

SUSTAINABILITY + CORPORATE RESPONSIBILITY

SUSTAINABILITY AT CCMD

CCMD is a bold, global pharmaceutical company focusing on innovation and bringing high quality and affordable medication to improve lives, every day. This focus is driven by our deep engagement with healthcare providers and customers to fully understand the innovation they need for their patients.

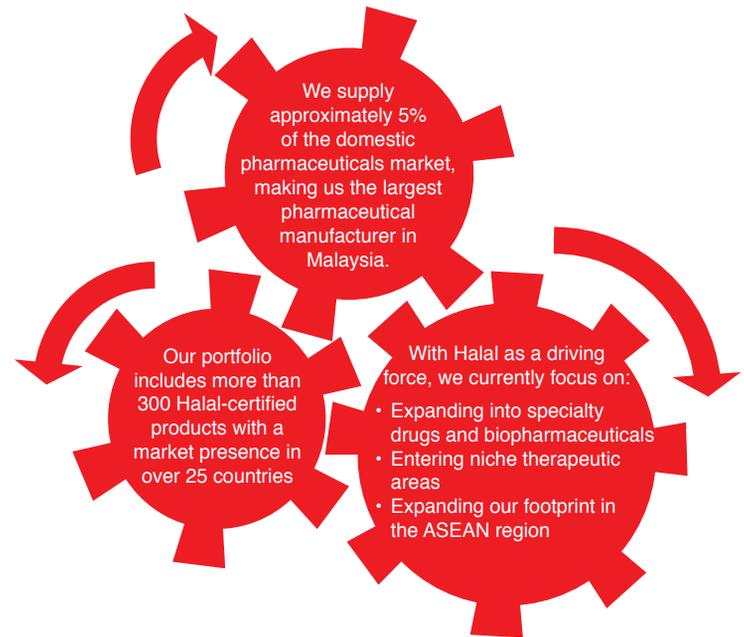
We remain focused on sustainable business practices including offering needed products that have environmental, health and safety design considerations. At CCMD, we live and breathe our sustainable business values. These values are kept in mind when performing all aspects of our business to ensure we maintain the excellent reputation that we have built.

VALUING OUR STAKEHOLDERS

As Malaysia's largest generic pharmaceutical manufacturer, we play an important role in advancing the pharmaceuticals arena of the country. We make this happen through delivering our commitment to enhancing the quality of life of all Malaysians and those in the regions which we operate in. As CCMD forges ahead, we will continue to strive for innovation and this is only possible when we understand our stakeholders' needs.

ECONOMIC

CCMD is a subsidiary of CCM which is a Government-linked company. It is presently the largest manufacturer of generic pharmaceuticals in Malaysia. Operating in this growing sector helps to boost the Malaysian economy. It is also a highly transformative industry in terms of income generation, job creation and export earnings. While creating jobs, our operations also contribute to the overall well-being of communities, individual self-esteem and quality of life to achieve inclusive and sustainable development.



Our Contribution to the Halal Sector

We help bolster industry efforts on the national Halal agenda through our active involvement in developing standards for pharmaceutical products. We participated in the development of the Halal strategic document for the 11th Malaysia Plan. We are very involved and played a crucial role on spurring the Halal agenda together with Jabatan Kemajuan Islam Malaysia ("JAKIM"), Halal Industry Development Corporation ("HDC") and other regulatory and government agencies.

Bumiputera Vendor Development Programme ("BVDP")

Established in 2007, CCMD, through its parent company, Chemical Company of Malaysia Berhad's BVDP ("CCM BVDP") supports the Government's efforts to create a Bumiputera Commercial and Industrial Community under the *Majlis Ekonomi Bumiputera* ("MEB"). CCM BVDP is aligned with our vision of 'Enhancing Quality of Life' by supporting local and bumiputera businesses to expand businesses together to ultimately contribute to the economic growth of the communities where we operate.

SUSTAINABILITY + CORPORATE RESPONSIBILITY (CONT'D)

ENVIRONMENTAL

We have established Safety, Health and Environment (“SHE”) Policies in our operations to ensure that we operate in a safe and sustainable manner while complying with our internal and external regulations. The Environmental Performance Monitoring Committees (“EPMC”) convene regularly to review the environmental performance of each aspect such as effluents, emissions and scheduled waste. The composition of these committees and their activities adhere to the Malaysian Government guidelines on ‘Guided Self-Regulation’.

Tapping on Natural Resources

CCMD utilised a majority of its energy in the form of purchased electricity and water which are necessary for its manufacturing processes. We are always mindful of the sustainability impact and constantly work on minimising our consumption with the application of our Operational Excellence initiatives in our operations.

Waste Disposal

All scheduled waste and wastewater generated from our facilities are managed and handled appropriately in accordance with regulatory standards imposed by the Department of Environment (“DOE”).

SOCIAL: SOCIETY

Building Love Starts Young with CHAMPS

The ‘Building Love Starts Young’ campaign through its established brand, CHAMPS was organised in collaboration with the National Autism Society of Malaysia (“NASOM”) with the objective to end misconceptions and raise awareness of autism to children and the public. The campaign culminated with our contribution of RM44,217.50 to NASOM from our pledge of 50 sen for every bottle of CHAMPS Vitamin C sold during the campaign.

Supportive Caring Role for Parkinson’s Disease

A debilitating progressive disease of the nervous system, Parkinson’s Disease (“PD”) is a much talked about disease affecting a notable number of Malaysians. CCMD takes on the responsible role of fighting this disease by providing patient care and boosting morale with a contribution of RM100,000 to the Perak Parkinson Association (“PPA”) to enable 40 representatives, including local medical professionals, to attend the World Parkinson Congress (“WPC”) that was held in Portland, Oregon, USA in September 2016.

Working Together Against Diabetes

We introduced *Basalog*[®], the first insulin glargine biosimilar in Malaysia to enable the large number of our populace afflicted with diabetes to a better, high quality and affordable medication. Approved by the National Pharmaceutical Regulatory Agency (“NPRA”), *Basalog*[®] has passed international tests and approvals in highly-regulated markets such as Japan to control a constant blood sugar level for up to 24 hours for both Type 1 and Type 2 diabetes.

CCM PINTAR Programme

Furthering the PINTAR Foundation’s objective to improve socio-economic standards through educational achievement, CCMD jointly embarked with its parent company, CCM on its CCM PINTAR Programme that had adopted 15 rural primary schools since 2007. Our involvement is to increase proficiency in the English language and providing funding to support the schools’ teaching and learning aids.

CCM Jalanan Antara Universiti Dan Industri (“JATI”)

CCMD jointly participated in the collaboration between CCM and public universities, the CCM JATI Programme that was introduced in 2011 to train and groom pharmacy undergraduates on entrepreneurship in community retail pharmacies. It is a three-year capacity building programme that will expose participants from five local universities: Universiti Sains Malaysia, Universiti Teknologi Mara, Universiti Malaysia Sabah, International Islamic University Malaysia and Universiti Kebangsaan Malaysia, on marketing, business management and hands-on retailing through interaction with CCM professionals and training sessions.

Launching of Cancer Care Franchise

We launched the Cancer Care Franchise also known as ACE, an acronym for Accessibility, Commitment and Excellence to raise awareness for the early detection of cancer and increasing accessibility to cheaper, yet high-quality and effective generic cancer care medications to ease the socio-economic burden of cancer patients.

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

CCMD has become the Company it is today, which is much attributed to its strong team of dedicated and competent employees. With this in mind, great focus is placed on this group of stakeholders through engagements, training and development.

Employee Engagement

Keeping our employees engaged with the Company and encouraging them to stay connected with their colleagues and communities are essential components of CCMD's people strategy. We held numerous programmes and activities that are in line with our Core Values. Annual events like Mini Dinner, Majlis Berbuka Puasa, Sambutan Hari Raya Aidilfitri, Offsite Teambuilding programmes and activities by Kelab Sukan CCM were held with the objective to foster teamwork and interpersonal relationships between employees across all levels.

Our engagement with employees has improved remarkably as the result of the Employee Engagement Survey showed an increase of 4 percent to 82 percent as compared to 78 percent in the preceding year. This improvement is crucial as it indicates the level of connectedness and motivation of our employees as well as their commitment towards the Company's vision and mission. To further affirm our stand on good employee engagement, CCMD was awarded the "HR Asia Best Companies To Work For In Asia 2016".

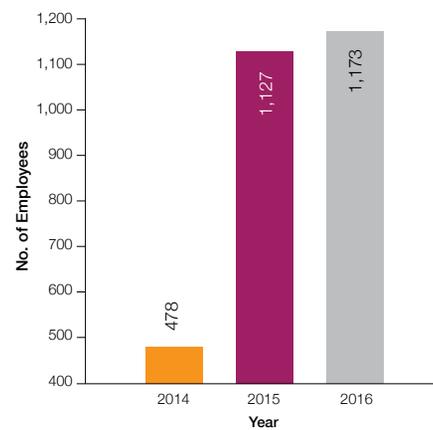
Training and Development

In our bid to tap on our human capital, CCMD advocates continuous learning and training among its employees by providing various training and certification programmes, both internally and externally, to ensure that our employees are highly-skilled and competent. Programmes like Lean Six Sigma, Operational Excellence and Innovation & Quality Convention are some initiatives that have translated to savings in cost and efficiency, thus paving the way for innovative solutions to ensure sustainable growth of the business. In addition, in ensuring that the Company has the appropriate bench strength to support its growth in the future, the Company has in place my Career Acceleration Programme ("myCAP") and Talent Management Programme to develop capable employees as successors in the Company.

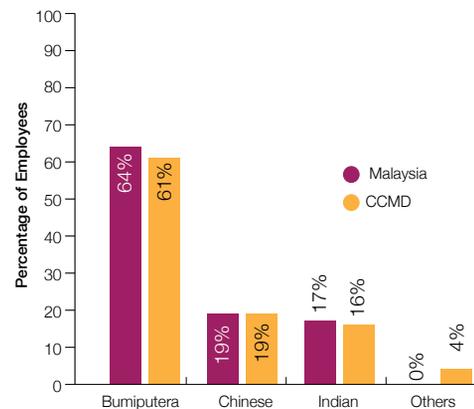
Diversity

CCMD places great emphasis on workplace diversity with our Core Values as the foundation to a team of dedicated and committed employees who carried out their tasks professionally, ethically and with integrity.

Total Number of Employees

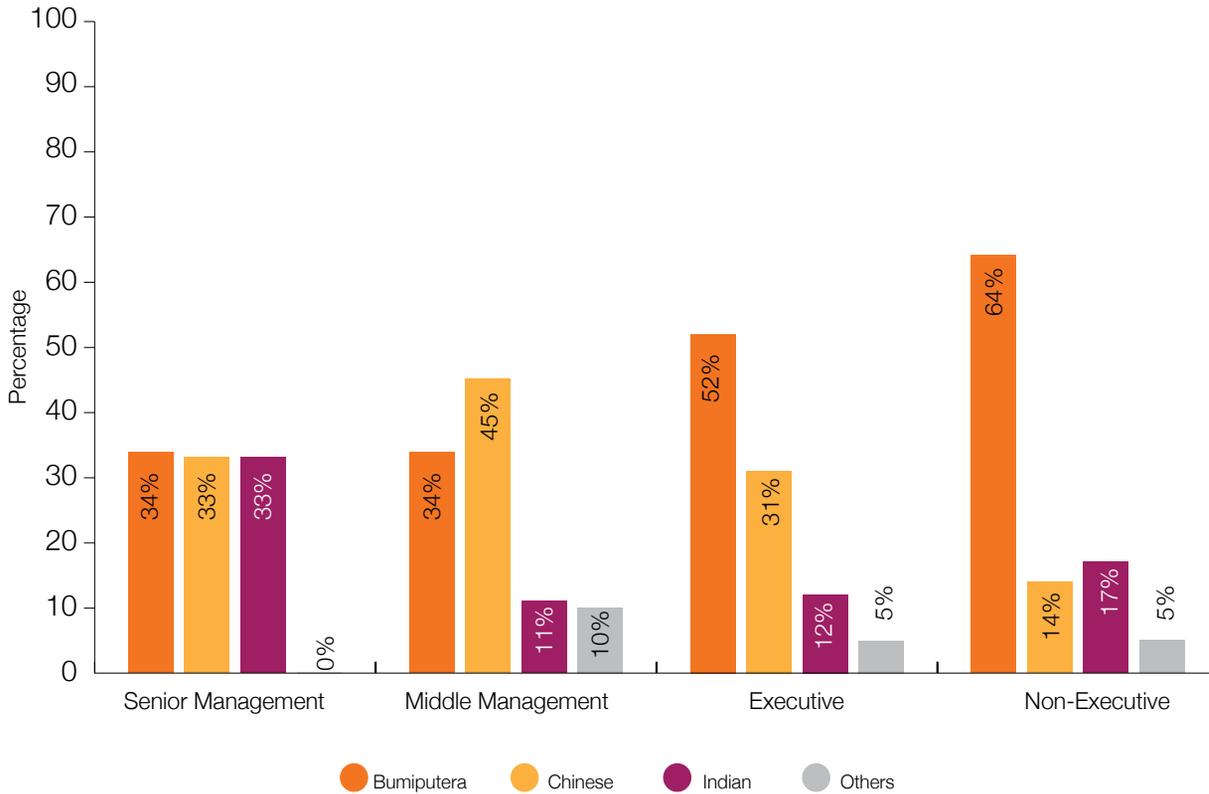


Ethnicity

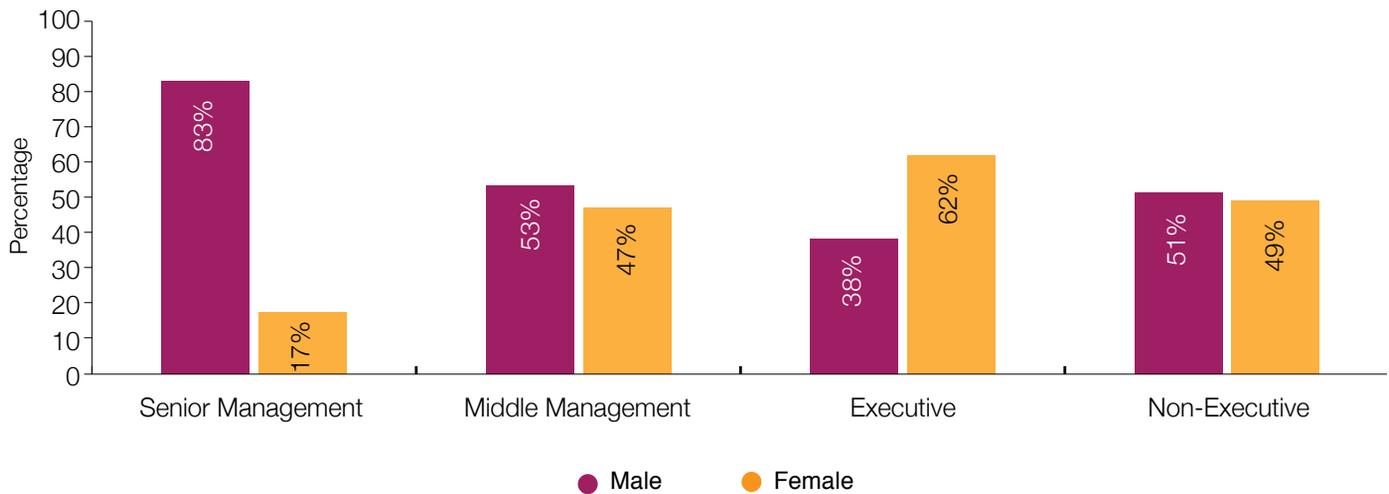


SUSTAINABILITY + CORPORATE RESPONSIBILITY (CONT'D)

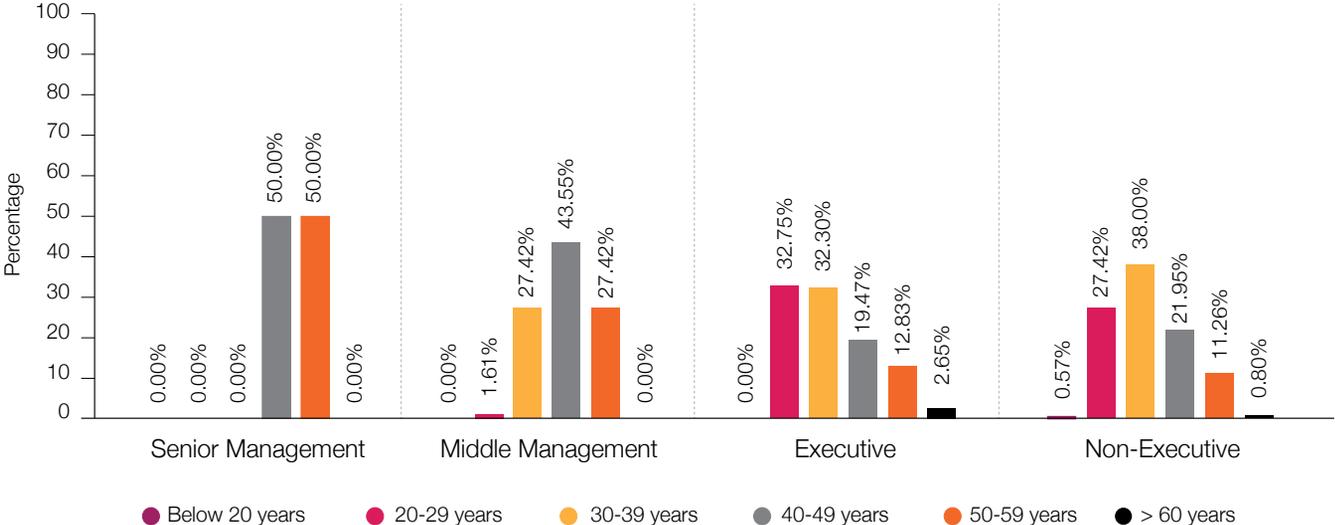
Breakdown by Ethnicity



Breakdown by Gender



Breakdown by Age



Further details of our sustainability initiatives can be found in our CCMD Sustainability Report 2016 which is available on the Company's website, www.duopharma.com.my