

Message from the Managing Director



This year is a special one for GAB, as we celebrate 10 consecutive years of growth in revenue, profit and market share. I am very proud of our financial performance, especially as they are accompanied by equally impressive achievements in our corporate responsibility performance.

This year, we made significant headway in our quest to encourage sensible drinking. We reached out to all of our employees and business partners to ensure that all of our activities support the Drink Sensibly message. We have also launched a Drink Sensibly website, and we have enhanced our internal marketing policies, as well as guidelines for alcohol consumption during working hours.

With regards to our environmental performance, we are seeing further improvements. In a world where resources are scarce and climate change looms as a major threat to our way of life, I am pleased that our continued innovation has resulted in a continued reduction in energy use, water and waste. Such reductions minimise our impact on the environment, and also provides efficiencies and cost savings – a win-win for all.

We continue to see high levels of staff engagement and low employee turnover rates, but we understand that there are still challenges ahead: We operate in a highly competitive labour market and it is a high

priority to continue to attract and retain the best and the brightest Malaysians. I take note of the suggestions from our employees that they want further engagement, and more opportunities to contribute their ideas. Our focus on a safe and healthy workplace also continues: We have introduced an employee wellness programme and strengthened no-smoking policies. Although we did not match last year's zero-accident record, we are pleased to see that our efforts to reduce severe accidents continue to pay off.

We have also seen progress in our community programmes. We engage with communities – through our volunteer activities and the Big Day Out, and through the GAB Foundation, which supports long-running activities such as the WATER Project and our English Programme. These activities create long-term and sustained impacts, and we make it a point of evaluating them to ensure they deliver maximum value to communities.

Our financial results and our corporate responsibility achievements were made possible through the hard work and support of our stakeholders. This year, we have therefore embarked on a structured stakeholder engagement exercise, to ensure that we understand the concerns and challenges of these important partners. This has been a great learning, as it helped us identify areas where we can improve, as well as areas where we need to enhance our communication to avoid misunderstandings.

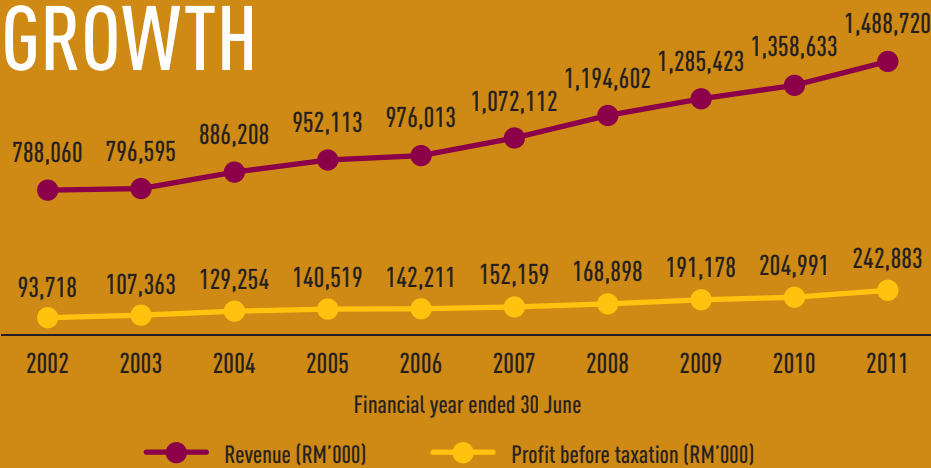
To continue our performance, we will aim for growth and continual improvement. This requires us to constantly examine our performance across all aspects of operations. Our 10 years of growth is no reason to be complacent. On the contrary, this obliges us to continue our quest to become an Icon in Business – in Malaysia and globally.

I would like to thank each and every one of our employees, suppliers, customers, distributors, and investors, as well as our local communities for their continued support in GAB's road towards excellence. I look forward to continuing the journey.



Charles Henry Ireland
Managing Director

10 consecutive years of
GROWTH



REDUCING ENVIRONMENTAL IMPACT
2008 – 2011*

8.4%
less electricity

14.2%
less waste

8.4%
less water

* Reporting period: 1 October – 30 September

Our Achievements at a Glance

DRINK SENSIBLY
FY2009 – FY2011

4,000
front-line staff of outlets
trained on sensible drinking
and sensible serving

All GAB employees
trained on sensible
drinking

IMPROVING HEALTH AND SAFETY
FY2006 – FY2011

73.3%
reduction in severity
of accidents

8.6%
fewer accidents

COMMUNITY
FY2008 – FY2011

5 communities and close to **7,000** people
educated and engaged through the WATER Project

about **1,000** students
from 25 schools have benefitted
from the English Programme

36 reading corners
set up in Peninsular and East Malaysia

38 scholarships
worth more than RM740,000 awarded

What We Still Want to Achieve

We have reviewed our approach to targets and commitments, to ensure they are measurable and focus on outputs and outcomes. Previous years' commitments, which focused more on inputs and process are addressed in the relevant sections of this report.

OUR CR TARGETS FOR FY2012

Our Commitment	We will improve by	Target date (Financial year ending 30 June)
Responsible Marketplace	Developing and delivering a training programme on our Code of Marketing Practice for our Commercial team and external marketing agencies	FY2012
	Developing and delivering Drink Sensibly training for our promoter girls, distributors and front-line staff of our major trade partners	FY2012
Best Practice in the Workplace	Increasing average training hours per employee by 5%	FY2012
Health & Safety	Maintaining accident levels below 1.8 Lost Time Accidents (LTA)	FY2012
	Maintaining the accident severity rate below 8	FY2012
Good Environmental Practices	Reducing water consumption to 4.57 hl/hl	FY2012
	Reducing electricity consumption to 10.51 kWh/hl	FY2012
	Reducing thermal energy to 78.19 MJ/hl	FY2012
Community Enrichment	Developing a community project measurement tool to quantify the impact on our community investments	FY2013
	Engaging our trade and business partners to increase their participation, either in the form of donations or physical participation, by 20% from previous year	FY2012
	Developing and implementing an employee engagement campaign to increase employee understanding of and participation in GAB Foundation activities	FY2012

LTA = accidents per 100 full-time employees

Severity rate = lost days per accident

Stakeholder Panel Opinion

We were invited to participate in GAB's stakeholder engagement programme, participating through interviews and focus groups in providing initial input for the identification of key issues around corporate responsibility. We were invited for a group discussion, and given an opportunity to comment on the near-final draft of the GAB Corporate Responsibility Report for 2011.

Each of us has read through the sections related to the stakeholder groups which we represent: Community, Employees and Investors. We find that the report gives a fair and balanced view, addressing the issues that are material to us. The summary of meetings provides a good overview of the topics raised through the stakeholder engagement process, and the additional narrative in the report largely addresses the points raised during the meetings.

For GAB to improve its disclosure and CR Strategy, we would recommend the following:

- More inclusion of trade partners and customer concerns. From a commercial and investor perspective, these are key stakeholder groups, and disclosure in this area would be of interest.
- It would be good to see a stronger link between the various parts of the CR Strategy. GAB could for example illustrate how employee retention or environmental resource savings are linked to profitability.
- We would like GAB to illustrate the value of community engagement to the Company. Efforts in Chinese education can create a strong bond with consumers and may have a real impact on consumer choices and loyalty. We would also like to see more involvement of GAB employees in our Foundation projects and more communications about the Foundation activities.

Although the stakeholders we represent may not always read sustainability reports, we think that this kind of disclosure can be important in the medium-to-long-term. In the near future, the Bursa Malaysia Environmental, Social, Governance (ESG) index may put more focus on sustainability disclosure and GAB will be well prepared. More importantly, the absence of such disclosure can cast doubts on the Company's commitment to CR and sustainability. It assures us that GAB is committed to sustainability, and is a testament to the Company's strong management across all issues.

For the community: Encik Azli Abu Bakar and Dr. K. Kalithasan, Global Environment Centre

For employees: Ms Ramjeet-Kaur Virik, GAB

For investors: Ms Moey Su En, UOB Kay Hian

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