

Corporate Responsibility

Since day one, sustainability has been the core of our business and this commitment is evidently embedded within our strategies to achieve our goals while ensuring fairness to our stakeholders, preserving the environment and acting in a responsible manner in the communities where we operate.

ENVIRONMENT

CCM's Chemicals Division has always emphasised the importance of water conservation and environment preservation in rural areas as part of the Group's corporate responsibility initiatives. In November, the Division collaborated with the Ministry of Natural Resources & Environment to organise the *Rakan Alam Sekitar 2010* in Keningau, Sabah, aimed to educate the younger generation on the significance of protecting the environment with focus on river conservation. Over 300 students from seven primary and two secondary schools in the Pensiangan parliamentary constituency gathered at SK Ambual and participated in various activities such as colouring and drawing contests, quizzes and talks by the Sabah Department of Environment to increase the students' awareness on river and water conservation. The event also helped to educate the students to become more responsible and environmentally conscious individuals and enhance their learning experience. They were also taken to a nearby river and given hands-on experience on how to test the river's pH level chemically through water samples and biologically, through living organisms in the water. CCM also donated RM1,500 to SK Ambual to launch their own *Kelab Rakan Alam Sekitar* that facilitates the students' interest to pursue other environmental protection and conservation activities. The *Rakan Alam Sekitar* programme was launched nationwide in 2009 by the Ministry of Natural Resources & Environment to promote community participation in keeping the environment clean and safe.

COMMUNITIES

The year 2010 marked a significant milestone for the *Knowledge Discovery-CHAMPS* National Spelling Competition which has been ongoing for four years now in Malaysia and since 2009 in Brunei. Seven nations participated in the 1st Southeast Asia *Knowledge Discovery-CHAMPS* Spelling

Competition. The competition was held concurrently with the *Knowledge Discovery-CHAMPS* 4th National Spelling Competition that saw 48 primary school children from Standards Four to Six from 13 states and three federal territories across Malaysia competing to be crowned the country's English language spelling champion. Jointly organised by *Knowledge Discovery* magazine and the Ministry of Education with CCM Pharmaceuticals' *CHAMPS* as the main sponsor, both competitions were held in Negeri Sembilan and aimed to reinforce students' command of the English language by mastering their spelling capabilities in a competitive environment as well as promote cross cultural interaction amongst primary school children from the various Southeast Asian countries. The inaugural Southeast Asia *Knowledge Discovery-CHAMPS* Spelling Competition was won by the Malaysian champion who beat top spellers from Brunei, Singapore, Indonesia, the Philippines, Thailand and Vietnam and made the win even sweeter by triumphing on home ground. The competition has seen a noteworthy improvement since its inception in 2007, proving CCM's commitment towards improving the level of English amongst school children.

Every year, we work with *Sin Chew Daily* to inculcate good reading habits amongst children in all Chinese primary schools in Malaysia through our *CHAMPS* reading programme. Our sponsorship programme utilises *Sin Chew Daily* as an educational material in the classroom and offers an interesting and fresh approach to learning.

The Group has always recognised the achievements of children of the *CCM Fertilizers Golden Growers Club's* members who excel in their Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Persekolahan Malaysia (STPM) examinations. In 2010, 34 high achievers, all children of smallholders, were presented with the *2010 Educational Excellence Awards*, acknowledging them for their outstanding performances in the 2009 SPM and STPM examinations. Since 1998, CCM Fertilizers' *Educational Excellence Awards* have rewarded over 530 deserving students with the aim of encouraging them to reach their full potential.

For the past 12 years, CCM has been rewarding top final year students completing the Bachelor of Pharmacy programme at local public and private universities with the Malaysian Pharmaceutical Society (MPS)-Chemical Company of Malaysia Berhad (CCM) Gold Medal Award for their

outstanding academic and extra-curricular performance. Last year, 10 recipients received the MPS-CCM 2009 Gold Medal Award as part of CCM's contribution to the industry by way of acknowledging the cream of the crop amongst Pharmacy students in the country while inspiring them to become dedicated healthcare professionals in the future.

Last year also saw CCM making progress with our PINTAR (Promoting Intelligence, Nurturing Talent and Advocating Responsibilities) school adoption programme, an educational initiative to empower less privileged children by increasing their ability to master the English language for effective communication. In November 2010, 34 teachers from our seven adopted primary schools in Penang, Kelantan, Johor, Sarawak and Selangor gathered at the first *CCM PINTAR Academic Dialogue for Excellence 2010* at a hotel in Kuala Lumpur to enable the teachers to exchange ideas and share their teaching experiences and expertise. The dialogue provided useful feedback and helped us to improve our tailored modules to encourage the students to aspire towards a higher level of English proficiency and eventually academic excellence and personal fulfillment.

Last year, CCM contributed 32,000 sets of personal health kits worth over RM600,000 to pilgrims performing the Haj through the *Sahabat Korporat Tabung Haji* programme that exemplifies our continuous commitment to assist pilgrims to manage their health and well-being during the sacred journey. Our contribution also benefitted pilgrims from Brunei who received 1,500 sets worth over RM27,700. Since 2004, CCM has contributed 265,000 health kits worth more than RM5.3 million to help pilgrims to overcome common ailments including headaches, muscular aches and eye irritation.

We also donated RM50,000 worth of *CHAMPS D-Worm 6* to eight primary schools in Sarawak in our effort to reduce acute intestinal parasitic infection amongst rural school children. The deworming initiative is part of CCM's pledge towards improving the health and overall well-being of children, especially those who have limited access to clean water supply and proper sanitation. The donation benefitted the eight schools in Pulau Buit, Tanjung Manis in the fight against intestinal parasites that could cause diarrhea and blood loss leading to iron-deficiency anaemia and malnutrition. Our contribution would significantly help the children to grow up healthy and boost their growth and immune systems.

We also initiated the Sejahtera Programme in August 2010 where we donated RM80,000 worth of fertilizers, namely *CIRP* and *CHB 65*, to 20 families in Kampung Sejahtera, Maran, Pahang to enable them to support their basic food needs by planting sweet potatoes and other short term cash crops. The programme encourages the families to be self-sufficient and offers them the opportunity to boost their income levels that will inevitably increase their standard of living and promote sustainable livelihood. CCM also provides advice and technical assistance on community farming to expose the families on technical know-how for effective agricultural practices.

The Group also understands how corporate support can bring positive changes in sports development in the country. With that in mind, we have contributed to the advancement of sports over the past few years. We supported the development of lawn bowling by donating RM75,000 to the National Championship and RM52,700 to *Persatuan Kriket Melayu Malaysia* to enable the national team to train in Sri Lanka to further groom their talent and gain wider experience.

CCM's *Proviton* multivitamins has been sponsoring many golf tournaments in the country and are suitable for golfers of all levels to help boost strength, enhance endurance and improve mental clarity and concentration. In March 2010, CCM appointed Impian Kajang Golf and Country Club resident pro and 2005 MPGA champion, Rashid Ismail, as a product ambassador for *Proviton* in an effort to promote the brand amongst golfers. Under the agreement, Rashid served as a product ambassador for *Proviton* till November 2010 and carried the brand's logo in all his appearances as well as in golf clinics conducted by him.

MARKETPLACE

As the pioneer in promoting halal in the industries beyond food and beverages, CCM continues to lead the way in creating awareness and educating the public about the sanctity and availability of our halal products through various initiatives.

Following the positive response to the inaugural *CCM Halal Awareness Seminar* held in December 2008, we continue to collaborate with the Halal Industry Development Corporation (HDC) to organise the *2nd CCM Halal Awareness Seminar* for our principals and suppliers of all our business operations in

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March 2010. The objective was to develop a greater understanding of the halal concept and educate participants on the importance of halal practices in their production and premises as well as discuss any issues related to halal.

We participated in the *1Malaysia 1Halal* campaign, organised by the Department of Islamic Development Malaysia (JAKIM) to intensify the public awareness of halal products in the country. The campaign provided a platform for us to reach out to Malaysians from all walks of life and promote our halal pharmaceutical products.

In order to generate awareness and boost exports of CCM's wide range of halal pharmaceutical products, we joined 59 other Malaysian companies at the *Malaysia Showcase 2010*, held in Brunei for the first time, aimed to widen export opportunities to the fast growing Brunei market. As the region's biggest producer of halal certified pharmaceuticals, CCM identified the event as an excellent opportunity to reinforce our promotional strategy to expand our reach amongst Bruneian consumers.

WORKPLACE

CCM's corporate responsibility efforts emphasise the importance of building our employees' capabilities as we strongly believe that our staff play a pertinent role in driving sustainable improvements in business performance. We actively conduct training and development programmes to create a secure and stable working environment that helps to enhance employees' productivity, increase job satisfaction and improve employee engagement. A highly-skilled workforce is our best asset and greatly contributes to CCM's competitive advantage through increased innovation and higher customer confidence.

Last year, we embarked on various internal activities including the first *CCM Management Performance Challenge 2010*, a course designed to simulate the game of golf as a business tool to improve the bottom line. The team building programme offered 38 CCM Management personnel the opportunity to gain new insights into better business management and the importance of teamwork in building morale and achieving organisational success.

CCM Halal Council and Divisional Halal Committees also organised our inaugural *Halal Appreciation and Awareness Week* to create a greater understanding of halal-related issues and learn more about the newest trends and challenges facing the halal industry.

CCM Celik Halal briefings were also held to update our employees on our latest halal initiatives to meet the increasing demand for halal products, locally and globally. The talks were in line with our commitment in championing the halal concept and implementing halal practices across the Group.

Besides that, a wide range of external programmes were also carried out to enable our employees to develop new skills and boost their critical thinking abilities as well as enhancing their knowledge on current events in the evolving business world and widening their experience with diverse people and ideas.

Human Resource Development

An organisation is nothing without its people. CCM's employees are our greatest asset and we continuously provide training and development opportunities to upgrade their skills, boost their morale and productivity, and improve working conditions. These efforts enable us to enhance employees' job satisfaction and develop a highly skilled workforce, hence increasing staff loyalty and improving CCM's overall corporate performance.

In 2010, a total of 35,690 hours were spent on various internal and external Human Resource (HR) initiatives to expose our employees to the latest skills and knowledge as well as current insights on emerging trends and technological changes in order to develop a knowledge-based workforce and give them the competitive edge to succeed in today's fast-changing business world.

Programmes such as the *Young Leadership Development Programme* (YLDP) has provided a systematic platform for young leaders to polish and enhance their competency in providing excellent leadership whilst the *Middle Leadership Development Programme* (MLDP) provided the platform to enhance employees' competency and professionalism, to nurture and train designated managers within the CCM Group with a broad perspective of the necessary skills to effectively manage organisational challenges that is in alignment with today's competitive environment. CCM also emphasises the importance of teamwork and interpersonal skills to meet strategic goals and achieve business growth. The *CCM Outdoor Challenge* was held to increase employees' discipline, confidence, mental and physical resilience as well as motivate them to work together towards attaining organisational objectives while *Executive Dialogue Sessions* (EDS) were designed to provide our staff the opportunity to engage and interact with each other and share their learning experiences together.

During the year under review, we managed to elevate the competency level of communications and develop knowledge-based workers that are highly motivated and committed towards self-development. We will continue our goals in creating a pool of talents and growing an organisational culture with shared values, visions and mission that will eventually raise our employees' value in the marketplace through specially customised programmes to meet the industry's requirements.

All the same time, CCM also acknowledges the potential of youths at university level by rewarding them with scholarships through Yayasan CCM. In 2010, we awarded RM91,000 worth of scholarships to 13 high-flying scholars from local universities in an attempt to encourage them to tap their talents and abilities to become future leaders. CCM scholars also benefitted from their industrial training with the Group's three divisions since the inception of Yayasan CCM in 1995. We offered seven of the scholars during the year under review to advance their career prospects with CCM.