

## Our Commitment to Workplace Best Practices



### GAB - A GREAT PLACE TO WORK

At GAB, we are working hard to ensure that our people have a conducive working environment plus all the tools and support they need to enable their success. We kicked off our “Malaysian Employer of Choice” initiatives in the year under review and today we are beginning to see the fruit of our efforts in the harmonious, industrious and cohesive workforce that is driving GAB today.

As part of our commitment to employing workplace best practices, the following practices and policies are in place at GAB today:

#### Vision and Values

Last year, we set ourselves a highly ambitious Vision, updated our Company Values and outlined deliverable missions for each department within GAB.

Our Vision of becoming “an icon in business. Respected the world over for delivering exceptional growth in people, brands and performance,” is already doing much to inspire our employees to move up to the next level of delivery and transform us into a truly great company.

Our Values too have been updated to more closely reflect the GAB style of working. These shared beliefs upon which GAB and its employees act upon are as follows:

- We have a passion for winning
- We value and respect each other
- We show integrity in all that we do
- We provide enjoyment

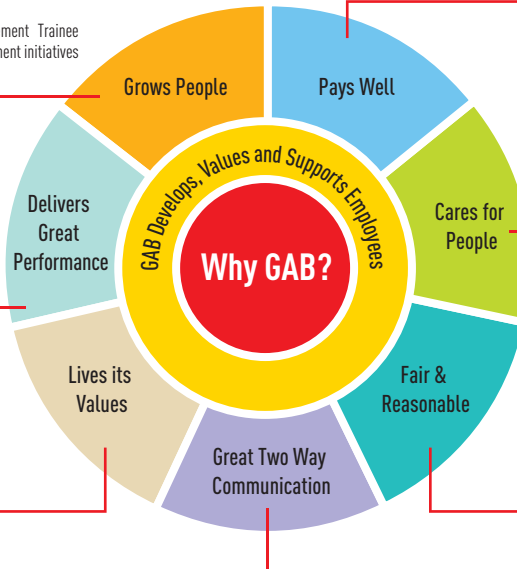
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We are passionate about our employees being given every opportunity to reach their full potential. We want our people to have careers with us. In their career journey, each employee has a career development plan encompassing training and development, to encourage and enable their growth. We believe that our passion for developing people will enable us to attract and retain top Malaysian talent and that this will have a direct and very positive benefit on our company's performance.

We are building a pipeline of new talent through a Management Trainee programme. This programme complements existing talent development initiatives already in the organisation.

We continue to improve the way we work by increasing efficiencies within business units through fostering more teamwork, enhancing focus on our core competencies, aligning manpower requirements and streamlining our policies to the ever-changing needs of the organisation.

We believe that our values give us our identity and are the cornerstones upon which our relationships are built. We work tirelessly to ensure that our actions are always consistent with our values.



We believe that a fair day's work deserves a fair day's pay. We benchmark ourselves against a peer group of international and local Malaysia based FMCG businesses and aim to always remunerate at or above the median range of this group. Furthermore we encourage and reward over-delivery through formal and informal incentive programmes. We strive towards being one of the top paymasters.

We believe that people produce their best results when provided a great environment in which to work.

We provide a great working environment in GAB, ensuring our work spaces are ones that we are proud of. We ensure we have competitive employee benefits and we actively encourage a healthy work life balance for all staff.

We believe in treating others as we ourselves would like to be treated. As such we ensure that all GAB employees are treated fairly and reasonably. We appraise performance objectively and everyone knows how they are rated. Our employment policies, terms and conditions and grievance and disciplinary procedures are fair, clear and balanced. Furthermore we ensure that opportunities to progress in the organisation are given to employees, independent of race or gender.

We believe that great communication is vital to both great team work and great performance. We encourage open, honest and direct two way communication at all times. Our senior managers are role models for this and we work hard to create connections for everyone in the business and opportunities for all to have their say.

# Creating a sustainable environment for winners to work simply makes great business sense; after all, when our people win, we win.

These Values guide us in how we should behave as a business and as individuals as we pursue our quest to become an icon in business. They have been well received by our employees who are already operating at a high level of consistency with them.

### The Seven HR Pillars

We understand that creating a conducive work environment where everyone feels valued and respected, is good for morale and for business. As such, GAB's Seven HR Pillars were developed to guide our ongoing

efforts to improve, empower, motivate and reward our employees for great performance, regardless of race or gender.

GAB's Seven HR Pillars are reflected in the diagram above.

Based on each of these pillars, a variety of initiatives are planned and implemented each year. Once set targets are achieved, we evaluate, fine-tune and improve on our efforts and strategies.

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### TPM PROGRAMME

At GAB, we are bringing world-class processes and technologies as well as a strong culture of excellence into play to ensure that we accelerate closer towards our Vision of becoming an icon in business. Our Total Productive Management (TPM) programme, now into its fourth year of implementation, best represents our efforts to elevate our performance.

GAB's TPM Programme is based on the global Heineken TPM programme and guided by regional Heineken TPM consultants. It has done much to inculcate a zero loss culture among our people as they grasp the importance of improving their KPIs and reducing overtime and other costs, while increasing production and volume. Carefully structured TPM training ensures that the TPM mindset is continually cultivated throughout all areas of the work process. Under the TPM programme, several effective initiatives have been implemented to enhance workplace efficiency and eliminate wastage thereby lowering GAB's overall costs.

As a result of our continuous efforts to inculcate this culture of excellence throughout GAB, we continue to be ranked among the best breweries within our brand owners' global network and receive international recognition on several fronts:

- For the second consecutive year, GAB won the coveted Guinness League of Excellence Award for the best quality Guinness brewed outside of Ireland. Judging in this highly competitive annual competition among the Guinness breweries involves an elaborate and meticulous process all year round. Judged by an independent panel at the Guinness Brand Technical Centre in Dublin, Ireland, the competition spans 47 breweries around the world. For 2007, GAB was also awarded the highest scores in the Asia Pacific Region and the Rest of World categories.
- GAB became a first-time winner of the International Tiger Quality Award as well as the Tiger In-market Quality Award for 2008. The latter evaluated us on our product's freshness, packaging quality and serving standard.
- Following a Heineken Group corporate audit on 23 May 2008, GAB did very well (achieving 79% of the set KPIs against 66% in the previous year). With this result, we are now ranked 19th among other Heineken breweries worldwide, and 7th in the Asia Pacific region.

All these awards serve to show that GAB's culture of excellence and our TPM initiatives are taking us much closer towards achieving our vision of being an icon in business. More details of our TPM initiatives can be found in this year's Annual Report under the "Supply Chain" section.

### FOSTERING OPENNESS

To ensure better communication, enable faster decision making and nurture the GAB team spirit, we have implemented several initiatives to foster openness at all levels:

#### Open-plan Environment

Following renovations to our headquarters and the Supply Chain department, all personal offices within GAB have been dismantled. Today, all employees, regardless of seniority, work in an open-plan environment which encourages more face-to-face communication and faster decision-making. The open-plan approach will be rolled out across our regional offices over the next two years.

#### Internal Communications

Tavern Talk, GAB's internal newsletter is published once in two months. It aims to be the "Voice of Employees" where they are actively involved and engaged in its publication. This newsletter also contains management, corporate and brand updates to keep employees abreast on latest developments.

On top of that, the MD publishes a monthly update on his thoughts and business developments. This is part of his personal commitment to promote open and better communications within GAB.

#### MD's Breakfast Meeting

Every month, the MD meets with a cross-section of employees from different departments in a no-holds barred breakfast meeting. Here, the parties get to know each other and questions are raised personally with the MD who answers them there and then. Over time, all GAB's staff would have had a chance to sit in on these breakfast meetings.

#### National Commercial Conference

At this annual conference for the Sales and Marketing teams, all heads of departments are given a platform to share their plans for the coming

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financial year. The Sales Director and MD share the set targets and KPIs for the Sales team and motivate them to achieve those targets, while the Marketing team highlights the activities and strategies planned for each brand and trade partners. In line with GAB's commitment to full transparency, an open dialogue session is conducted with the Management Team, whereby as many questions are fielded on the spot. Any unanswered questions are then addressed by way of a published memo to all employees.

### CODE OF CONDUCT

GAB has a clear and comprehensive Code of Business Conduct which outlines the way in which our employees and businesses are to go about their day-to-day business affairs. Shared with all employees, this Code is an extension of GAB's Code of Corporate Governance which outlines the best practices that guide GAB and its subsidiaries. Its main aim is to ensure that all decisions and judgements made by employees comply with the highest ethical standards. It also serves to reassure our stakeholders that GAB is duty-bound to behave as a responsible corporate citizen and conduct business in an ethical manner.

### EMPLOYEE PROTECTION

At GAB, we have set in place specific policies and procedures to provide protection for all employees:

#### Sexual Harassment Policy

GAB's Sexual Harassment Policy is designed specifically for complaints related to sexual harassment. Supported by specific procedures, it ensures that complaints of this nature are dealt with promptly and in a transparent manner.

#### Employees Alcohol Policy

Our Employees Alcohol Policy sets down guidelines for responsible drinking and deems what is acceptable behaviour among GAB employees. It outlines areas such as the responsible serving of alcohol and the prevention of inappropriate levels of alcohol consumption. It provides advice on drinking and driving alcohol dependency and rehabilitation, and discrimination and harassment regarding alcohol abuse.

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### EMPLOYEE TRAINING AND DEVELOPMENT

GAB's employees are the heart and soul of our business, and we are committed to ensuring they have access to ongoing training, learning and development opportunities. Whether they are handling customers or distributors, sales and marketing, the technical aspects of the business or even our safety, health and environmental elements, we are committed to continually developing and harnessing each individual's potential and empowering them to do their jobs effectively.

In FY08, we increased our training and development budget by 20% as part of our commitment to skills and competency development and employee empowerment. The training budget was fully utilised and paved the way for employees to have specific job-related training and also general management competency training.

Currently, these following initiatives are also in place at GAB to help our people grow personally and professionally:

- We continuously invest in comprehensive career development plans to attract and retain top Malaysian talent. Upon joining GAB, individuals are given the opportunity to reach their full potential through training, promotion, lateral exposure, job rotation or secondment opportunities.
- Training plans and career development plans are in place for all GAB's Leadership Team (who are direct reports) as well as the entire Management Team. While being groomed and moulded to become future leaders of the Company, GAB's Leadership Team is privy to leading-edge training opportunities which have included the "Greatness Challenge Workshop" and a three-day "Seven Habits of Highly Effective People Workshop" by Dr Stephen Covey.

In FY08 our former Marketing Manager for Tiger, Charles Wong, successfully secured a role as a Marketing Manager for Diageo in Ireland. Charles joined GAB at the end of 2001 as the Brand Manager for Tiger and was subsequently promoted to Marketing Manager for Tiger. Under Charles' leadership, his superb brand marketing skills and his comprehensive commercial experience, the Tiger brand in Malaysia achieved double digit volume growth. Charles' secondment to a very significant marketing role in Ireland reflects the confidence that our brand owners have in GAB-trained people. Charles will look after all aspects of his brand group's development – from creating strategy to implementing activity programmes, to managing the relationship with the brand owner. Charles and his family are based in Dublin where he began his tenure on 1 June 2008. He will have the option of returning to work in Malaysia after his three-year stint in Ireland and we wish him every success in his endeavours.

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- GAB's Hiring Policy dictates that we are to hire from within before considering external candidates. This ensures that all employees are given a fair opportunity to pursue career advancement. Where there are vacancies within our brand owner's international network, existing staff are afforded the opportunity to apply for international secondment.

### WORK-LIFE BALANCE

At GAB, as part of our commitment to "providing enjoyment", we are creating a workplace that encourages high productivity and creativity; one which will provide our people a sense of work-life balance and fulfilment. To this end, several initiatives are in place:

#### Flexi-hours

We recognise that employees who are happy in their personal lives, are more productive and efficient, and as such GAB has introduced the flexi-hours system to help employees balance their work and personal lives. This system was launched on 31 March 2008 following requests made in the Employee Satisfaction Survey conducted in November 2007. It allows employees the flexibility of either starting work earlier or later while still fulfilling the requisite eight work hours a day within the core working hours of 9.30 am to 4.30 pm.

#### Employee Health Initiatives

We take great efforts to ensure that our employees' well-being and health is well cared for by encouraging them to eat healthily and to exercise on a regular basis. Healthy employees are happier and able to perform better. Our Fruit of the Month initiative involves the provision of different types of fruit every month to encourage healthy eating. GAB's Sports Club provides a platform where employees are encouraged to take up sports interest such as bowling, tennis and badminton at facilities which we rent for their benefit.

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### Family Open Day

In FY08, we provided the opportunity for families of our employees to visit and tour the workplace so they could better understand the nature of their loved ones' work.

### OCCUPATIONAL SAFETY & HEALTH MEASURES

In line with our strong commitment to good occupational safety and health practices, we place the highest priority on raising awareness, providing training and changing behaviour in the workplace to reduce work-related accidents and incidents. The following initiatives, among others, are in place:

- First aid training and fire drill training are conducted on a scheduled basis;
- An emergency number that links directly to our security personnel is made available to all employees and they can call this immediately in the event of a general or personal emergency;
- Protective equipment is provided where necessary to all employees and contractors;

- Frequent safety briefings are held for contract workers whereby GAB's safety procedures are highlighted;
- Annual inspections of our brewery are conducted by the local fire department to gauge our state of readiness in the event of a fire. We once again successfully obtained our certification from the local fire department for the year 2007.

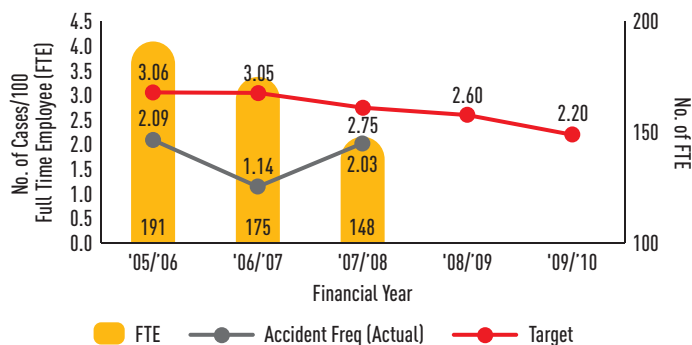
To improve safety and security measures at the brewery, we have built a separate car park for visitors and operations personnel. This has segregated traffic from our main corporate and technical buildings and improved traffic flow. It has also enhanced our logistics movements, whereby there is now a single route for all incoming and outgoing trucks.

GAB also has in place proactive monitoring activities to enhance safety performance and reduce the number of work-related accidents. The Safety, Health and Environment (SHE) Committee, comprising representatives from every department, reviews each accident that occurs. Corrective and preventive measures are then drawn up and implemented immediately to ensure these types of occurrences are not repeated. However, in FY08, there was a slight increase in accident frequency with 3 occurrences of accidents as compared to 2 in the previous year. In response, there are plans to step up awareness training in FY09.

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**Accident Frequency**



### EMPLOYEE SATISFACTION

In November 2007, our HR Department conducted our first ever GAB Employee Satisfaction Survey. The findings and follow-through actions were shared with employees through our internal newsletter. The survey's top line results revealed that most employees are satisfied working at GAB (15% of employees are very satisfied working at GAB and 49% are more than satisfied).

### GAB'S WORKFORCE

Our people make GAB a great company. We recognise that their individual talents, cultural background, education, and experiences provide a unique and important foundation for the diverse workforce that makes up GAB. We have a total workforce of 515 employees, out of which more than 51% is based at our Sungei Way headquarters in Petaling Jaya, where our brewery operations are located. 99% of our workforce is in full-time permanent employment while the remaining 1% is employed on a contractual basis. 42% of our employees are unionised. As part of our commitment to ensuring workplace diversity, 20% of our workforce comprises female employees with about 93% of these employees in management-level positions.

**GAB, In Pursuit of Satisfaction... As a Great Employer**

