

Our Commitment to Responsible Marketplace Practices

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GAB – WHERE GOOD BUSINESS PRACTICES PREVAIL

As a responsible corporate citizen, GAB is all for undertaking sustainable and responsible business practices that deliver positive outcomes to our customers, employees and the communities and environment that we operate in. Through self-regulating our behaviour and accepting full accountability for the social and environmental impact of our marketplace practices and policies, we are helping to protect our reputation and enhancing GAB's long-term competitive and financial position. It is also helping us mitigate potential risk on the financial, regulatory and consumer fronts.

Transparent Reporting

While we are committed to ensuring that transparent reporting to our stakeholders takes place, at the same time we are conscious of not divulging any confidential information that could benefit our competitors. Details of GAB's internal controls and corporate governance measures can be found in our Annual Report 2008 or on our website at www.gab.com.my



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Responsible Marketing Practices

We have taken it upon ourselves to practice self regulation. GAB's Code of Marketing Practice outlines strict guidelines that we and our representatives are to follow when marketing and promoting our brands. This Code of Marketing Practice lists out the rules on how GAB is to communicate responsibly to consumers and ensures self-regulation of all GAB's communication to its various stakeholders.

Our marketing code dictates that we sell our products in a responsible manner only to consumers of legal drinking age. The marketing code also outlines that all promoters who sell beer should look at least over 26 years of age, that we never target minors with our promotional events, and that even our website highlights the fact that the content is suitable only for those over the legal drinking age. We also hold regular briefings with our agencies to ensure compliance with the Code of Marketing Practice and have in place strict approval processes. All in all, our marketing code ensures 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 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

Strategic planning and tracking are integral components of our business. GAB's Management reports to the Board of Directors, which currently has ten members, two of which are Executive Directors. Six out of the remaining eight Non-Executive Directors, including the Chairman, are independent. Regular meetings are held between Management and the Board during which operational performance and related matters are discussed.

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Each year, Management prepares a three-year strategic and operational plan, where 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

GAB operates in a highly competitive and challenging environment. The Company has in place an on-going process in identifying, evaluating and managing the risks faced by the Company in pursuing 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 FD 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 our brands and products is crucial to GAB's success. 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 our certifications successfully renewed year after year.

CURRENCY AND INTEREST RISKS

GAB's Treasury Risk Committee (comprising representatives from Finance, Technical, Purchasing and Sales Departments) meets once every quarter to review risks relating to cash flows, foreign currency exposure and interest rates. GAB engages in an exchange rate hedging programme to minimise our exposure to exchange rate fluctuations.

FISCAL POLICY RISK

GAB, through the CMBB, engages with the relevant Government agencies to highlight the issues faced by the industry in this area. We also communicate with the relevant authorities through various trade organisations.