

SUSTAINABILITY & CORPORATE RESPONSIBILITY

SUSTAINABILITY AT CCM

Sustainability has been a guiding principle within CCM. Today, sustainability is integrated throughout our entire business, allowing us to maximise opportunities in areas such as innovation, community development and value creation.

Sustainability is a strategic priority for us. We seek opportunities to leverage our influence as the leader in each of the sectors in which we operate to further the sustainable development agenda of our nation. Our holistic approach to sustainability is achieved by successfully integrating social, environmental and economic aspects into our business operations. As we take steps in our sustainability journey, we are more convinced of our role than ever to achieve a better way of living and working to enhance the quality of life of all our stakeholders. Each of our businesses takes a proactive role by reaching out to stakeholders and positively affecting their lives.

VALUING OUR STAKEHOLDERS

We have a long history of stakeholder engagement and are committed to engaging in constructive and meaningful dialogue with stakeholders. Effective communication helps us to build trust, leverage their expertise and gain insights into the most pressing issues. Stakeholder engagement helps us to reaffirm the most material issues and devise ways to address them within the Group.

ECONOMIC

CCM is a Government-linked company and is presently one of the largest manufacturers of pharmaceuticals, chemicals and polymers in Malaysia. It also has regional offices in Singapore, Indonesia and the Philippines. CCM has set benchmarks by implementing responsible, sustainable and consistent compliance procedures throughout the Group to meet the growing needs, domestically and overseas.

Championing Halal initiatives for more than a decade, CCM has emerged as a leading Halal industry driver within the region. Growing alongside the Malaysian economy, we have made significant contributions to the country's development to nationhood. We generate economic value for nations, regions and communities by providing employment, paying taxes, supporting local goods and services and developing infrastructure. We consider it as our responsibility to make a broader contribution to sustainable development in the communities in which we operate and invest in national projects.

We work in partnership with local communities, the Government, NGOs and industry experts in realising our vision of 'Enhancing Quality of Life'. As a key player in the pharmaceuticals, chemicals and polymer industries, we continue to assume a leadership role to intensify efforts and strengthen ties with industry peers.

ENVIRONMENTAL

CCM has a long standing commitment on managing our environmental footprint. We address key impacts across our businesses and focus on continuous improvement, with particular emphasis in the areas that are most relevant to each business.

We continuously evaluate on how we can reduce the environmental impact of our operations and in the manufacturing of our products. At CCM, we focus the bulk of our environmental sustainability efforts in two complementary areas: minimising the environmental footprint of our operations and supply chain, and reducing the environmental impact of our products and packaging. We also engage our employees, customers and communities to promote a culture of environmental responsibility.

Wastewater Recovery Project

All CCM manufacturing plants are equipped with wastewater treatment facilities. We embarked on a wastewater recovery project for our polyaluminium chloride ("PAC") plant in Pasir Gudang which was successfully completed in April 2016 to manage the wastewater generated to ensure our compliance with Environment Quality (Industrial Effluent) Regulations 2009.

Styrofoam-free Initiatives

CCM headquarters initiated and launched a project called "Project Styro free zone", ahead of the Government's initiative to enforce the ban on the usage of *Styrofoam* to discourage, reduce or perhaps eliminate its usage in view of its negative effects on our health and the environment.

Program Rakan Saintis Sungai CCM ("RSS")

Program Rakan Saintis Sungai CCM raises awareness by educating primary and secondary schools students on the importance of environmental conservation, emphasising river health in particular.

CCM worked closely with the Department of Environment and various institutions in advocating the importance of preserving our natural water resources. This holistic approach educated school-goers on the importance of environmental conservation and protecting our natural resources.

SOCIAL: SOCIETY

We view investment in communities as an instrument for contributing to the development of the societies where we operate. We are committed to enhancing the well-being of the community with our direct financial support, voluntary participation by employees in humanitarian projects, fundraising activities, partnership with organisations and other philanthropic causes.

Building Love Starts Young with CHAMPS

Our Pharmaceuticals business launched the 'Building Love Starts Young' campaign through one of its established brands, CHAMPS in collaboration with the National Autism Society of Malaysia ("NASOM") to address misconceptions and raise awareness of autism to children and the public.

Our pledge to contribute 50 sen to NASOM for every bottle of CHAMPS Vitamin C sold during the campaign period yielded RM44,217.50 which was presented to NASOM on 26 August 2016.

CCM Supports Care for Parkinson's Disease

Parkinson's disease ("PD") is a debilitating progressive disease of the nervous system marked by tremor, muscular rigidity and slow, imprecise movement. With no known cure, PD takes a toll on a patient's mobility day by day.

As a leading manufacturer of pharmaceuticals, CCM takes on the responsible role of fighting this disease, providing patient care and boosting morale. CCM contributed RM100,000 to the Perak Parkinson Association ("PPA") in April 2016 for 40 representatives, including local medical professionals, to participate in the World Parkinson Congress ("WPC") that was held in Portland, Oregon, USA in September 2016 to enable them to interact with global professionals and obtain first-hand information on research, treatment, diagnosis and living with PD.

CCM Improves Diabetes Treatment

Diabetes is a disease that occurs when a person's blood sugar level is too high. Worryingly, 3.5 million or 17.5 percent of Malaysian citizens aged 18 years and above have this disease - the highest number in ASEAN. CCM launched *Basalog*® on 13 November 2016 with the introduction of the first insulin glargine biosimilar in Malaysia.

Basalog®, as approved by the National Pharmaceutical Regulatory Agency ("NPRA"), has passed strenuous international tests and approvals in highly-regulated markets such as Japan. Treatment with *Basalog*® being more competitively priced and can ensure blood sugar levels to remain constant for up to 24 hours for both Type 1 and Type 2 diabetes.

CCM PINTAR Programme

Promoting Intelligence, Nurturing Talent and Advocating Responsibility ("PINTAR") is a school adoption programme inspired by Yayasan Pintar. Supported by Government-linked Companies ("GLCs") and some private corporations in Malaysia, this programme aims to improve socio-economic standards through educational achievement.

Our involvement in the PINTAR programme began in 2007 and we have adopted 15 schools to date. Our involvement focuses on increasing English proficiency of students and providing funding to support teaching and learning aids.

The CCM PINTAR Programme has touched more than 8,800 lives including students, teachers, parents and community members in the surrounding areas where the adopted schools are located.

CCM Jalanan Antara Universiti Dan Industri ("JATI")

CCM JATI is a collaboration between CCM and public universities. This three-year capacity building programme provides pharmacy undergraduates with a holistic industry overview and develops their entrepreneurial capabilities as they venture into working life. These undergraduates are exposed to marketing, business management and hands-on retailing through interaction with CCM professionals and training sessions.

Skim Latihan 1Malaysia Programme

CCM supported the national human capital development through its parent company, Permodalan Nasional Berhad under the Skim Latihan 1Malaysia ("SL1M") programme to provide on-the-job training to unemployed graduates so as to enhance their employability. CCM took in 58 trainees under this scheme with 15 of them being absorbed into the CCM workforce in 2016.

SOCIAL: LABOUR PRACTICES

Our employees are a vital factor for success in our competitive environment and we value our human capital. An important part of our sustainability strategy focuses on our internal operations, namely those related to our employees.

Employee Engagement

Our success depends on our people performing to the best of their abilities. To achieve this, they must feel motivated, connected and valued. Numerous initiatives have been held to foster teamwork and interpersonal relationships between employees of all levels to ensure our employees are continuously engaged and motivated.

SUSTAINABILITY & CORPORATE RESPONSIBILITY (Cont'd)

Our 2016 engagement survey shows an overall improved results of 82 percent compared to 77 percent in 2015. This result shows our employees are engaged and motivated which will ultimately cascade to an overall culture built on the Company's Core Values.

Kelab Sukan CCM

Kelab Sukan CCM ("KSCCM") acts as an informal platform for employees to come together and interact on matters informally. A series of activities were organised which saw remarkable participation among its members.

my Millennial Apprentice Programme

The my Millennial Apprentice Programme ("myMAP") was introduced in 2014 to transform the Company into a talent-powered organisation that targets the new generation of graduates in the market. We recruited 13 graduates from different disciplines in 2016 for this 18-month programme.

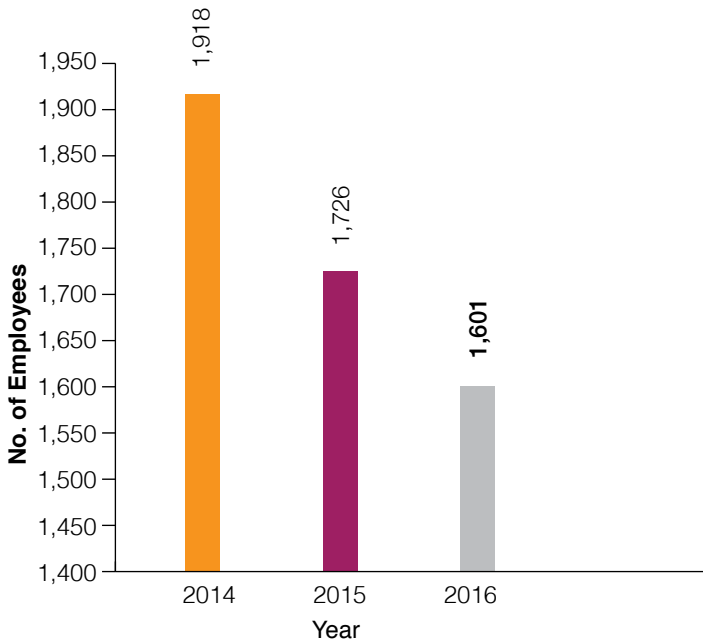
my Career Acceleration Programme

CCM's my Career Acceleration Programme ("myCAP") launched in 2013, is a collaboration with the Department of Skills Development ("DSD"), an agency under the Ministry of Human Resources to develop and further train our non-executive employees to strengthen their skills, competencies and capabilities in order to promote greater career growth and mobility. 21 of our employees were certified with Sijil Kemahiran Malaysia ("SKM") in 2016.

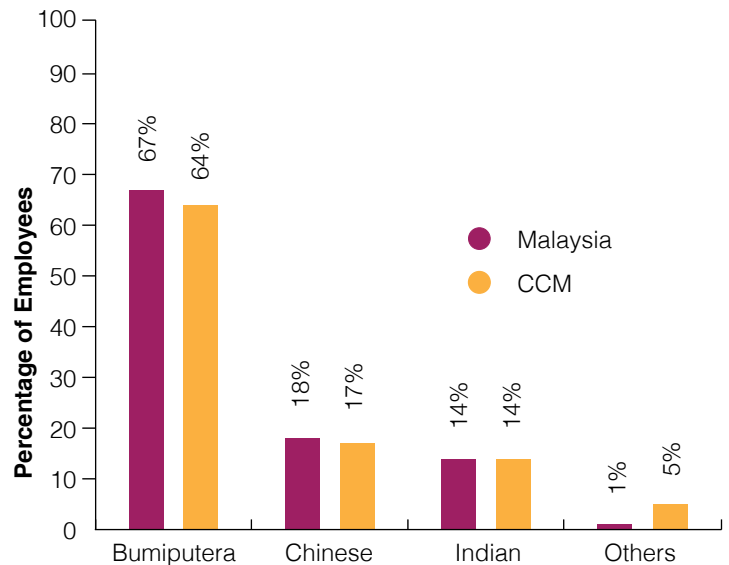
Diversity

CCM welcomes diversity and the benefits that the differences between people can bring to the Company. Workplace diversity fosters mutual respect among employees. Diversity not only involves how people perceive themselves, but how they perceive others, and those perceptions affect their interaction with their peers.

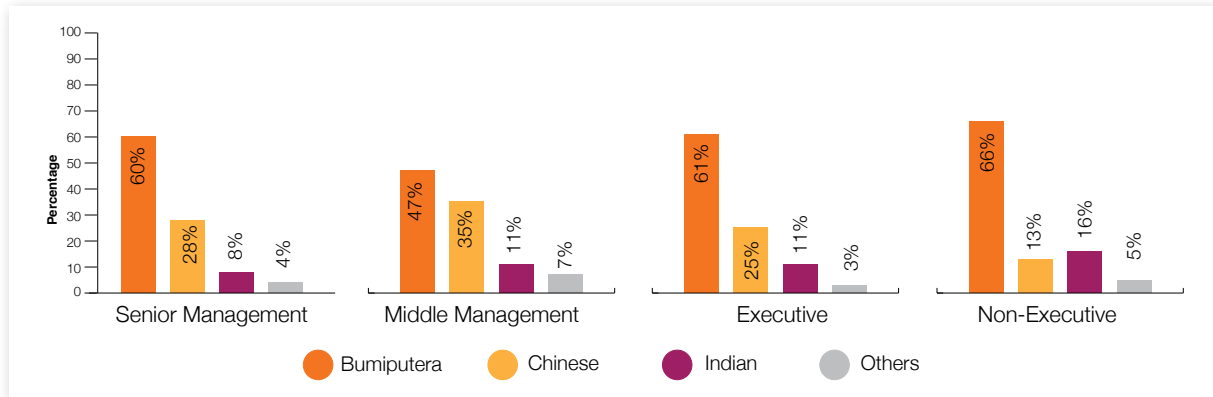
Total No. of Employees



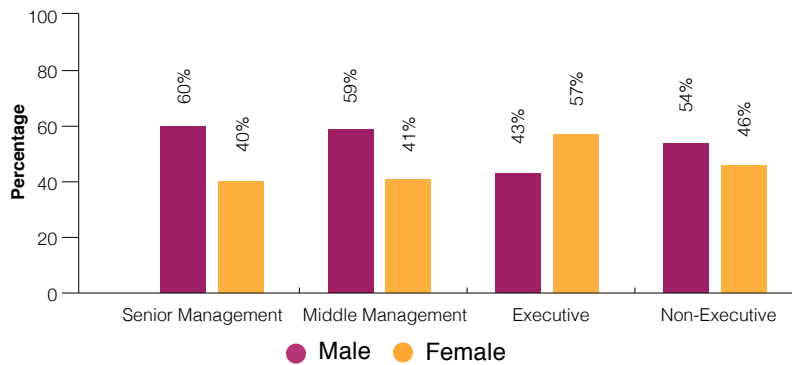
Ethnicity at CCM



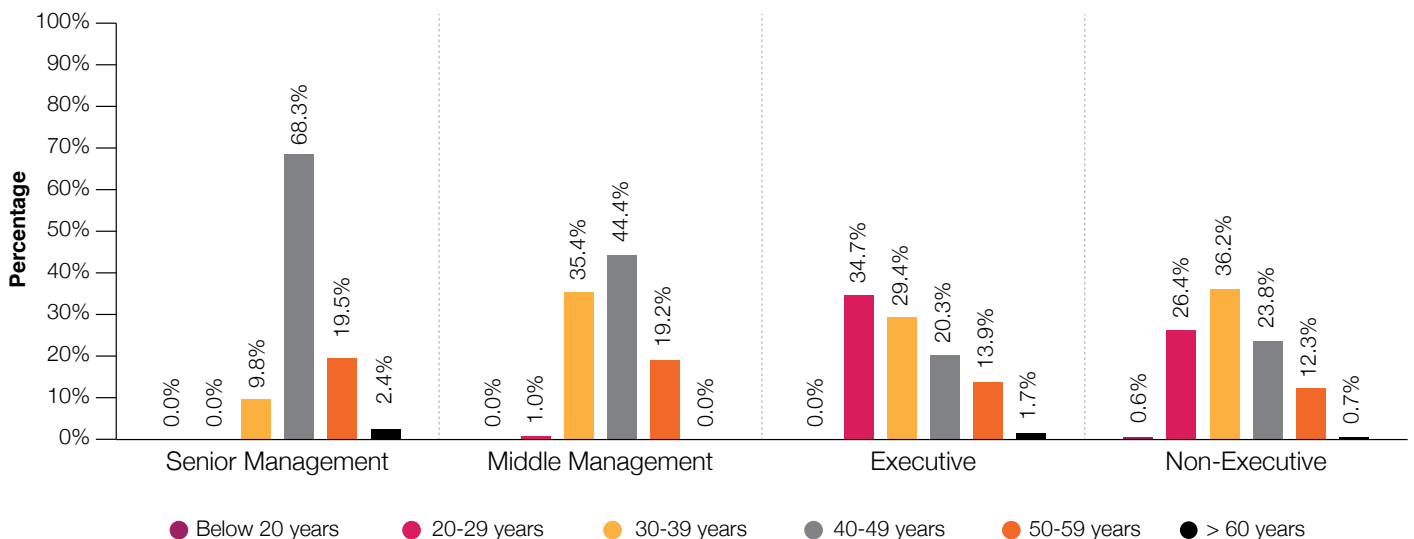
Breakdown by Ethnicity



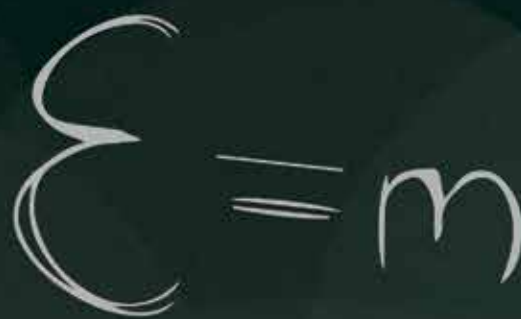
Breakdown by Gender

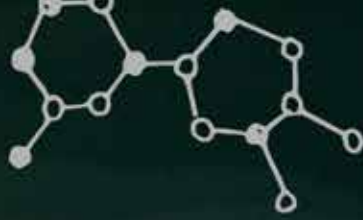


Breakdown by Age



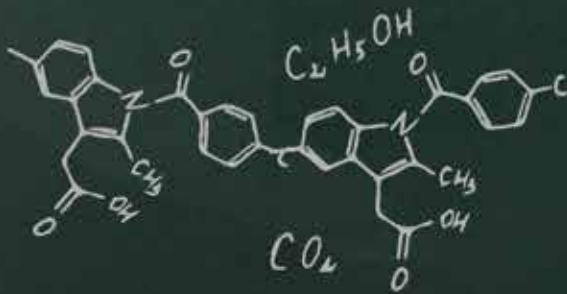
Full disclosure of our sustainability efforts can be found in our CCM Sustainability Report 2016 which is available on the Company's website, www.ccMBERHAD.com





FULFILLING COMMITMENTS

We collaborate closely with our customers to deliver profitable solutions that address market needs and trends of today and tomorrow, while remaining resolute in delivering our commitments.



$$E=mc^2$$

