers from 33 primary schools signed up for the training and 1,328 students received supplementary classes. YB Datuk Chua Tee Yong, Deputy Finance Minister, attended one of the EETP sessions.

EETP 2014 – 2015 highlights:

- 136 teachers trained
- 70 primary schools across Kedah, Melaka, Negeri Sembilan, Perak, Sabah and Sarawak participated
- 136 supplementary English classes conducted over 22 weeks
- 2,828 pupils benefitted

Project impact to date:

- EETP has trained 270 teachers from 170 schools in 7 states
- Around 4,900 students have received supplementary English classes



COMMUNITY

Business Community Training Programme

The Business Community Training Programme (BCTP) was held in August 2014 for companies along Sungei Way and Sungai Penchala. BCTP has been designed to educate business operators about the importance of proper waste management and water conservation.

Our goal is to encourage businesses to work together towards a common goal: protecting rivers as one of our key water sources. The BCTP includes the sharing of best environmental management practices for local business leaders to adopt or develop upon.

The BCTP was launched by the then Mayor of Petaling Jaya, Datin Paduka Alinah Ahmad. It was jointly organised by:

- GAB Foundation
- Global Environment Centre
- Department of Immigration and Drainage Malaysia
- Selangor Water Management Board
- ENSEARCH

BCTP highlights for 2014:

- More than 30 participants were trained
- Over 20 companies were represented

Measuring our progress:

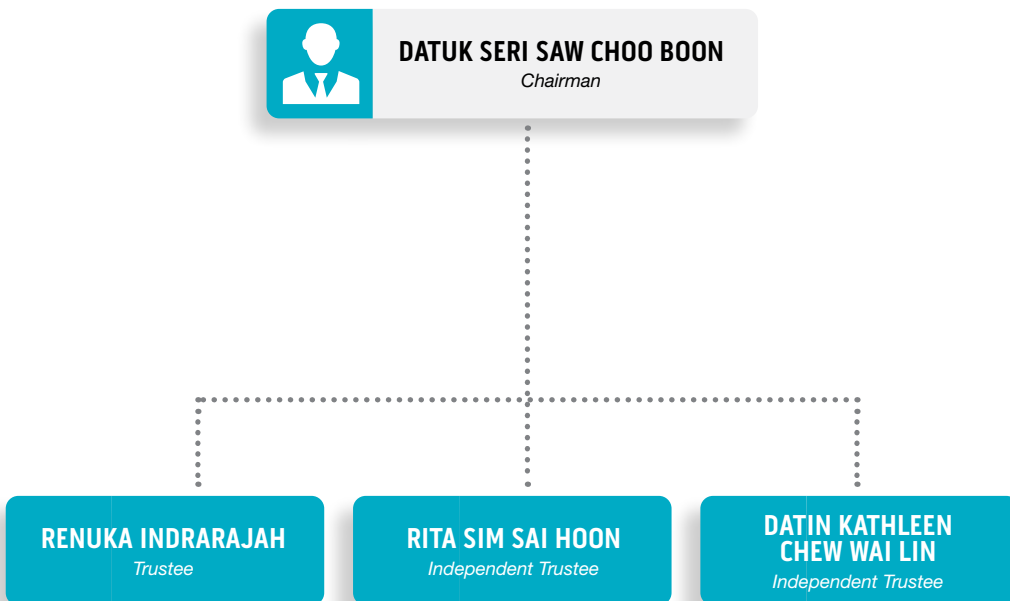
This was the first BCTP organised by the GAB Foundation. If further BCTPs are run in the future, we will measure their success by monitoring the number of companies that sign up to work on the W.A.T.E.R Project.

GAB FOUNDATION

The GAB Foundation was formed on 5th July 2007 under the Trustees (Incorporation) Act 1952 to spearhead GAB's corporate responsibility activities and continue GAB's efforts to enrich communities in three core areas: Environment, Education and Community. The Foundation is funded by GAB as well as by contributions from the general public. The GAB Foundation has been granted tax-exempt status under Section 44(6) of the Income Tax Act 1967 since August 2009.

The GAB Foundation is governed by a Board of Trustees which comprises of the following individuals:

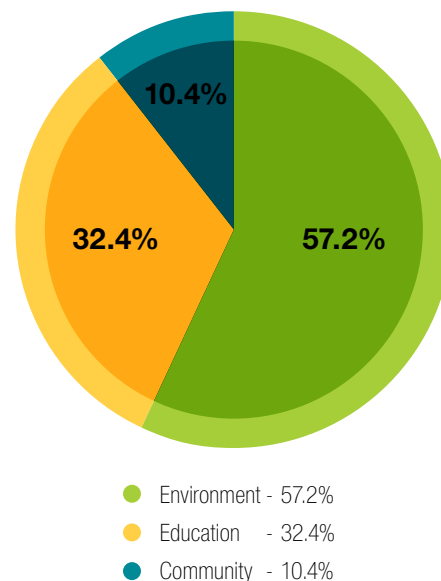
GAB Foundation Board of Trustees Structure



BREAKDOWN OF INVESTMENT: JANUARY 2013-DECEMBER 2014

The GAB Foundation made significant investments targeting its key focus areas in Environment, Education and Community throughout 2013 and 2014.

Breakdown of Investment



PERFORMANCE DATA

FINANCIAL YEAR ENDED 30 JUNE

		Unit	2015	2014	2013	2012	2011
ECONOMIC							
Financial performance	Revenue	RM '000	1,748,885	1,610,587	1,676,348	1,623,687	1,488,720
	Profit before taxation	RM '000	292,399	265,787	288,736	276,981	242,883
	Taxation	RM '000	(78,206)	(67,581)	(71,132)	(69,582)	(61,505)
	Profit after taxation	RM '000	214,193	198,206	217,604	207,399	181,378
	Dividends	RM '000	214,490	194,854	206,937	377,623*	163,133
	Net dividend per 50 sen stock unit	sen	71.0	64.5	68.5	125.0*	54.0
	Earnings per 50 sen stock unit	sen	70.9	65.6	72.0	68.7	60.0
	Reserves	RM '000	225,099	205,760	214,491	228,654	365,567
	Total equity	RM '000	376,148	356,809	365,540	379,703	516,616
	Net assets per 50 sen stock unit	sen	125.0	118.0	121.0	126.0	171.0
Analysis of group revenue	Depreciation & amortisation	%	2%				
	Taxation	%	5%				
	Staff costs	%	6%				
	Excise & customs duties & sales tax	%	48%				
	Raw materials & packaging costs	%	9%				
	Profit after taxation	%	12%				
	Distribution, sales & admin costs	%	18%				

*Includes special dividends

ENVIRONMENT							
Energy	Electricity consumption	kWh/hl	10.69	11.40	10.69	11.12	11.27
	Thermal energy/ Fuel consumption	MJ/hl	86.74	95.96	89.61	104.01	91.09
Water	Water consumption	hl/hl	3.99	4.94	4.54	4.73	4.63
Waste	Total co-products, packaging & industrial waste	kg/hl	0.77	2.10	-	-	17.18

FINANCIAL YEAR ENDED 30 JUNE

			Unit	2015	2014	2013	2012	2011
HUMAN RESOURCES								
Total number of employees (full time)		Number of employees		573	597	599	591	562
Contract staff		Number of employees		5	5	14	24	25
Female employees by work category	Senior management	Number of employees		44	40	37	35	32
	Management	Number of employees		52	47	42	38	38
	*Other staff	Number of employees		43	46	47	43	40
	**Operations	Number of employees		6	6	6	6	6
Male employees by work category	Senior management	Number of employees		86	85	81	87	80
	Management	Number of employees		152	147	150	129	114
	*Other staff	Number of employees		53	56	60	64	64
	**Operations	Number of employees		137	170	176	189	188
By region	Peninsular - Female	Number of employees		144	138	132	120	115
	Peninsular - Male	Number of employees		402	425	431	431	416
	East Malaysia - Female	Number of employees		1	1	1	2	1
	East Malaysia - Male	Number of employees		26	33	36	38	30
By age	> 55	Number of employees		26	27	24	37	9
	50 - 55	Number of employees		101	106	106	109	110
	40 - 49	Number of employees		145	157	159	163	147
	30 - 39	Number of employees		197	208	214	209	206
	25 - 29	Number of employees		90	87	78	65	72
	< 25	Number of employees		14	12	18	8	18
	Women returning to work after maternity leave	%		100	100	100	100	100

FINANCIAL YEAR ENDED 30 JUNE

			Unit	2015	2014	2013	2012	2011
HUMAN RESOURCES								
New hires		Number of employees		47	96	71	-	-
Employee turnover	Total	%		10.29	13.07	8.58	9.73	7.5
Labour standards	Employees covered by collective agreements	Number of employees		196	239	175	187	175
	Minimum starting wage	RM		1,610	1,100	1,100	1,100	1,100
Health & Safety	Fatalities for total workforce	Number of fatalities		0	0	0	0	0
	Lost time accidents	Number of accidents per 100 full-time employees		0	1.24	0	1.99	1.94
	Severity rate	Average lost days per accident		0	50.11	0	101.93	4.52
Training	Average number of hours of training per year per employee (management employees)	Hours		23.2	31.7	27.8	20.1	54.2
	Average number of hours of training per year per employee (unionised employees)	Hours		7.8	12.1	11.7	9.7	28.5
	Total number of incidents of discrimination and corrective actions taken	Number of incidents		0	0	0	0	0
	Complaints regarding discrimination or sexual harassment	Number of complaints		0	0	0	0	0

Notes:

* Employees categorised under 'Other staff' consist of supervisory staff which belongs to the Beverage Industry Executive Staff Union (BIEU)

** Employees categorised under 'Operations' belong to the Union of Beverage Industry Workers (UBIW)

CALENDAR YEAR

	Unit	2015	2014	2013	2012	2011	
COMMUNITY							
Foundation programmes	Education - English Enrichment Training Programmes (EETP)	Number of teachers involved	58	78	62	70	EETP method was different. From 2012 onwards, the focus switched to training teachers
		Number of students impacted	1,328	1,500	1,000	1,070	
Environment - W.A.T.E.R. Project		Number of people educated and engaged (River Carnival)	2,000	2,500	1,000	500	-
		Number of communities educated and engaged	17	13	10	-	-
		Number of schools educated and engaged	35	21	10	-	-
Big Day Out		Number of employees and business partners participated	0	600	550	-	-
		Number of beneficiaries	0	5,500	-	-	-

ABOUT THIS REPORT

This is GAB's sixth biennial stand-alone Corporate Responsibility (CR) Report, covering activities for financial years (FY) 2014 and 2015, unless stated otherwise.



SCOPE

The report boundary covers all CR related 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 data is provided on a best-effort basis. Any limitation to the reported figures is noted in the report.



REPORTING STANDARD

This report is based on the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, in accordance with the Core level requirements outlined in the G4 reporting standards.



ASSESSING MATERIALITY

The G4 guidelines put materiality at the centre of the reporting process. The content of this report includes issues raised through our various stakeholder engagement channels. The stakeholder engagement matrix is a summary based on engagements with GAB's management and employees, as well as representatives from suppliers and distributors.

We believe this provides a basis for a materiality assessment, which has guided the content and balance of this report. This helps us prioritise issues that are both key to our stakeholders and crucial for our business success. Please refer to the GRI index for more detailed information on these performance indicators.

DATA VERIFICATION

GAB undertook a structured assessment of the Company's environmental performance to ensure the sustainability data is reliable and accurate. GAB appointed an independent third party, Rapid Genesis Sdn Bhd, a consulting company specialising in carbon footprinting, to provide independent verification for this report. The environmental data in this report has been reviewed and the accuracy and reliability of its statements and figures validated.



RAPID GENESIS

Verification of Environmental Performance Reporting

GUINNESS ANCHOR BERHAD **CORPORATE RESPONSIBILITY REPORT 2015**

Rapid Genesis Sdn. Bhd. hereby declares that we have independently determined and verified that the environmental performance data is accurate as reported by **GUINNESS ANCHOR BHD. (GAB)** in **Corporate Responsibility Report 2015**.

Rapid Genesis had earlier been engaged by GAB for the same verification task in 2011 and 2013. For the financial year 2014/15, we again have been engaged by GAB to undertake verification of the following scope:

1. **Thermal** consumption data and performance from 2011 to 2015
2. **Water** consumption data and performance for from 2011 to 2015
3. **Electricity** consumption data and performance from 2011 to 2015
4. **CSR initiatives** and **Energy Saving Programme** implemented in 2014/2015 to improve the environmental performance of GAB's production facility

For the verification work, the data is sourced from the Production Department, Heineken Environmental Report as well as tabulated reports on the CSR initiatives. We have also communicated with the relevant personnel from GAB as part of the verification process.

Based on the performance figures and information compiled and calculated, Rapid Genesis hereby confirmed that the performance figures reported in this Corporate Responsibility Report 2015 is accurate to the best of the data and information made available to us.

A final verification report has also been submitted to GAB for their perusal and archiving.

15th October 2015

RAPID GENESIS SDN BHD

TANG KOK MUN
Consultant

RAPID GENESIS SDN BHD is a technology and consultancy based organization with main focus is the provision of consultancy and research services in areas of environment and high technologies; in the niche areas of green technology development, R&D commercialisation projects, techno-commercial studies, carbon footprinting, 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.

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			Performance data	40-41	
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SPECIFIC STANDARD DISCLOSURES					
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SPECIFIC STANDARD DISCLOSURES					
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HUMAN RIGHTS					
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Child labour	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Labour practices and human rights	32-33	
Forced or compulsory labour	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Labour practices and human rights	32-33	
Human rights grievance mechanisms	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Labour practices and human rights	32-33	
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Local communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Community outreach	34-38	
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CR Performance	G4-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	Code of marketing practice Big Opportunities: Regulatory environment	19 23	

Carbon emissions

The release of extra carbon dioxide (CO₂) into the atmosphere resulting in an increase of global temperature.

FMCG (Fast moving consumer goods)

Products that are sold quickly and at a relatively low cost.

GRI (Global Reporting Initiative)

A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.

GST (Goods and Services Tax)

A fixed 6% goods and services tax payable pursuant to the Goods and Services Tax Act 2014. It is part of a tax reform programme by the Malaysian government and implemented from 1 April 2015 onwards.

Independent Director

A director who is independent of management and free from any business or other relationships that could interfere with the exercise of independent judgement. (Source: Bursa Malaysia Listing Requirements)

NGO (Non-Governmental Organisation)

An independent voluntary organisation working towards a common purpose, often for social or environment motives.

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.

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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