

Our Commitment to Good Environmental Performance



WE CARE FOR OUR ENVIRONMENT

We are committed to improving our environmental performance through the implementation of sound Safety, Health and Environmental (SHE) practices. Our systematic approach to SHE management is designed to ensure compliance with government legislation, international protocols and global best practices.

Sound SHE Practices

Our implementation of good SHE practices is guided by GAB's SHE Policy Statement. The SHE Policy Statement dictates that our people adopt the safest and healthiest conditions, that are reasonably practicable, in compliance with relevant statutory and Company requirements. The Policy applies to all production and non-production activities including the maintenance of plant equipment, the provision of training, the provision of adequate facilities and welfare arrangements, as well as the development of safety awareness programmes.

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

Internal Controls

Our time-tested TPM programme helps us identify and prevent losses through wastage in order to reduce production costs. Under the TPM programme, working groups are formed to address specific problem areas. Targets are then set and incorporated into a plan which outlines the actions needed to resolve problem areas. Once a problem area is resolved, the related group will be closed and the results documented for future use.

We conduct internal audits on our TPM groups regularly throughout the year to monitor their progress. In addition, safety and hygiene audits are also carried regularly to ensure that the safest and healthiest work conditions are maintained.

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ENVIRONMENTAL CONSERVATION INITIATIVES

We believe in minimising the impact of our operations on the environment by setting challenging improvement targets to progressively reduce emissions and discharges. The following environmental conservation practices are in place at GAB:

Thermal Energy Conservation

We use heat mainly for brewing, cleaning bottles and the pasteurisation process. This heat is mostly generated from natural gas sourced from the national natural gas pipeline which we started tapping into in 2007. Prior to this, we were using fuel oil. The switch to this more environmentally-friendly energy source has greatly reduced our dependence on fuel oil while reducing our emission of carbon dioxide into the atmosphere.

Besides natural gas, renewable gas, mainly biogas, is used to generate some of the heat we require. Biogas is obtained from the anaerobic treatment of wastewater at the wastewater treatment plant. In FY08, our thermal energy consumption was reduced by about 11% in comparison to the previous year. We are currently exploring other avenues to obtain further savings in waste heat recovery.



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Emissions Reduction

The use of non-renewable fuel generates bi-products such as carbon dioxide (CO₂), nitrous oxide (NOx) and sulphur oxide (SOx), can cause climate change. Due to the proactive steps we took to switch to natural gas, we reduced our fossil CO₂, NOx and SOx emissions by 24%, 11% and 97% respectively over the previous year.

Emissions to air	Unit	2005	2006	2007	% Change
Fossil CO ₂ emission	kg/hl	7.3	6.8	5.2	-24
NOx emission	kg/hl	0.008	0.012	0.011	-11
SOx emission	kg/hl	0.071	0.061	0.002	-97
Halon content	kg	0	0	0	0
Halogen containing refrigerants; losses (% of content)	%	28	74	22	-71
Halogen containing refrigerants lost (ODP)	kg R11 eq.	8	29	8	-71
Halogen containing refrigerants lost (GWP)	kg CO ₂ eq/hl	0.43	0.84	0.22	-73
NH ₃ present in installations	kg	2,500	2,500	2,600	4
NH ₃ losses from installations	%	0	22	37	68

Lower Electricity Consumption

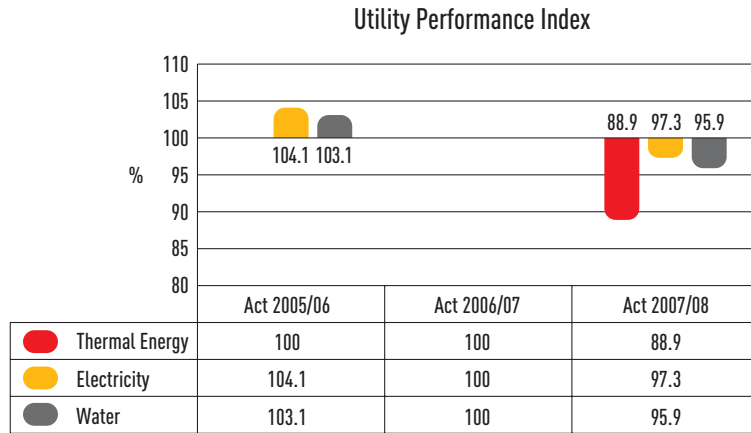
Electricity at GAB is mainly used for purposes of refrigeration and water treatment as well as to drive compressors and other machinery. Other than this, we use electricity for liquefying CO₂ and for office equipment and lighting purposes. In the year under review, electricity consumption at the brewery decreased by 2.7%. This reduction was attributable to our successfully capitalising on economies of scale derived from our increase in production volume. On top of this, electricity reduction activities carried out by TPM teams also helped lower our consumption.

Lower Water Consumption

Water is the main raw material in our products. It is also used for cleaning process tanks, packaging, production equipment and utility installation. In FY08, we undertook various initiatives to reduce water consumption which resulted in a 4.1% reduction in water consumption. This result is directly attributable to TPM activities that focused on optimising water consumption and reducing wastage in the production process.

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Our Utilities Performance Index below reflects the progressive and positive impact of our thermal energy, electricity and wastewater initiatives these past few years:

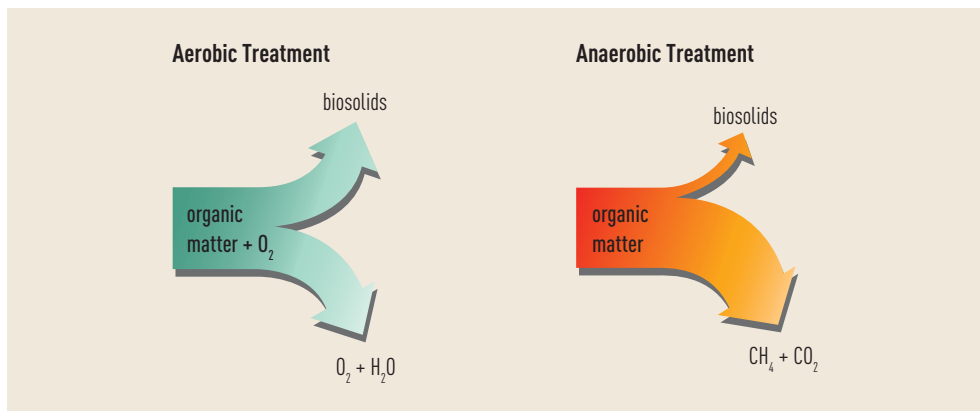


RECYCLING PRACTICES

Wastewater Initiatives

GAB's wastewater is treated at our wastewater treatment plant to ensure no harmful substances are discharged from the brewery. Two methods of biological treatment are used to treat this wastewater. The first method involves anaerobic treatment where biochemical reactions take place in the absence of oxygen. The organic carbon is then converted to CO₂ and CH₄ and biomass.

The second method utilises aerobic treatment where oxygen is associated in biological reactions. The organic carbon is converted to CO₂ and biomass. GAB's treatment of wastewater is fully compliant with local legislation.



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Packaging Standards

GAB's brews come packaged in glass bottles, kegs and cans. The primary packaging for our glass bottles includes crown corks and labels, while the secondary packaging includes cardboard and plastic film for transportation. All our packaging is governed by the highest quality standards such as ISO 9001:2000 and HACCP and we faithfully comply with statutory guidelines.

We strictly prohibit the use of known or expected carcinogenic or other harmful substances such as solvents and pigments. The coatings and inks we use for packaging materials such as labels and cans are free of heavy metals. The printing inks for labels intended for use on returnable bottles is free of copper to prevent wastewater treatment problems. We do not use any form of PVC in our crown corks liners.

All returnable kegs and glass bottles are sent back to the brewery where they are cleaned and reused. All cans, bottles, crown corks and labels that are rejected during the production process are separated and sold to assigned contractors for recycling. Broken kegs are sold as scrap metal.

Bi-products and waste

Our brewing process creates a number of bi-products, namely spent grain and yeast. We sell this spent grain as animal feed while the majority of the spent yeast is partially treated in the wastewater treatment plant.

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