

# Our Commitment to Responsible Marketplace Practices



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## GAB'S RESPONSIBLE DRINKING VISION

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

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

## OUR STATEMENT OF INTENT

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

## ROLE OF THE GAB ACADEMY

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

## OUR COMMITMENT TO RESPONSIBLE MARKETPLACE PRACTICES

### UPHOLDING RESPONSIBLE BUSINESS PRACTICES

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

#### Responsible Reporting

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

#### Responsible Marketing

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

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

#### Ethics Charter

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

#### Strategic Planning and Tracking

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



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

#### Risk Management

As GAB operates in a highly competitive and challenging environment, we have in place ongoing processes to identify, evaluate and manage the risks faced by the Company as it pursues its business objectives and strategies. These risks are reviewed and evaluated on a regular basis when formulating our strategic plans. Our risk management process is managed by a Risk and Control Workgroup (RCW) headed by the Finance Director and made up of cross-functional Senior Managers. The RCW is tasked with identifying the key business risks the Group faces and with adopting a proactive approach to manage these risks. These risks come in several forms:

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

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

#### CONTROL ASSURANCE AND RISK MANAGEMENT

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

#### CRISIS MANAGEMENT

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

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

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