

## Safety, Health and Environment

Safety, Health and Environment (SHE) stewardship is one of CCM's core values which has always dominated the Group's corporate agenda. In promoting the SHE culture, the Group believes in providing strong commitment and leadership, and formalising programmes to continually lead and improve SHE performance across all business operations.

We believe that sustainability and sound business management are mutually achievable objectives and recipes for eventual success in the pursuit of SHE excellence. In our efforts to achieve our goals, we continue to monitor performance improvement targets set for each KPI with the best practices adopted by the chemicals, fertilizers and pharmaceuticals industries as the benchmark for excellence. These KPIs are established at all levels in the Group for diligent monitoring of critical parameters with improvement targets set. We will be focusing more on sustainability imperatives, energy management, resource conservation and recovery, loss prevention, and occupational safety and health improvement initiatives that are consistent with best practice.

CCM also subscribes to the principles of Responsible Care, an international initiative built around guiding principles and codes of management practices, reflecting the commitment of the chemical industry in managing chemicals responsibly and continually improving SHE performance. As a pioneer signatory of the RCP Charter since 1994, CCM has provided commitment and leadership in this key area of corporate responsibility, promoting the principles and practices of Responsible Care by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose chemicals.

A critical review of the SHE aspects of various projects and existing plant operations is being undertaken through established engineering assessment studies, technical audits and hazard study review protocols. Our comprehensive operating procedures and stringent management systems ensure strict compliance to regulatory statutes and the requirements of the various internal controls and assurance standards.

We conduct 'Community Awareness and Neighbourhood' programmes at established frequencies to inform members of the industrial community and the public at large about the Group's activities and the socio-economic impact of our operations. These initiatives help to reinforce transparency in the Group's relationships with individuals, stakeholders, neighbours, customers and the community.

Product stewardship programmes, encompassing every aspect of CCM's product cycle from initial development to use and disposal, play an integral part of the Group's environmental management agenda. Considerable attention is being placed on the training and dissemination of appropriate and relevant information to suppliers, distributors, customers, and end-users to foster proper use and handling of CCM's products.

Our pollution prevention programmes include environmental aspect/impact studies, initiatives formalised in the area of waste management and recovery, waste conservation and emission reductions. We continue to focus on efforts to minimise and reduce greenhouse gas emissions, in line with the United Nations Framework Convention on Climate Change and the tenets of the Kyoto Protocol.

We have prepared a comprehensive Pandemic Flu Management Plan in response to the increasing likelihood of a pandemic and the risk that it might pose to CCM employees and to business continuity. This has been adopted and implemented across all levels in the Group as we are committed to mitigating the risk, consistent with our policy of responsible care for our employees, stakeholders, customers and the environment.

During a year of compelling demands, CCM has responded positively to the challenges of SHE management, institutionalising a wide range of searching, systematic and comprehensive programmes that have facilitated the integration of this key activity into the Group's overall corporate objectives. We will strive to seek continuous improvements in all performance aspects related to the chemicals, fertilizers and pharmaceuticals industries to excel and be competitive in the face of global challenges.