



**ZUELLIG
PHARMA**

making healthcare more accessible



Celebrating



years of

making healthcare more accessible

**SUSTAINABILITY
REPORT
2022**

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ON THE COVER

The cover illustration is an homage to the legacy that Zuellig Pharma has left behind for the past 100 years. The numeral "100" embodies our efforts, innovation, and commitment to Zuellig Pharma's sustainability vision of building a healthier future for Asia around our four Sustainability Pillars: **Improving Health Outcomes**, **Nurturing Talent**, **Respecting the Environment** and **Setting the Highest Standards of Integrity**. It connotes our dedication to giving our 100 (per cent) in all we set out to do.

This symbolism extends to the background where the binaries of 1s and 0s form a digital landscape that reflects Zuellig Pharma's commitment to digitalisation, which is one of our key priorities.

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5

→ REPORTING PERIOD AND SCOPE

The information contained in this report pertains to the period 1 January 2022 to 31 December 2022 and it is aligned with the reporting period as covered in our financial reporting. It covers Zuellig Pharma Holdings Pte Ltd operations across 17 markets, out of which 13 of them are key markets with a distribution setup and the remaining 4 markets (India, China, Australia and Japan) provide only Clinical Reach services.

The scope for disclosure on training, diversity and inclusion, health and safety, and governance metrics covers only our direct employees and sub-contracted workers who are directly remunerated by Zuellig Pharma. The reporting period for compliance trainings ranges from 1 October 2021 to 30 September 2022. This metric is governed under a slightly different reporting timeframe as our compliance requirements state that our employees need to undergo all required compliance trainings within their first three months of joining. The reporting period is therefore set 3 months ahead so that we can track the percentage of employees that have fulfilled the aforementioned criteria. The scope for environmental, health and safety, and sustainable procurement metrics does not include our liaison offices in India, China, and Australia. Our business in Japan has only been operationally integrated recently in 2022 and it will not be included into the scope of reporting for this reporting period. We are currently working on developing processes to expand our reporting accordingly.

Our scope of reporting evolves as the organisation invests or divests from markets and activities. When a new entity is acquired or created, we strive to include its performance metrics into the reporting period that follows its operational integration. The same process applies in cases of divestments. Addition or deletion of entities from our scope of reporting can also be phased based on how readily available information is. Therefore, it is possible that metrics that are extracted from our systems are updated

This Sustainability Report 2022 outlines Zuellig Pharma's strategy and approach towards sustainability, communicating transparently how we are working towards our vision of building a healthier future for Asia. It is our third report charting our sustainability progress and performance in managing our material sustainability issues. Our sustainability report is published on an annual basis.

ahead of metrics requiring manual consolidation. As part of our regular Sustainability Steering committee engagements, our Sustainability teams are informed of upcoming changes in scope that need to be reflected in their reporting.

Restatements of data, as well as further notes to the performance data included in this report can be found on page 111.

→ GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

Zuellig Pharma has reported in reference to the GRI Standards for the period from 1 January to 31 December 2022. It has applied the Reporting Principles from the GRI Standards to ensure high-quality and proper presentation of the reported information: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For a full list of disclosures reported, please refer to the GRI Content Index on page 105.

→ EXTERNAL ASSURANCE

Zuellig Pharma has engaged Bureau Veritas to provide independent limited assurance for general disclosures and selected key sustainability disclosures in this report. Please refer to pages 117-121 for the assurance statement and scope of data assured.



CONTACT

We value opinions from internal and external stakeholders to help us improve and progress in our approach to sustainability and sustainability communications. Please send your feedback to:

Zuellig Pharma Sustainability Team
sustainability@zuelligpharma.com

BOARD STATEMENT

GRI 2-22



Over the past century, Zuehliger Pharma's Board has upheld the company's commitment to ensuring the health and wellbeing of communities across Asia. We recognise the impact we have in making healthcare more accessible to the communities we serve, alongside our environmental and social contributions which continue to be key in our strategic development.

The Board regularly monitors the company's sustainability strategy and performance, and our work with Zuehliger Pharma's management focuses on four impact areas around which our sustainability programme is structured: Improving Health Outcomes; Nurturing Talent; Respecting the Environment; and Setting the Highest Standards of Integrity. The four pillars were carefully defined following engagements with key external stakeholders to identify issues that are relevant and meaningful to our business and the industry at large.

As we position our organisation for success, we implemented strict governance frameworks to ensure that we carry out our sustainability ambitions with impact in mind. We set up the Sustainability Steering Committee, comprising our CEO, John Graham, our executive management team, and relevant key functions across the organisation to monitor and oversee our efforts. Each of the material sustainability issues Zuehliger Pharma identified is sponsored by a key member of our executive and senior management team.

This year's Sustainability Report provides a broad overview of our sustainability performance and reinforces our commitment to drive sustainability. In this report, we have enhanced our disclosures and aligned our reporting with the updated GRI Universal Standards, which have been revised to incorporate reporting on human rights and environmental due diligence, in line

with intergovernmental expectations. A new summary section has been added to highlight our key targets and commitments which were established to drive continuous progress on how we manage our material topics across the four sustainability pillars, alongside more than 200 metrics to track and measure performance. This forms the foundation of our efforts to drive sustainable value creation for the business and our stakeholders.

The Board values our teams' dedication in contributing to the wellbeing of current and future generations. In 2022, we acquired the EcoVadis Platinum sustainability certification for the second consecutive year, cut our overall greenhouse gas emissions by 31%, and enhanced our Climate Change CDP score to a B, the highest score obtained in our sector worldwide. In addition, we had our carbon reduction targets approved by SBTi in alignment with the ambitious 1.5°C aligned targets, which is currently the most ambitious designation available through the SBTi process.

It is no doubt that people are our most valuable asset. The organisation rallied close to 8,000 employees across the region to proactively participate in events with a focus on diversity, equity and inclusion (DEI), joined forces with clients to sponsor a full year of treatment for 140 children suffering from Type 1 diabetes and led disease management programmes for more than 2.6 million patients.

Zuehliger Pharma will continue to be evaluated by its success in executing the company's sustainability agenda and achieving the ambitious targets set out in this report. We will remain steadfast in steering the organisation to make further impact, as we look ahead to the next century of making healthcare more accessible. This is our commitment to the communities we serve. Thank you for being with us on this journey.

MESSAGE FROM OUR CEO

GRI 2-22



Dear stakeholders,

In 2022, we marked a major milestone in Zuellig Pharma's history. We celebrated our **100-year anniversary**, a century dedicated to *making healthcare more accessible* across Asia. The centennial presented a valuable opportunity to set the stage for the future, rally employees in support of the company's purpose, and commemorate this important milestone both internally and externally with celebrations focused on championing Sustainability.

Our purpose of *making healthcare more accessible* underpins our business and enables us to build world-class standards in healthcare access, quality, and compliance across the region. We believe that having a strong sustainability framework is important and will continue to remain fundamental to our business as we look beyond immediate needs and carefully consider long-term goals.

Our ability to deliver strong results, accelerate our strategy and make our mission a reality every day comes from being grounded in our values and purpose. We stand on a legacy of service excellence and traditions that are supported by our commitment to integrity and trust, collaboration, a passion for excellence, innovation and personal growth. It is these core values that inspire us to always put first the needs and well-being of the people and communities we serve.

I am proud to present to you through our **third Sustainability Report**, our contribution to a better present and future. In this report we set forth the new milestones achieved by Zuellig Pharma in 2022, which is a result of our strong culture of accountability, entrepreneurship and the willingness and ability to contribute to the communities we operate in.

A testament to our commitment is the achievement of the **EcoVadis Platinum Medal**, the highest accolade to be awarded to a company for its sustainability efforts, from the world's most trusted sustainability rating agency. This places Zuellig Pharma within the top 1% of all assessed companies worldwide, with the top industry score globally among 2,800 logistics leaders.

Zuellig Pharma is now one of 4,000 global companies to have our carbon reduction targets approved by the **Science Based Targets initiative (SBTi)**. Our commitment to reduce direct and indirect greenhouse gas (GHG) emissions across our operations by 42% and cut GHG emissions across our supply chains by 25% by 2030 has been recognised as being in sync with the 1.5°C aligned targets, currently the **most ambitious designation available through the SBTi process**. Meaningful environmental commitment requires no less than across-the-board transparency.

Within our activity group, Zuellig Pharma has been awarded by the Carbon Disclosure Protocol – the **highest rating obtained worldwide**, B, in climate change. We are also the **first company globally** to reach a score of A- in supplier engagement. This score further solidifies our long-standing commitment to climate action, aimed at significantly improving our carbon footprint to build a sustainable future. A point further proven by our 31% reduction of our carbon footprint in 2022.

People lie at the heart of Zuellig Pharma's success and these achievements would not be possible without the hard work of teams across the business. We adopt a people-centric focus in our sustainability efforts. Taking pride in the fact that our workplace is built on the values of openness, dialogue, tolerance, and integrity, we continue to take a proactive approach to **diversity, equity and inclusion (DEI)**. In 2022 we launched a comprehensive DEI implementation framework, raising awareness and sharing authentic conversations through **DEI Inspire Talk series**, initiatives around **International Women's Day, Global Pride Day** and **World Mental Health Day** to build a workplace where people are embraced for their uniqueness and empowered to realise their full potential. A great example of Zuellig Pharma's commitment to DEI is the average gender pay gap, which is contained to 0.16%, compared to the global average of 20%.

Our flagship **Sustainability Month** in November 2022 saw 7,800 employees and clients participate in initiatives supporting our four sustainability pillars. A key highlight of the month was our **ZP "Step Up" challenge**, jointly organised with Action4Diabetes, where Zuellig Pharma donated more than SGD\$100,000, equivalent to a year of treatment for 140 children suffering from Type 1 Diabetes in Southeast Asia. Over the past decade, major leaps in healthcare technologies have transformed and elevated the quality and delivery of care. However, these breakthroughs in innovation have in some cases widened existing gaps in healthcare access and equity. As part of Zuellig Pharma's purpose of *making healthcare more accessible*, we saw the participation of almost 1,200 clients, customers, government representatives, suppliers, employees, and partners for our second virtual Healthcare Access Summit, titled **"Building a Healthier Asia"**. Working with the support of the EU ASEAN Business Council and PRMA, the event brought together top experts in access solutions, financing models, public health, digital solutions, logistics and pharmacoeconomics through a series of panel discussions and presentations, to discuss innovative ways to effectively improve access to healthcare.

Gaining our stakeholders' confidence in transparency and accountability is at the heart of our approach. This is the second consecutive year that we have selected key metrics for validation and **external assurance by Bureau Veritas**. This exercise aims to ensure that the data we share is of the highest quality and integrity.

As we embark on the next 100 years, we are building on a strong foundation which will expand our impact, strengthen our approach and leave no stone unturned. We count on your continued support as we ramp up our efforts for a more sustainable future that will benefit generations to come.



JOHN GRAHAM
CHIEF EXECUTIVE OFFICER
ZUELLIG PHARMA





making healthcare more accessible

100 YEARS OF MAKING HEALTHCARE MORE ACCESSIBLE

This year marks Zuellig Pharma's 100th anniversary in business. This is an incredible achievement to be proud of as few companies reach this major milestone. For the past 10 decades, Zuellig Pharma has built its business on a mission to make healthcare more accessible to the communities it serves. This mission is now part of our DNA and has helped us grow from our humble beginnings in the Philippines, to become a US\$16 billion business covering 17 markets with over 12,000 employees. We are now one of the largest healthcare services groups in Asia.



+ STRONG VALUES AND THE SPIRIT OF ENTREPRENEURSHIP

As a family-owned organisation, we have borne witness to major events in history that have shaped the way healthcare is delivered in this region. These experiences have instilled resilience, agility and a spirit of entrepreneurship that characterise all that we do. We stand on a legacy of service excellence and traditions that are supported by our commitment to integrity and trust, collaboration, a passion for excellence, innovation, and personal growth.

The centennial provides us an opportunity to tell our success story, demonstrate growth and evolution as a company and set the stage for the future. This is a time for us to draw upon Zuellig Pharma's founding philosophy and remind our key stakeholders, from our clients to colleagues what we stand for and what makes us different.

We have touched many lives over the past 100 years and would like to pay tribute to this important moment and as we reflect on our past, celebrate our many achievements and together, build an exciting and successful future.

+ CELEBRATIONS

Anniversary celebrations kicked-off with a video broadcast to all employees across the region, delivered by Zuellig Pharma's CEO, John Graham. Following this, each market held dedicated activities on-the-ground to mark this milestone in their own unique ways. They shared stories, organised exciting events, gave back to their communities, while showcasing their creativity and team spirit. These include:

PHILIPPINES

Composed a song specially for the centennial, shared heartfelt stories across the organisation and planted trees in contribution of the company's carbon neutral goals.





KOREA

Held a zero-waste campaign, organised a trash-picking initiative, donated blood and health kits to the underprivileged.



INDONESIA

Raised literacy about waste management in the community and brought healthcare services to locals in rural area.



TAIWAN

Rallied teams to share personal stories of their journey at Zuellig Pharma and invited key government stakeholders to share their well-wishes.



Our **pinnacle event** was attended by over 2,000 employees across 17 markets and received great feedback from employees on the ground. From the auction held during the pinnacle event, we raised close to S\$2,500 and donated a total of S\$13,000 to our partner – the National Cancer Centre Singapore.



Beyond internal efforts, we worked with prominent publications such as Forbes Asia and CNA Digital to profile the company's history and achievements, to ensure external visibility and that employees could also leverage these stories in sharing with clients and partners they interact with.

The year's events and celebrations have set the stage for yet another centennial of making healthcare more accessible.

HIGHLIGHTS OF THE YEAR

IMPROVING HEALTH OUTCOMES

378,488

patients
benefiting from
patient access
programmes to
support access
to treatment



**USD39.5
million**

in discounted medication
and redemptions
provided to help patients
afford the care they need



**Over 64 million
people**

served through
vaccination
programmes with
Zuellig Pharma's
support



More than
a million
patients

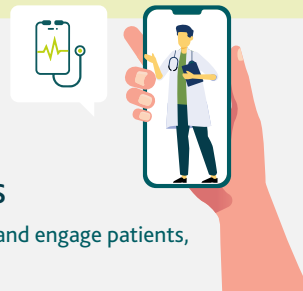
educated through
multi-channel
disease awareness
campaigns across
all markets



More than
65,000

healthcare professionals

use our digital solutions to better serve and engage patients,
up from 45,000 last year



NURTURING TALENTS

5% increase
in female
representation
in our Executive Management



23 DEI initiatives
held

(a three-fold
increase) to
raise employee
awareness and
engagement



351,461
training hours

with 28.3 hours
on average per
employee



>7,800
employees

engaged through
activities in our
Sustainability Month



45 wellbeing
programmes

held across
regions,
benefitting
7,688
employees



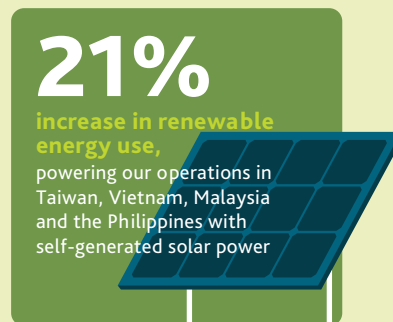
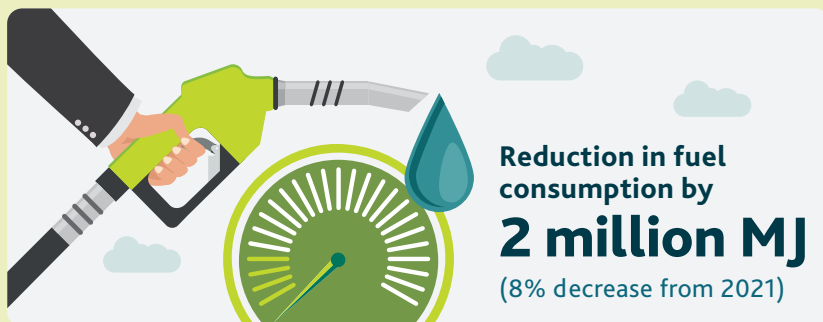
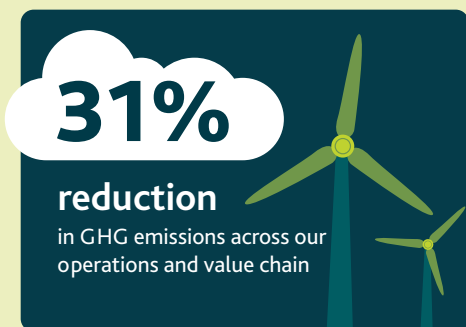
Unadjusted gender
pay gap contained at

0.16%

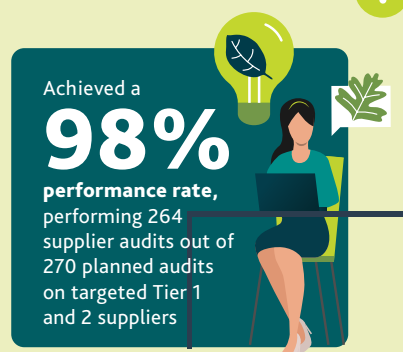
(reduced from 3.1% last year
and significantly lower than the
global average of 20%)

HIGHLIGHTS OF THE YEAR

RESPECTING THE ENVIRONMENT



SETTING THE HIGHEST STANDARDS OF INTEGRITY



OUR SUSTAINABILITY TARGETS AND PERFORMANCE

This section summarises our key targets and commitments to drive performance and manage our material sustainability topics. We will continue to report on our progress in achieving these targets in subsequent reports.

+ IMPROVING HEALTH OUTCOMES

Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
	To improve health outcomes by supporting access to affordable healthcare and essential medicines, as well as improving disease prevention and awareness.	<ul style="list-style-type: none"> Our distribution network covers almost 200,000 clinics, hospitals, pharmacies, modern trade outlets and other customers in 13 markets, to ensure as broad a geographical access as possible. Served more than 2.6 million patients through our disease management programmes Reached more than 2 million external stakeholders through 304 disease awareness programmes

+ NURTURING TALENT

Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
Workplace Health and Safety	Maintain zero fatalities	Zero fatalities recorded in last 3 years
	Achieve ISO45001 certification across all key market distribution networks by 2024	3 markets ISO45001 certified
Diversity and Inclusion	To build a more diverse, equitable and inclusive culture and work environment	<ul style="list-style-type: none"> Formation of DEI Core Committee to drive DEI agenda 100% of employees completed anti-discrimination and harassment training. 99.5% of employees received training on labour and human rights policy as part of diversity training

+ RESPECTING THE ENVIRONMENT

Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
Climate Change Mitigation and Energy Efficiency	42% reduction of absolute Scope 1 and 2 emissions by 2030 from a 2021 baseline 25% reduction of Scope 3 emissions by 2030 from a 2021 baseline	24% reduction in Scope 1 and 2 emissions in 2022 from a 2021 baseline 33% reduction in Scope 3 emissions in 2022 from a 2021 baseline
	Supply 30% of electricity needs from on-site renewable resources by 2030	We generated 5.4M kWh from our solar panels to power our operations in 2022 representing 5% of our total electricity needs
Responsible Waste Management	Achieve zero waste going to landfill by 2030	4 markets have moved away from landfill disposal
	Replace all single use plastic bags with eco-friendly packaging bags by 2025	4 markets have launched the use of reusable plastic totes for deliveries
Environmental Compliance	Achieve ISO14001 certification across all key market distribution networks by 2024	3 markets ISO14001 certified

+ SETTING THE HIGHEST STANDARDS OF INTEGRITY

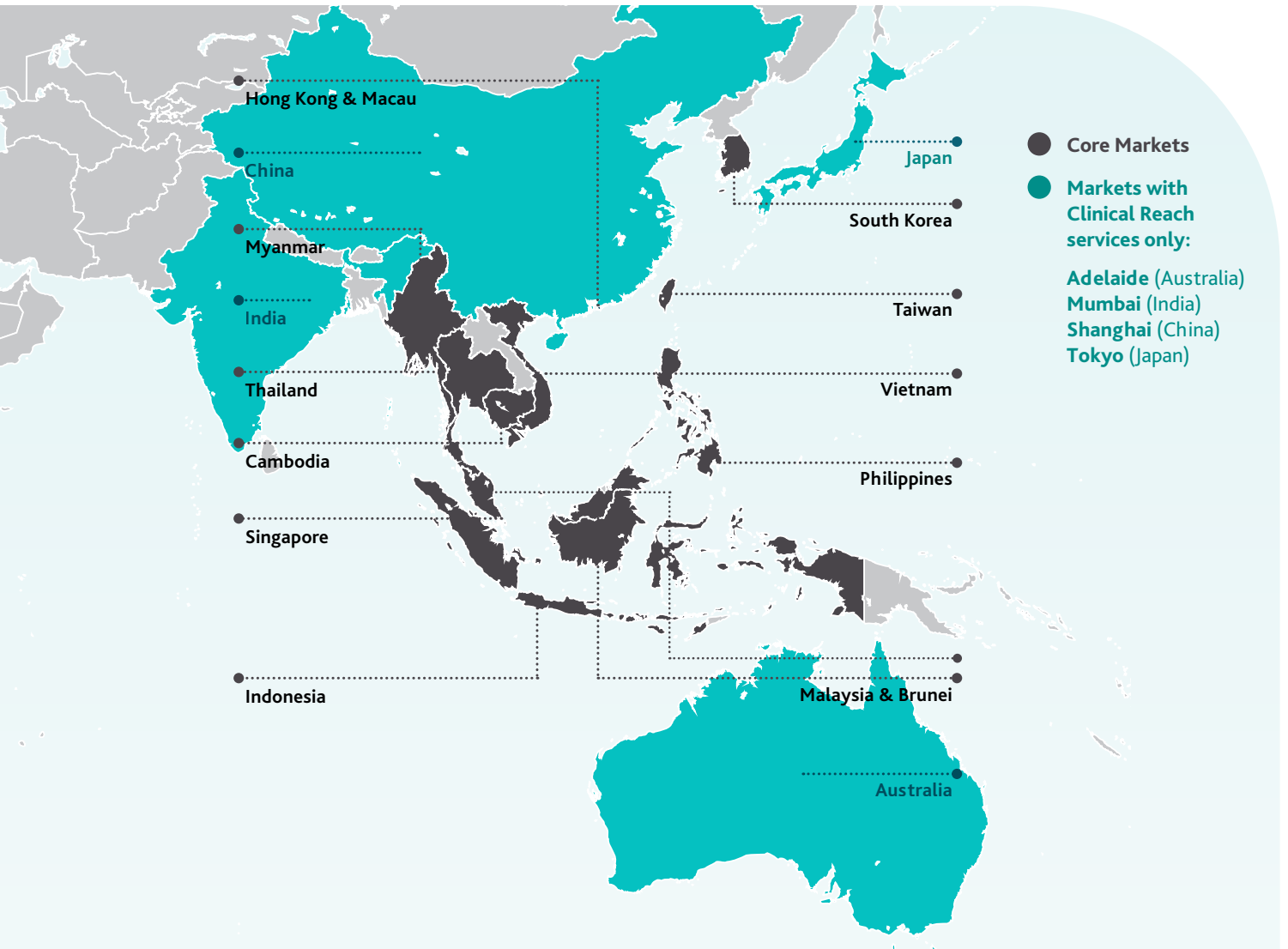
Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
Product Quality and Security	Be TAPA-certified across all key markets with a distribution setup by 2025	6 markets TAPA certified
Counterfeit Products and Parallel Trade	Implement eZTracker across all key markets with a distribution setup by 2025	ISO27001 certified in more than 80% of markets
Data Privacy and Security	Achieve ISO27001 certification across all key markets with a distribution setup by 2025	eZTracker implemented in 5 markets
Responsible Sourcing	100% of new suppliers above US\$75,000 in contract value covered by Supplier Sustainability Due Diligence Questionnaire	100% of new suppliers above US\$75,000 in contract value covered
	100% performance rate, completed all planned audits on targeted Tier 1 and 2 suppliers	Achieved a 98% performance rate, performing 264 supplier audits out of 270 planned audits on targeted Tier 1 and 2 suppliers

ABOUT US

GRI 2-1, 2-6



Zuellig Pharma is one of the largest healthcare services groups in Asia and part of the Zuellig Pharma Group, a privately held company.

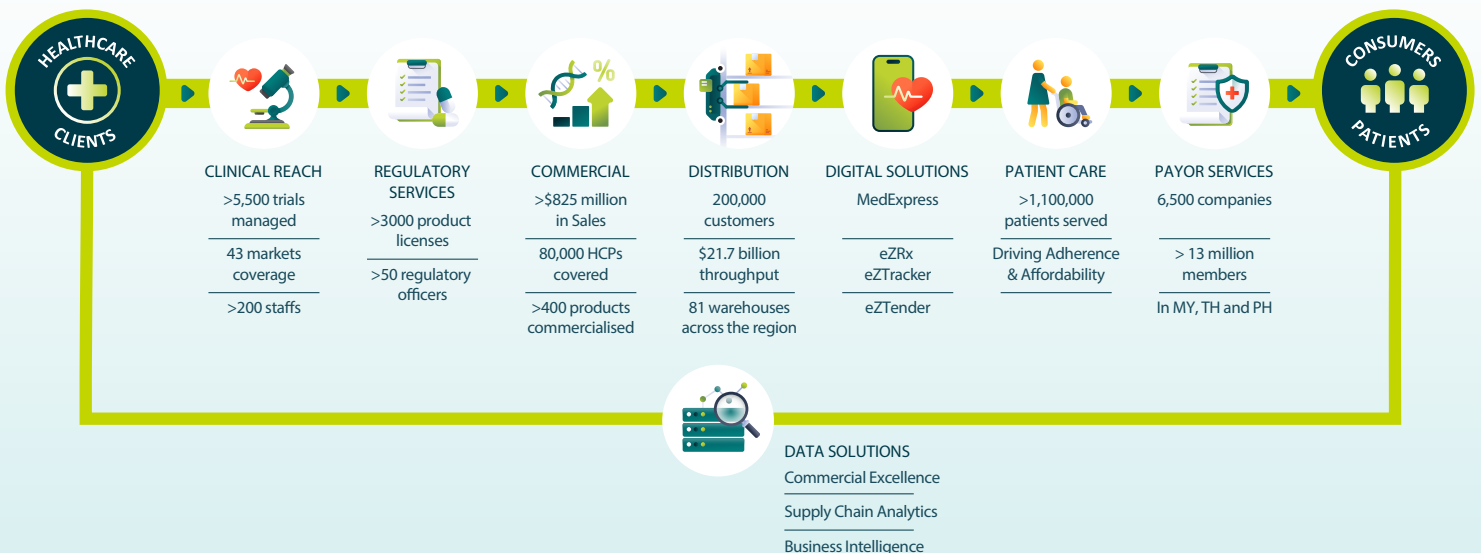
Headquartered in Singapore, the company is now a US\$16 billion business covering 17 markets with over 12,000 employees. We serve over 200,000 customers and work with over 500 clients, including the top 20 pharmaceutical companies in the world. Our customers include 22,000 hospitals, 55,000 clinics, 53,000 pharmacies and 70,000 miscellaneous medical stakeholders such as modern trade outlets, convenience stores and wholesalers.

Our Distribution, ZP Therapeutics and core Data Solutions services are available across all key 13 key markets mentioned above. Our Clinical Reach services span across Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam, where we have our own operations, as well as Europe and the USA through strategic partnerships. Patient Care Services are offered in Indonesia, Malaysia, Philippines, Singapore, Taiwan, Thailand and from 2022 onwards Vietnam. Payor Solutions are offered in Malaysia, Philippines, and Thailand.

Zuellig Pharma has its roots in Asia and our long history in this region makes us familiar with its diverse cultures and healthcare needs. This enables us to adapt to the evolving healthcare environment and provide a suite of business solutions and services to support the growing healthcare needs.

+ VALUE CHAIN OF OUR BUSINESS

At Zuellig Pharma, our unique position in the healthcare ecosystem allows us to connect clients, customers and patients across the value chain.



A new shareholder has taken a minority stake in our MiCare division under Payor Services. This does not impact our scope of reporting. The addition of Japan to the map shown on page 14, also does not impact our reporting as our presence is ensured by a third party. Otherwise, there are no significant changes in our services, value chain and other relevant business relationships compared to the previous reporting period.

+ OUR SERVICES

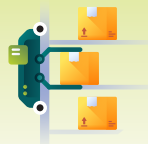
CLINICAL REACH



We provide end-to-end clinical supply chain solutions to ensure clinical trials and research run smoothly.

- Clinical Storage & Distribution
- Cold Chain Management
- Project Management
- Regulatory Insights
- Secondary Packaging
- Direct to Patient Supplies
- Global/local Product Sourcing

DISTRIBUTION



Our end-to end solutions and extensive distribution network provides access to all relevant channels in even the most remote areas of Asia.

- Transportation
- Pick & Pack
- Warehousing
- Redressing
- Cold Chain Solutions
- Credit Management

PATIENTCARE



We provide innovative healthcare solutions that encourage healthier lifestyles, drive prescription adherence and improve health outcomes.

- Patient Education & Public Awareness
- Affordability Solutions
- Disease Management & Patient Engagement Programmes
- Logistics & roll-out support to Mass Vaccinations

PAYOR SERVICES



Our payor services help companies and insurers develop plans and programmes to deliver high quality healthcare while minimising administrative work and managing cost.

- Administration
- Cost Management
- Solutions and Interventions
- Data Insights and Advisory

DATA SOLUTIONS



Through our suite of analytics solutions, we deliver targeted, data-driven insights for actionable growth and accelerated performance to drive commercial excellence.

- Business Intelligence
- Market & Account Benchmarking Insights
- Sales Force Effectiveness
- Pricing & Promotion Insights
- Market Expansion Analysis
- Demand Forecasting

DIGITAL SOLUTIONS



Our award-winning ecosystem of digital solutions drives better engagement, productivity and innovation from plant to patient - ensuring accessibility to healthcare even amid disruption.

- B2B eCommerce (eZRx)
- Supply Chain Traceability (eZTRacker)
- Access & Adherence
- Patient Engagement

ZP THERAPEUTICS



We aim to be the go-to commercialisation partner for the healthcare industry through providing best-in-class, life-cycle management of commercial solutions to create outcomes that transform patient journeys and the healthcare industry.

- Regulatory Affairs
- Market Access
- Medical Affairs
- Marketing Excellence
- Sales Excellence
- Digital Technology
- Pharmacovigilance
- Alliance Management

REGULATORY SERVICES

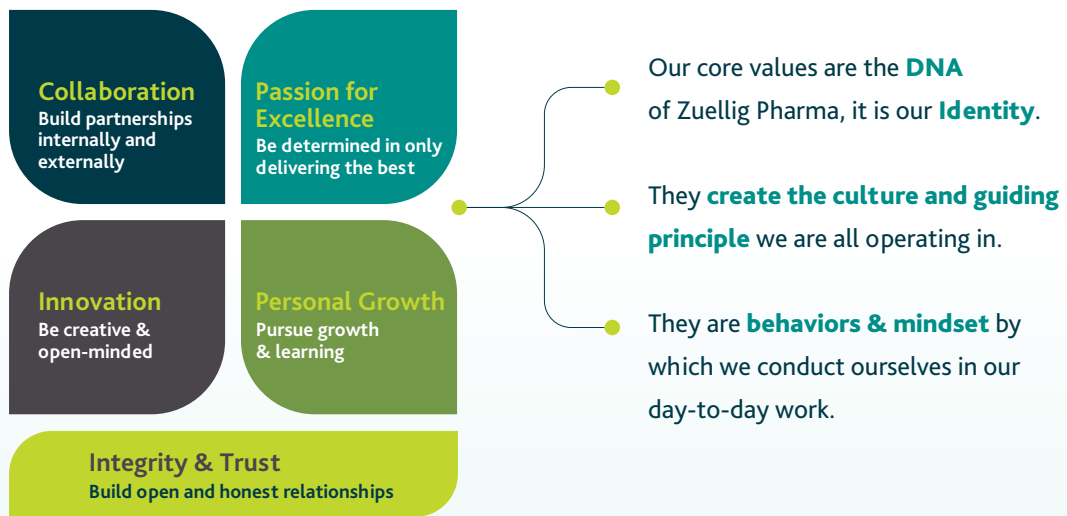


We are the regulatory experts paving early access to innovative and meaningful healthcare. We offer full regulatory life cycle management.

- Upstream Strategy (Pre-registration Market Entry Consultation)
- Technical Expertise (Dossier Preparation & Registration Submission)
- Downstream Liaison (Regulatory-Commercial-Supply Coordination)
- Intelligence Services (Regulations Changes Impact Assessment)

+ OUR MISSION AND CORE VALUES

Our mission of **Making Healthcare More Accessible** has led us to where we are today and will continue to guide us in our growth.



To ensure these values are ingrained in the way we work, the commitment of our teams to these values is included in the performance appraisal of our employees across our operations. Integrity and ethical business conduct are critical to our operating philosophy and relationship building.

OUR APPROACH TO SUSTAINABILITY

2022 HIGHLIGHTS

Our GHG targets recognised and approved as

1.5°C aligned targets,

most ambitious designation available through the SBTi process



Awarded a score of

B for Climate Change by CDP,

highest score obtained by any company in our activity group (Road Transport)

First and only company worldwide in our activity group to be awarded a score of



and make it to the A-list for CDP's Supplier Engagement Rating (SER)



Platinum certified by EcoVadis, ranking us in

TOP 1%

of all assessed companies worldwide.

#1 score globally in our industry amongst 2,800 logistics leaders



The private sector has a critical role to play in driving ESG efforts, as it possesses vital resources to the achievement of global sustainability goals. We are at an inflection point where an increasing number of corporate citizens now recognise the urgency of addressing environmental and social issues.

As a leading healthcare service provider in Asia, we play an important role in making healthcare more accessible. This enduring purpose has been a guiding star throughout Zuellig Pharma's hundred-year history and shaped a consistent approach to contribute to the wellbeing of the communities we serve. By prioritizing sustainability, we wish to contribute to a healthier, more equitable and more resilient world.



JEAN-GAETAN GUILLEMAUD

HEAD OF CORPORATE AFFAIRS

Our mission to **Make Healthcare More Accessible** drives us every day to deliver our best and find ways to improve, as we work in partnership with our clients, customers, suppliers, governments, and partners for the greater good. This mission has never been more important than now, and we believe we have the responsibility to be a driving force in building a more sustainable world for future generations.

Sustainability plays an integral role in how we work towards our vision of building a healthier future for Asia. Our sustainability framework articulates how we intend to make our vision come true and what sustainable value creation means for Zuellig Pharma.

ZUELLIG PHARMA SUSTAINABILITY FRAMEWORK

PURPOSE

Making Healthcare
More Accessible

SUSTAINABILITY VISION

Building a healthier future for Asia with our Clients
& Customers

Improving Health Outcomes



- Access to Healthcare
- Affordability
- Community Engagement
- Preventative Care
- Enabling Healthcare Professionals

Nurturing Talent



- Talent Recruitment, Development & Retention
- Workplace Health & Safety
- Employee Wellbeing
- Employee Engagement
- Diversity & Inclusion

Respecting The Environment



- Climate Resilience
- Climate Change Mitigation & Energy Efficiency
- Responsible Waste Management
- Environment Compliance



Setting The Highest Standards Of Integrity

- Product Quality & Security
- Fighting Counterfeit Products
- Countering Parallel Trade
- Preventing Bribery & Corruption
- Data Privacy & Security
- Public Policy
- Responsible Sourcing
- Responsible Sales & Marketing

We defined four sustainability pillars which form the foundation and focus of our efforts to drive long-term value for the business and our stakeholders. Through a comprehensive materiality assessment, we identified 22 material sustainability issues on which we have significant environmental, social, and economic impact, and they form the basis for developing our sustainability framework.

MATERIALITY ASSESSMENT

GRI 3-1, 3-2

Undertaking regular materiality assessments is key to understanding the environmental, social, economic and governance issues that are of greatest significance to Zuellig Pharma's business and its stakeholders, as well as their impacts on the economy, environment and people. We undertook a comprehensive process with the support of external consultants to identify and assess our material sustainability issues in 2019.

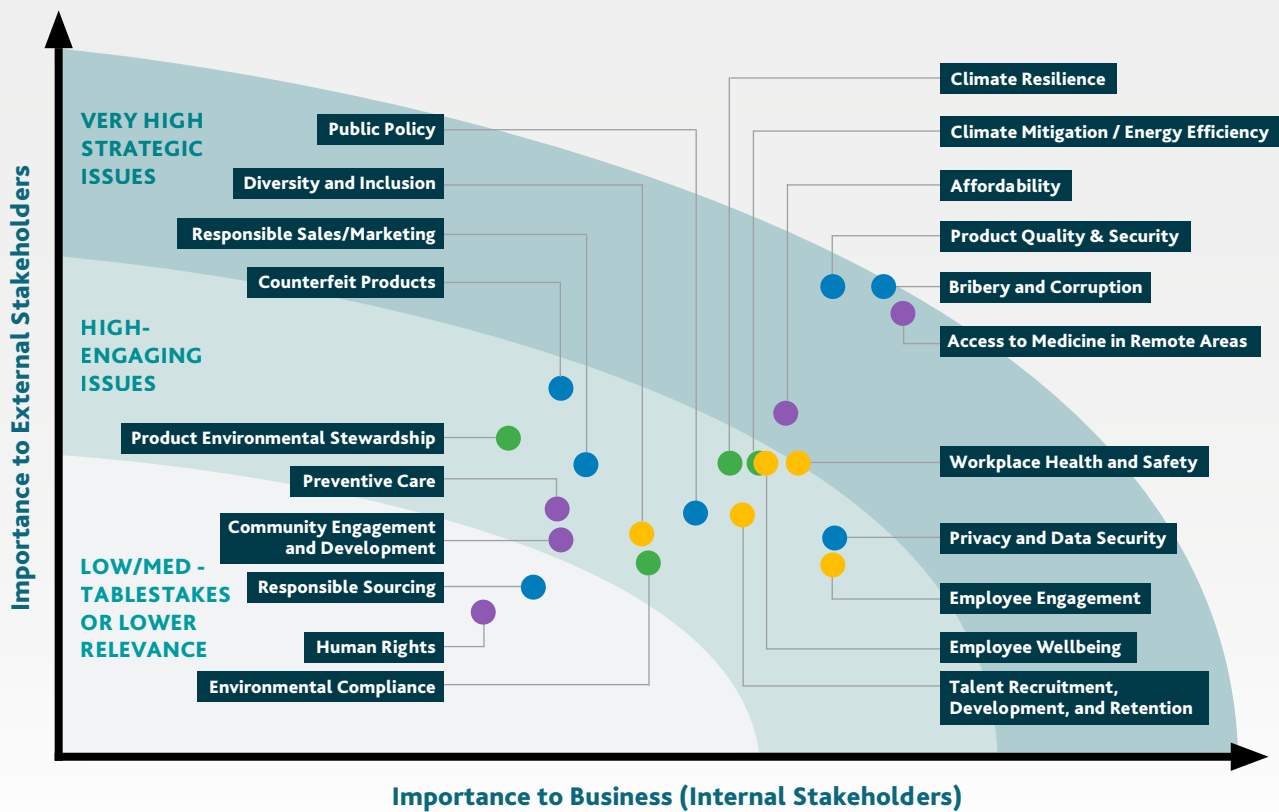
In this process, we conducted 45 interviews with key internal and external stakeholders to understand their perspectives on the sustainability issues where Zuellig Pharma has the most significant impact, and which substantively influence our business and stakeholders. Stakeholders who were engaged include employees, clients, customers, government authorities and medical experts. The materiality process comprised the following stages:



The final list of 22 material sustainability issues were reviewed and approved by the Board. The results informed our approach to managing and reporting on sustainability.



OUR MATERIALITY MATRIX



To ensure we remain relevant and keep abreast of any changes in the issues and their impacts, we conduct a light-touch review of our material issues each year. Our last review was conducted in 2022. This process includes engaging Pillar Leads to review literature, conducting reviews to acquire meaningful information on the changes and emerging trends relevant to our material topics and collecting feedback from external stakeholders.

Even though we did not perform a full assessment in 2022, the tools we have in place such as our grievance system, Compliance & HSSE reporting, Quality Assurance and Risk

Management processes has allowed us to report both on how our business is affected by sustainability issues and how our activities impact society and our environment. There are no changes in material topics from the previous reporting period.

We plan to conduct another comprehensive materiality assessment in 2023 which would incorporate the double materiality concept, and moving forward, we aim to have such comprehensive assessments with external specialists at least every 5 years.

+ OUR MATERIAL SUSTAINABILITY ISSUES

ACCESS TO HEALTHCARE

Support access to healthcare and medicines, especially in low to middle income countries, through facilitating and optimising physical and digital channels of distribution.

AFFORDABILITY

Support continued affordability of healthcare and medicines by improving fund availability and working with governments to drive reimbursement at national level for patients in need.

COMMUNITY ENGAGEMENT

Engage local communities to improve health outcomes through disease awareness, partnerships or other charitable contributions.

PREVENTATIVE CARE

Support access to preventative healthcare and health literacy, to reduce disease rate and burden.

ENABLING HEALTHCARE PROFESSIONALS

Enhance the ability of pharmacists and pharmacy employees to serve their communities as a first line of defence in healthcare through professional development and digital solutions.

TALENT RECRUITMENT, DEVELOPMENT & RETENTION

Attract and retain the right talent, nurturing and empowering them to reach their best potential.

WORKPLACE HEALTH AND SAFETY

Create a safe working environment and achieve a zero-harm workplace for both employees and contractors.

EMPLOYEE WELLBEING

Promote and support the physical and mental wellbeing of employees.

EMPLOYEE ENGAGEMENT

Building personalised approaches to developing fulfilling careers for our team, supported by competitive pay and managerial support, and an engaging work environment.

DIVERSITY AND INCLUSION

Create an inclusive workplace that promotes equal opportunity and is free from discrimination and harassment, so that employees can realise their full potential regardless of age, gender, ethnicity, ability, sexual orientation and gender.

CLIMATE RESILIENCE

Increase the ability of our business to prepare for and adapt to climate impacts.

CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY

Reduce greenhouse gas emissions by improving energy efficiency and use of renewable energy in our operations, as well as influencing climate action in our supply chain.

+ OUR MATERIAL SUSTAINABILITY TOPICS (CONT.)

RESPONSIBLE WASTE MANAGEMENT

Reduce waste generation in our own operations while playing a leading role in influencing responsible pharmaceutical and packaging material waste management.

ENVIRONMENTAL COMPLIANCE

Operate in an environmentally conscious way according to environmental laws and regulations of our markets, while striving to align with international best practices and guidelines.

PRODUCT QUALITY AND SECURITY

Ensure the end-to-end product integrity and security of our supply chain and build a strong culture of quality.

FIGHTING COUNTERFEIT PRODUCTS & PARALLEL TRADE

Enable greater transparency in the pharmaceutical supply chain and healthcare ecosystem to counter illicit trade and its negative impacts on human health.

PREVENTING BRIBERY AND CORRUPTION

Prevent bribery and corruption, ensuring we conduct our business with the highest ethical standards.

DATA PRIVACY AND SECURITY

Protect client, customer and patient data by continually developing robust cybersecurity and data privacy programmes to respond to an ever-evolving landscape.

RESPONSIBLE SOURCING

Implement sustainable procurement practices and engage with suppliers to ensure positive environmental, social and economic impact across the purchasing and supply management lifecycle.

RESPONSIBLE SALES AND MARKETING

Uphold responsible sales and marketing practices to ensure patient safety and informed decision-making on medicine usage.

PUBLIC POLICY

Engage and partner governments in building a healthier future for communities through healthcare reform, healthcare financing and support, disease management, and the use of data analytics to guide policy.

+ SUSTAINABILITY GOVERNANCE

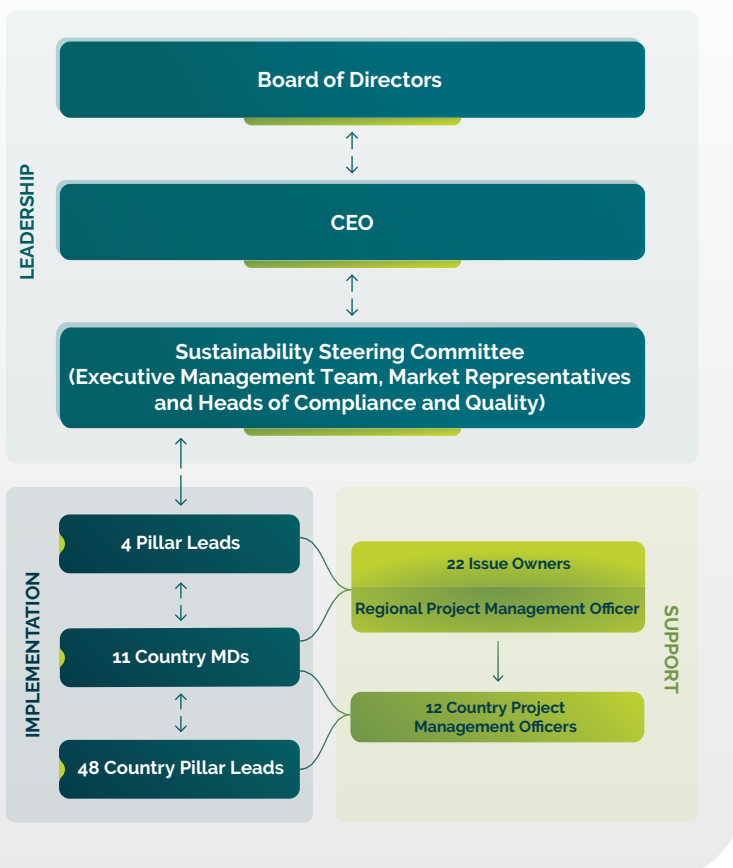
GRI 2-9, 2-11, 2-13, 2-14, 2-16

Driving sustainability throughout the organisation requires strong leadership support. We have a strong governance structure in place with our Board of Directors, CEO and executive management team (EMT) steering our sustainability agenda.

A Sustainability Steering Committee was set up comprising our Chief Executive Officer John Graham, our executive management team, and relevant key functions across the organisation. The Sustainability Steering Committee is actively involved in setting and executing the sustainability strategy, as well as overseeing organisational implementation. It consists of 11 members of the EMT and 2 Managing Directors representing markets. They have accountability over the four key pillars of the sustainability strategy. They are also responsible for driving progress and execution across markets in each pillar and ensure issue owner accountability. The Sustainability Steering Committee also reviews and approves the information and disclosures reported in the sustainability reports.

The Board, which is chaired by a non-executive director, maintains oversight of the sustainability agenda, reviewing and considering the material sustainability issues in guiding business strategy and major plans of action. The Board of Directors are appointed by existing Board members and shareholders, based on their expertise around the products and services managed by Zuellig Pharma, their knowledge of the context of geographical areas we operate in and the standards of professionalism, work ethics and integrity they have displayed. It also monitors performance and progress against goals and targets for addressing material sustainability topics at quarterly Board meetings where updates are provided to them by the CEO. Our Board of Directors and Executive Management Team recognise the importance of seeking external assurance for general disclosures and selected key sustainability disclosures in this report to strengthen our approach towards reporting transparently.

Each of our key pillars and material issues is owned by a member of our Executive or Senior Management Team. Pillar heads drive progress and execution of pillar projects across markets and ensure issue owner accountability. Issue owners serve as subject matter experts to track and share relevant external developments around material issues, and outline roadmaps to achieve desired goals for the pillar. An established network of regional and country project management officers provides support and coordinates local activities.



[CLICK HERE TO LEARN MORE ABOUT OUR SUSTAINABILITY STEERING COMMITTEE.](#)



SUSTAINABILITY POLICIES

GRI 2-23, 2-24

Zuellig Pharma's approach to sustainability is guided by the four key pillars of Improving Health Outcomes, Nurturing Talent, Respecting the Environment and Setting the Highest Standards of Integrity.

The [Zuellig Pharma Sustainability Policy](#) was established to communicate our vision and key sustainability commitments in these key pillars. It serves as an overarching policy that encompasses other sustainability-related policies in the areas of Environment, Social, Governance which reflects our sustainability priorities based on our four pillars. The policies are applicable for all employees, clients, customers, partners and suppliers.

We believe that we have an ethical responsibility to protect the environment and are committed to complying with environmental laws and regulations in all markets we operate in.

Our [Code of Conduct](#) and [Environmental Policy](#) set out how we maintain environmental standards at Zuellig Pharma. All suppliers identified as critical from a sustainable procurement perspective will need to acknowledge our [Supplier Code of Conduct](#) that includes an expectation to operate in an environmentally friendly manner and in strict compliance with all applicable environmental laws and regulations.

Our social commitments are aligned with labour principles contained within the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the Pharmaceutical Supply Chain Initiative and ILO Core Conventions on Labour Standards. In accordance with the United Nations Global Compact's Principles 1 to 6, our commitments cover the following areas: freedom of association & collective bargaining, elimination of forced or compulsory labour, abolition of child labour, anti-discrimination, diversity and inclusion, anti-harassment and abuse, workplace health and safety, fair and decent working conditions.

These above principles around labour and human rights extend to Zuellig Pharma's expectations of our suppliers. Suppliers are required to comply with our Supplier Code of Conduct that includes strict compliance with all applicable labour laws and regulations. Aside from the policies highlighted above, our [Code of Conduct](#) and Labour & Human Rights Policy set out how we maintain labour standards and protect our employees at Zuellig Pharma.

Policies guiding our commitments toward responsible business conduct include our Code of Conduct, [Anti-Corruption & Anti-Bribery Policy](#), Conflicts of Interest Policy, Interactions with Healthcare Providers Policy, Gifts and Hospitality 10 Policy, Third Party Anti-Corruption Due Diligence Policy and Fraud Reporting Policy set out how we maintain anti-corruption standards and anti-competitive practices at Zuellig Pharma. They help us ensure that all interactions with clients, partners, suppliers and government are conducted with openness and transparency, in strict compliance with applicable anti-corruption and anti-competitive laws. There are compliance officers in all markets to ensure our employees and suppliers act according to the highest ethical standards and abide by the Code of Conduct, which also covers anti-money laundering practices, and anti-corruption and Fraud Reporting policies. Suppliers, in doing business with Zuellig Pharma are also required to adhere to our Supplier Code of Conduct that includes our expectations to uphold the right ethical standards and strict compliance with all applicable anti-corruption laws and regulations.

Our internal Security Policy sets out guidelines for how we maintain the highest level of supply chain security within our business. Our data privacy and security practices are governed by the Corporate Data Privacy Policy and Information Security Policy.

These policies have been approved by the Board of Directors and Executive Management Team, and are reviewed on a regular basis to ensure compliance to the latest international standards. Should we identify any risks related to our environmental actions, we will take the necessary steps to mitigate these risks to the greatest possible extent possible.

+ UNITED NATIONS GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Zuellig Pharma became a signatory to the United Nations Global Compact (UNGC) in 2019 to bring to life our sustainability vision of building a healthier future for Asia and fulfil our mission of making healthcare more accessible. We are committed to supporting UNGC and progressively implementing the Ten Principles in our business.

The UNGC calls on companies to take action in support of the Sustainable Development Goals (SDGs). Zuellig Pharma believes we have an important role to play in the global agenda for sustainable development to contribute to a better, more sustainable future. In assessing which SDGs are most relevant for our business and where we can have a significant positive impact, we have identified **SDG 3** as a key focus for our efforts, as the issues embodied in SDG 3 are where we can have a significant positive impact and most relevant for our business to address. We also identified SDGs 5, 7, 8, 12, 13 and 16 as areas where we can best contribute directly or indirectly to address, and which represent the greatest opportunities to work with other stakeholders on sustainable development, in support of SDG 17.

We have mapped the SDGs to our material sustainability topics based on the identified underlying targets that we are best placed to help address through our business activities and initiatives. Please refer to the section on Sustainability Targets and Performance on Pg 12 for our contribution to the identified SDGs.

+ STAKEHOLDER ENGAGEMENT

GRI 2-29

Stakeholder engagement is an important part of our approach to sustainability and how we understand and manage our material sustainability issues. We believe that open and regular communication will enhance mutual understanding, as well as drive partnerships to address sustainability issues in the industry.

Our stakeholders have been identified and prioritised for engagement based on their influence on and relevance to Zuellig Pharma, as well as our impact on them. Through our two-way communication and engagement with them, we seek to obtain their opinions and feedback to help us improve our sustainability practices and performance. We also seek to provide relevant and accessible information on their respective areas of concern through appropriate communication channels. During the preparation of this report, we engaged with internal stakeholders on reporting key metrics and activities, as well as with selected external stakeholders to provide their perspectives via quotes seen in this report.

The healthcare sector is a highly regulated space and with the strict regulations in place, our level and type of engagement with patients and healthcare practitioners need to remain within the boundaries of our code of conduct and local regulations.

The table below summarises the key engagements that took place during the year to address topics of interest, including formal and informal engagements that occur as part of our daily work:

→ CLIENTS

ENGAGEMENT METHOD AND FREQUENCY

Our clients are manufacturers of consumer health products, pharmaceuticals, medical devices and other medical items.

- One-on-one communication from Strategic Partnership & Business Development team through emails, meetings, etc. (Regular)
- Digital Magazine (Regularly updated [here](#))
- [LinkedIn](#) and [website](#) news updates (Regular)

KEY TOPICS OF INTEREST

OUR RESPONSE

General sustainability progress

- Developed Sustainability Policy to provide an overview of our approach to sustainability
- Developed GRI-aligned sustainability report and UN Communication on Progress
- Attained EcoVadis Platinum. Engaged with clients to share sustainability plan and identify areas of partnership

Respecting the Environment Pillar

- Climate Resilience
- Climate Change Mitigation & Energy Efficiency
- Responsible Waste Management
- Environmental Compliance

- Developed and shared GHG Report
- Aligned reporting standards to GHG Protocol
- Got our GHG targets approved by Science Based Target initiative (SBTi)
- Disclosed our carbon impact and reduction strategy on the Carbon Disclosure Platform (CDP)
- Launched the Greenovate Incubator
- Partner with clients on Sustainability initiatives, e.g., piloted recycling programme with a key Client in Malaysia

Improving Health Outcomes Pillar

- Access to Healthcare, particularly during COVID-19
- Community Engagement
- Affordability
- Preventative Care
- Enabling Healthcare Professionals

- Regular COVID-19 operational status updates to clients from Strategic Partnership & Business Development team
- Organised the "Immunisation Matters" Summit in 2021, to help accelerate immunisation rates across Asia
- Organised the "Building a Healthier Asia" Healthcare Access Summit in 2022, to discuss innovative ways to effectively improve access to healthcare across asia
- Partnered with clients and Governments to accelerate access to COVID-19 vaccines
- Ongoing partnerships

Integrity Pillar

- Product Quality & Security
- Data Privacy & Security
- Anti-Bribery & Corruption
- Responsible Sourcing
- Counterfeit Products & Parallel Trade
- Responsible Sales & Marketing
- Public Policy

- Communicated our policies, programmes and certification on
 - Quality management
 - Data privacy and security
 - Pharmacovigilance, sales and marketing standards
- Shared about Zuellig Pharma Code of Conduct and Supplier code of conduct
- Established Government Affairs regional function
- Robust Quality Management System & TAPA certifications

→ CUSTOMERS

ENGAGEMENT METHOD AND FREQUENCY

- Healthcare professionals (HCPs) such as pharmacists, doctors and pharmacy employees are the first line of defence for their communities, especially in countries where healthcare systems are overburdened. Zuellig Pharma aims to enhance their abilities to serve their local communities by conducting training, conferences and upskilling the knowledge in medical education. We do this in full compliance with established industry rules of engagement and observe all applicable laws and regulations.
- One-on-one communication from in-country teams through emails, meetings, etc. (Regular)
 - [LinkedIn](#) and [website](#) news updates (Regular)
 - HCP Webinars
- Digital Magazine (Regularly updated [here](#))

KEY TOPICS OF INTEREST

Improving Health Outcomes Pillar

- Access to Healthcare
- Enabling Healthcare Professionals

OUR RESPONSE

- Organised educational webinars covering topics of interest
- Developed and supported adoption of digital platforms that expanded patient reach i.e. eZRx, ZiP, Docquity, eZConsult, Klinify

→ EMPLOYEES

ENGAGEMENT METHOD AND FREQUENCY

Employees are the heart of our business. We seek to continue fuelling this driving force and enhance engagement by understanding the factors that drive motivation and loyalty to the company. Different initiatives are implemented across all markets, based on country-specific employee engagement strategies. Some of these engagement initiatives include company townhalls, recognition programs, employee opinion surveys, workshops, and communications platforms.

- Townhall session (Annually)
- Sustainability SharePoint (Updated regularly)
- Sustainability Digest (Quarterly)
- Internal communications regional newsletter (Quarterly)
- Yammer updates (Regularly)

KEY TOPICS OF INTEREST

General sustainability awareness

Nurturing Talent Pillar

- Talent Recruitment, Development & Retention
- Employee Engagement & Wellbeing
- Diversity & Inclusion
- Workplace Health & Safety

OUR RESPONSE

- Organised Sustainability Month since 2020 that engaged and raised awareness on sustainability topics
- Integrated sustainability awareness and information into onboarding programmes for new joiners
- Communicated sustainability information through quarterly webinars, regional newsletters and other internal communication platforms

- Employee appraisals (annually)
- Training and development programmes
- Led Gallup Engagement Survey
- Expanded use of LinkedIn Learning Platform
- Employee engagement and wellbeing programmes
- Organised activities such as Safety Week and Nurturing Talent Week to engage and educate on these topics
- Implemented Employee assistance programmes in areas of mental wellbeing etc.
- Launched internal vaccination campaigns
- Set up a Diversity, Equity & Inclusion Core Committee, post-completion of a companywide sentiment survey, and organised first webinars and awareness activities

→ LOCAL COMMUNITIES

ENGAGEMENT METHOD AND FREQUENCY

Through the work we do to improve health outcomes and provide better access to healthcare, we engage with our communities which include targeted patient groups, local populations, virtual communities of healthcare service providers that we are connected to, and our employees and their families.

- Client partnerships (Project-based)
- Community engagement and CSR programmes (Project-based)

KEY TOPICS OF INTEREST

Improving Health Outcomes Pillar

- Access to Healthcare, particularly during COVID-19
- Community Engagement
- Affordability
- Preventative Care

Integrity Pillar

- Product Quality & Security
- Data Privacy & Security
- Anti-Bribery & Corruption
- Counterfeit Products & Parallel Trade
- Responsible Sales & Marketing

OUR RESPONSE

- Continue to conduct and participate in community engagement and CSR programmes, as well as patient access and disease awareness programmes
- Patient access programmes
- Corporate social responsibility programmes
- Supported A4D through financing the treatment for children suffering from Type 1 Diabetes
- Robust Quality Management System
- Information Security and Data Privacy Programmes
- Anti-bribery & corruption programmes
- Developed eZTracker to enable supply chain visibility and product authentication
- Established pharmacovigilance and sales & marketing standards
- Strict implementation of Code of Conduct and compliance instructions during all professional interactions
- Won the IDC Future Enterprise Awards – Future of Trust award for improving patient safety and trust through blockchain technology

→ GOVERNMENTS

ENGAGEMENT METHOD AND FREQUENCY

We engage and partner MOH, governments, healthcare organisations and related health stakeholders in building a healthier future for communities through healthcare reform, support digitalisation of healthcare, healthcare financing and support, disease management, and the use of data analytics to guide policy.

- Engagement via Healthcare Associations (regularly)
- Direct engagement through emails, meetings, etc. (regularly)
- Government partnerships (Project-based)

KEY TOPICS OF INTEREST

General sustainability program, including but not limited to:

- Access to Healthcare, particularly during COVID-19
- Community Engagement
- Affordability
- Product Quality & Security
- Data Privacy & Security
- Anti-Bribery & Corruption
- Counterfeit Products & Parallel Trade
- Climate Change Mitigation & Energy Efficiency
- Public Policy

OUR RESPONSE

- Engaged with governments to offer support during COVID-19 crisis
- Developed solutions tailored to the needs of governments to support immunisation efforts, such as eZVax
- Triggered discussions across governments worldwide to enhance access to COVID-19 vaccines in Asia
- Engaged with governments to discuss public policy matters and potential partnership areas
- Received the Gold Standard Award for "Partnering with governments to make immunisation more accessible" by Public Relations and Communications Association (PRCA)

→ SUPPLIERS

ENGAGEMENT METHOD AND FREQUENCY

We engage and partner with our suppliers on matters primarily concerning ethical business practices, fair labour practices, anti-corruption and sustainable procurement practices. Zuellig Pharma's Supplier Code of Conduct provides clear guidance about our expectations on aforementioned priority areas to our suppliers. Our main supplier categories are transportation services, temporary labour, consulting and professional services, IT hardware and servers, packaging, construction, leases, material handling equipment and office supplies.

- One-on-one communication with Suppliers through emails, meetings, etc. (regularly)
- Supplier portal
- Supplier Sustainability Assessments and roll out of a 3rd party Supplier Sustainability Monitoring System
- Annual training (e.g on product handling and Code of Conduct) and regular operational meetings with critical suppliers (e.g Transport Suppliers) and 2nd tier audits
- Material Vendor Accreditation and Training (annual)

KEY TOPICS OF INTEREST

- Responsible Sourcing
- Workplace Health & Safety
- COVID-19 pandemic resilience strategy
- Welfare & working conditions
- Ethics and Compliance
- Environmental compliance
- Governance

OUR RESPONSE

- Annual Supplier Sustainability Awards Day and training
- Communicated Supplier Code of Conduct and encouraged adoption of procurement policy
- Engaged supply base to partner on sustainability initiatives
- Joined Mekong Club to perform worker rights & safety audits within our supply chain
- Joined the Sustainable Procurement Pledge to drive awareness and action on responsible sourcing practices across the value chain
- Implemented Third party Integrity Next supplier questionnaires and monitoring, GHG scope 3 tracking
- Launched "Elevator Worker Voice" pilot programme to monitor and address any labour risks in our supply chain



+ OUR MEMBERSHIPS AND ASSOCIATIONS

GRI 2-28

As part of our commitment towards upholding best practices in sustainability and industry standards, Zuellig Pharma participates in the following associations and initiatives.



We are a signatory to the United Nations Global Compact and are firmly committed to supporting the Global Compact and its Ten Principles.



We are part of the BSR Healthcare Working Group, contributing to develop research and resources that help overcome the major challenges to reducing the burden of disease and improving global health outcomes.



The International Federation of Pharmaceutical Wholesalers' (IFPW) role is to advance the safe, efficient and continuous access to pharmaceuticals worldwide. Via its Sustainability working group Zuellig Pharma aims at supporting the sharing of best practices amongst the industry.



In 2021, we joined as a member of The Mekong Club, a non-profit organisation specialising in detecting and eliminating modern slavery In Asia. As part of the membership, Mekong Club provides up-to-date information and expert training as well as an audit platform where we can start to conduct 2nd tier audit.



The Asia Pacific Medical Technology Association (APACMed) is a trade association representing key stakeholders associated with the medical technology industry in Asia Pacific. Zuellig Pharma is an Associate member, as part of the collective voice focused on improving standards of care, driving access and collaboration and shaping the future of healthcare through bringing in innovative medical technologies in Asia Pacific.



In 2022, we joined the Sustainable Procurement Pledge, an international bottom-up and non-profit organisation focused on driving awareness and knowledge on responsible sourcing practices and empowering partners across the value chain. As part of our membership, we organise and take part in the initiatives to equip our buyers and suppliers with practical insights and toolkits to address most pressing sustainability challenges in procurement.

Our participation in other voluntary initiatives include disclosing against the GRI and GHG Protocol frameworks. We are also a respondent on the CDP platform. Zuellig Pharma has also been an active member of the IFPW working group with SASB on the definition of industry standards for healthcare distributors.





OUR MEMBERSHIPS AND ASSOCIATIONS (CONT.)

GRI 102-12, 102-13

We also drive environmental advocacy through our participation in the following:



We are a member of the EU-ASEAN Business Council Sustainability Committee to promote changes in policies, rules and regulations so that new environmental and social standards and practices can benefit the communities we serve.



We joined in 2022 the US-ASEAN Business Council. Through the Sustainability Committee we aim at engaging with new sustainability stakeholders to encourage further the implementation of sustainability regulations across Asia.



In four markets our local teams complement these regional efforts by holding a position in Green Advocacy groups or by leading environmental initiatives as part of their Government Affairs efforts.



+ RECOGNISING OUR SUSTAINABILITY EFFORTS

Zuellig Pharma received a Platinum award from sustainability ratings specialist EcoVadis in 2022 once again for our commitment to driving sustainability within our business.

The award is the highest accolade to be awarded to a company for its sustainability efforts and places us at the top 1% of all assessed companies worldwide. This year, Zuellig Pharma also strengthened its position and **ranked #1 globally in our industry**, amongst 2,800 logistics leaders.

Zuellig Pharma had steadily progressed from being awarded a Silver Medal in 2020 to clinching the Platinum Medal in 2021 and again in 2022. The medal was awarded after a rigorous assessment of Zuellig Pharma's sustainability programme, including policies, actions put in place to support objectives and targets, as well as results, covering 21 sustainability criteria across four themes, including Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

“Receiving this award for the second year running is a huge achievement and reflects our continued commitment to making sustainability a key priority at Zuellig Pharma. We have remained steadfast in our efforts to positively impact the environment and society, and the award is a testament to that.”



JOHN A. GRAHAM
CEO OF ZUELLIG PHARMA

We celebrate

ECOVADIS PLATINUM

Highest possible certification provided by EcoVadis, placing Zuellig Pharma in select group of 750 companies worldwide

World's most trusted sustainability rating used by 75,000 companies & close to half of the largest 25 pharma companies

Ranked #1 in our industry, amongst **2,800 logistics** leaders around the world



Based on thorough audit of **tangible criteria**: verified KPIs, policies, SOPs, records, certifications...





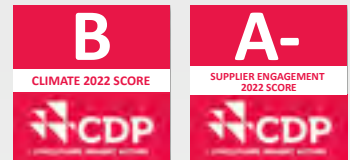
The Science-Based Targets initiative (SBTi) defines and promotes best practice in setting emissions reduction targets grounded in climate science, and independently assesses companies' targets.

With the recent IPCC report sounding alarm bells about the world hitting 1.5 degrees in the near term, there is an urgency to act to limit global temperature rise to 1.5°C and Zuellig Pharma is committed to do our part. In 2021, we committed to the SBTi and worked with an external consultant to set science-based targets aligned to a 1.5C scenario, as well as develop a carbon reduction roadmap.

Our near-term targets have been validated by the SBTi in 2022. Zuellig Pharma commits to **reduce absolute scope 1 and 2 GHG emissions by 42% by 2030** from a 2021 base year. Zuellig Pharma also commits **to reduce absolute scope 3 GHG emissions from fuel and energy related activities, upstream transportation and distribution and waste generated in operations by 25%** within the same timeframe.

To achieve our targets, we will be looking at opportunities to reduce our energy consumption, improve energy efficiency, increase the use of renewable energy and work with our suppliers to reduce our material value chain emissions.

[CLICK HERE TO ACCESS THE SBTi TARGET DASHBOARD WHICH INCLUDES HIGH-LEVEL INFORMATION ABOUT ZUELLIG PHARMA'S TARGETS AND COMMITMENTS](#)

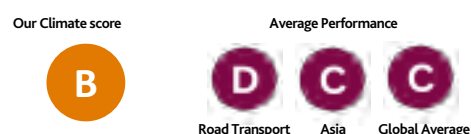


We are proud to share that Zuellig Pharma has been awarded a score of B for Climate Change from the international non-profit organisation Carbon Disclosure Protocol (CDP). CDP runs the global environmental disclosure system and scores companies based on their journey through disclosure and towards environmental leadership. **This is the highest score obtained by any company in our activity group (Road Transport), ranking us above the Asia average (C), Global average (C), and Industry Average (D).**

Zuellig Pharma also obtained A scores in three fundamental categories: Governance, Emissions Reduction Initiatives and Scope 1&2 emissions (including verification). This rating places us in the Management band, the second highest level of maturity a company can reach, which recognises Zuellig Pharma for taking coordinated action on climate issues.

We are also proud to share that Zuellig Pharma is the first and only company worldwide in our activity group to be awarded a score of A- and make it to the A-list for CDP's Supplier Engagement Rating (SER). The SER acknowledges that purchasing organisations have the potential to incentivise significant environmental changes in their supply chain through supplier engagement best practices. This score drills down on how decisively Zuellig Pharma plans, tracks & drives its decarbonisation efforts with its suppliers. In an industry where 70% of GHG emissions sit within the value chain and given the complexity of leading decarbonisation efforts with SMEs spread across the region, this top ranking speaks volumes of the work achieved in the last few years, even more so in combination to our EcoVadis score. Our score puts us way ahead of the average in our sector, region and globally – a great recognition of our efforts in sustainable supply chain management.

Zuellig Pharma first participated in this voluntary disclosure in 2021 and has improved our Climate Change score from C to B and our SER Rating score from B to A- in a year. The improvement of our scores is a testament to our long-standing commitment to sustainability and taking climate action as we collectively work towards a climate safe future.



IMPROVING HEALTH OUTCOMES



OUR MATERIAL ISSUES

ACCESS TO
HEALTHCARE



AFFORDABILITY



PREVENTATIVE
CARE



ENABLING
HEALTHCARE
PROFESSIONALS



COMMUNITY
ENGAGEMENT



CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)



IMPROVING HEALTH OUTCOMES

2022 HIGHLIGHTS

More than **a million** patients

educated through multi-channel disease awareness campaigns across all markets



USD39.5 million

in discounted medication and redemptions provided to help patients afford the care they need



378,488

patients benefitting from patient access programmes to support access to treatment



More than **65,000** healthcare professional

use our digital solutions to better serve and engage patients, up from 45,000 last year

eZRx⁺



Improving Health Outcomes is a pillar that is crucial to Zuelig Pharma, and lies at the heart of our business efforts, because it most directly relates to our core and unwavering purpose of improving access to quality healthcare services, life-saving medicines and vaccines. For a hundred years we have pushed further the boundaries of healthcare access in Asia, and we work every day to benefit the communities we serve.



REHAN SAGHIR

EXECUTIVE VICE PRESIDENT, ZP THERAPEUTICS

IMPROVING HEALTH OUTCOMES PILLAR LEAD



ACCESS TO HEALTHCARE

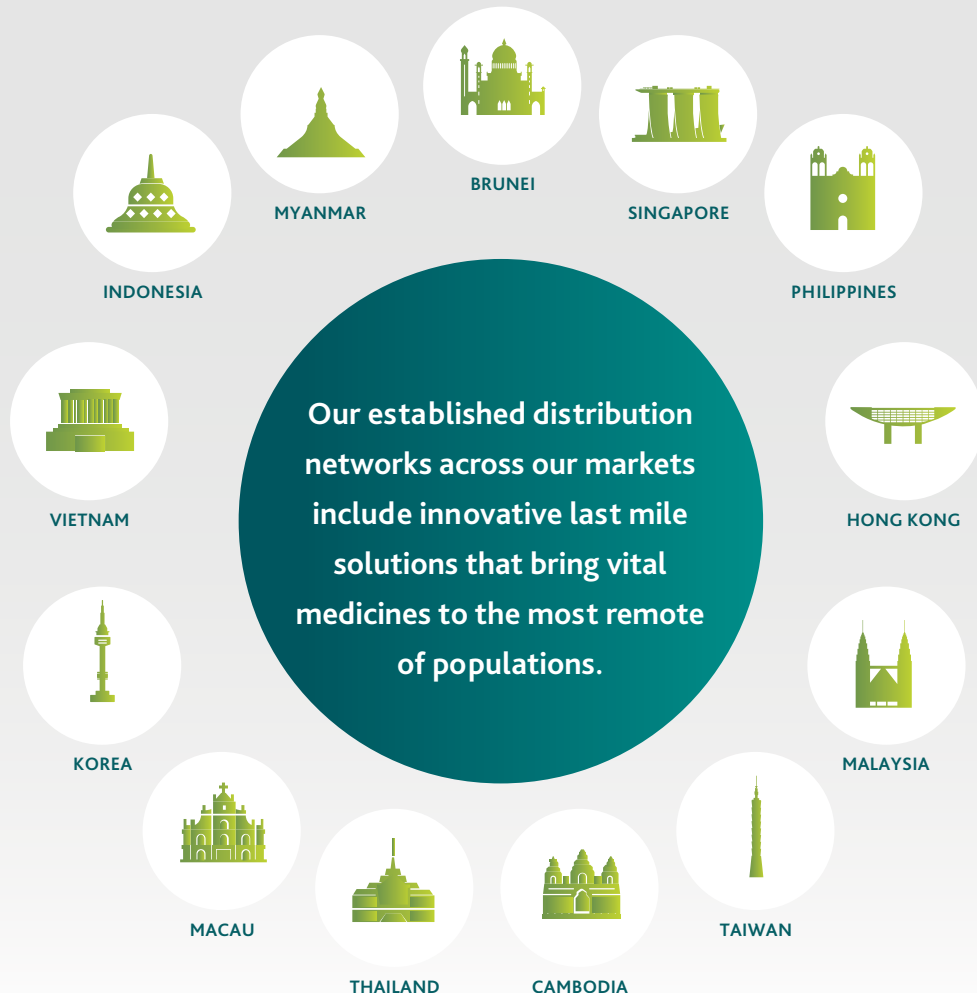
GRI 3-3

With our hundred-year history in the industry, Zuellig Pharma plays a unique role as a connector within the healthcare ecosystem to make healthcare more accessible in Asia. This is especially important given some of the poorest communities in Asia still struggle to access quality healthcare, including receiving much-needed treatments and vaccines, with the situation exacerbated during the pandemic. At the same time, the region is battling a significant rise in complex lifestyle diseases that are increasing the cost and burden on the healthcare system. To tackle these challenges to building a healthier future for Asia, we believe that collaborative efforts are key.

DISTRIBUTION PARTNER TO THE HEALTHCARE INDUSTRY

Our unparalleled healthcare market access enables us to provide good and reliable distribution networks to ensure as broad a geographical access as possible, even to the most remote areas of Asia. This is enhanced by innovative solutions such as the eZCooler that ensures product integrity to the last mile.

Zuellig Pharma's distribution network covers almost 200,000 clinics, hospitals, pharmacies, modern trade outlets and other customers in 13 markets. Our vast and reliable distribution network and logistics capabilities were put to good use during the pandemic, when governments in Asia were working hard to protect their people from infections.



Our efforts with pharmaceutical regulatory authorities have allowed for breakthroughs in registration timelines to accelerate access to life-saving treatments. For example, our Zuellig Pharma Taiwan (ZPTW) assisted the government to accelerate the shipment of various resources including COVID-19 vaccines, monoclonal antibodies, and screening kits. In Thailand, the team supported the government and a public university on the supply and distribution of millions of doses of the COVID-19 Vaccine from Moderna. Similar initiatives were undertaken for Philippines, Taiwan and Singapore. Overall, we have contributed to the supply agreements for 80 million vaccine doses. These mRNA COVID-19 vaccine doses, usually allocated for the US & European markets, might not have been available in Asia Pacific markets without the efforts of Zuellig Pharma to secure supply, build warehousing super cold-chain capabilities for vaccines and undertake logistics efforts with relentless coordination efforts. We were also appointed to support the distribution of an additional 70 million doses. Similarly, baricitinib for high risk hospitalised COVID-19 patients have also been made available through this campaign in the Philippines, Thailand and Malaysia. The success was possible through close collaboration with our pharmaceutical partners, policy makers at the highest level and an internal drive to making healthcare more accessible to patients in need.

Our distribution network covers almost 200,000 clinics, hospitals, pharmacies and modern trade outlets in 13 countries



Our Zuellig Pharma Singapore team was recognised in the 2022 COVID-19 National Awards for making outstanding contributions to Singapore's fight against the COVID-19 pandemic. Among the nine award categories, ZP Singapore was recognised in two categories, namely the President's Certificate of Commendation (COVID-19) and the Public Service Medal (COVID-19) conferred on individuals who displayed great courage and dedication for working hand in hand with the government in this national effort. Three team members of ZP Singapore received this honour.

AWARD RECIPIENT FOR

2022 NATIONAL AWARDS
(COVID-19)

PRESIDENT'S CERTIFICATE OF
COMMENDATION (COVID-19)

 **Zuellig Pharma Pte Ltd**

PUBLIC SERVICE MEDAL (COVID-19)



 **Ng Chin Lee,**
Operations Director



 **Tan Wei Ru,**
Warehouse Manager



 **Jerry Chua,**
Head of Production



Zuellig Pharma has invested in building a digital infrastructure on our distribution foundations so as to leverage technology to improve supply chain efficiency. Our data analytics and digital solutions help to address Asia's fragmented healthcare ecosystem and improve healthcare connectivity. For example, our Data Analytics ZiP platform provides clients with real-time actionable insights on treatment management, pricing and healthcare trends.

REGISTRATION AND COMMERCIALISATION OF NEW PRODUCTS

As pharmaceutical companies continue to enter low and middle-income markets such as the countries in Asia, the choices made on how registration and distribution of the products affect their availability. Zuellig Pharma plays a key role in improving access to medicines by leveraging our expertise to help pharmaceutical companies bring their products to market and make them available to patients through relevant channels.

ZP Therapeutics was set up to partner pharmaceutical companies looking for a commercialisation partner with strong experience and footprint in Asia. Committed to elevating the standard of healthcare in Asia and making healthcare more accessible, we aim to deepen our therapeutic area focus on diabetes, cancer, immunology, cardiology, metabolic disease, rare disease, consumer healthcare and medical devices by accelerating growth and providing patient-centric, innovative commercial solutions. This is possible through the dedication and collaboration of our local and regional cross-functional

teams, mastery in the implementation of digital solutions and multi-channel engagements, and strategic alliance management with our partners. Through ZP Therapeutics' role as commercialisation partners to the healthcare industry in Asia, we have **made available 181 new products** that were previously unavailable in the market, including vaccines.

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BUILDING A HEALTHIER ASIA: EMPOWERING MORE EQUITABLE ACCESS TO HEALTHCARE INNOVATION



Over the past decade, major leaps in healthcare technologies have transformed and elevated the quality and delivery of care. However, these breakthroughs in innovation have in some cases widened existing gaps in healthcare access and equity across and within markets.

In October 2022, Zuellig Pharma held its second annual virtual Healthcare Access Summit themed “Building a Healthier Asia: Empowering more equitable access to healthcare innovation” to bring together different healthcare stakeholders to discuss key barriers and enablers to close these gaps and achieve health equity in Asia. The Summit also sought to emphasise the importance of strategic partnerships to identify new ways in which we can work together to improve access to healthcare innovations, drive trust in the healthcare system and deploy digital solutions to deliver more patient-centric care.

The summit saw 600 attendees on average per session, comprising Zuellig Pharma’s clients, customers, suppliers, employees, partners as well as government officials and healthcare practitioners.

These insights from the Summit will be expanded upon in a white paper, to be published with the support of our Summit’s official knowledge partner PRMA Consulting Ltd, the EU-ASEAN Business Council and other key healthcare experts, and shared with key stakeholders to further our efforts in ‘Building a Healthier Asia’ for all.



As a member of our Sustainability group, Zuellig Pharma supports the work of the Council in promoting inclusive and responsible policies to benefit the ASEAN community, such as reducing waste, pushing for energy transition and increased renewable energy production. The “Building a Healthier Asia” Healthcare Access Summit which is conducted annually is a reflection of their commitment to better the communities where they operate, with the hopes of leaving behind a better and liveable world for current and future generations to come.



CHRIS HUMPHREY
EXECUTIVE DIRECTOR,
EU-ASEAN BUSINESS COUNCIL



PATIENT ACCESS AND AFFORDABILITY

Driven by our purpose of *Making Healthcare More Accessible*, we seek to enable patients to gain fair, timely and affordable access to better drug and treatment options. We do this through our patient access programmes, providing guidance, advisory and support to healthcare institutions, as well as improving patient access via national formulary listing or inclusion into the reimbursement system.

Under our named patient programme, our CareConnect PatientCare team works closely with our regulatory pharmacist in supporting doctors' application for medicines that have not been commercially approved in market yet to be brought in via special approval from the local authorities. This accelerates access to treatment that otherwise might not be available for the patients. The team also supports patients to improve their adherence to the treatment therapy. This includes providing easy to understand educational material and communication to patients, and supporting physicians and nurses to disseminate such information.

Affordability is one of the top challenges facing our healthcare industry. Rising healthcare costs can be a major roadblock to seeking timely medical attention or adhering to treatment, when doing so actually helps to reduce the healthcare burden over time.

Zuellig Pharma, through its ZP Therapeutics unit, has implemented patient affordability programmes which provide discounted medications or redemption offers to patients who have completed a guided enrolment process. In 2022, we served more than **378,488 patients** across all our markets through our patient access and affordability programmes. We also provided a total of **USD39.5 million in discounted medication and redemption offers** to help patients afford the care they need.



378,488

patients served
through patient
access and
affordability
programmes

70 healthcare
products
getting in the national
reimbursement system

To improve access to affordable drugs, ZP Therapeutics drives the inclusion of medicines and treatments for reimbursement. Our team works closely with the healthcare authorities to get medicines and treatments into the national reimbursement list and the hospital level medicine list. Inclusion into the national reimbursement system and hospital drug lists allows the general public to access the medicines with minimal to zero out-of-pocket expenses, and hence greatly improve access. In 2022, our efforts resulted in **70 healthcare products** getting in the national reimbursement system of our markets. For example, we achieved the inclusion of Baricitinib for the treatment of rheumatoid arthritis into the Malaysian National Medicines Formulary in December 2022 which enabled patients to access fully subsidised treatment. It is estimated that 165,000 patients in need of treatment in Malaysia now can access it in the public healthcare institutions. In addition, ZP Therapeutics strives to maintain treatments and medicines in the national reimbursement system via tenders and value-based pricing in order to keep them within the government budgets, which in turn ensures the treatments are available in a sustainable way.

We continuously engage with stakeholders within the healthcare ecosystem to better understand the barriers to access and look into solutions to overcome them. To reduce reliance on the already strained government reimbursement system, ZP Therapeutics has embarked on a project to minimise out-of-pocket expenses via partnerships with unorthodox private payers in 5 markets. This is expected to bear fruit in 2023.

We work with public and private payor organisations to help manage the ever-growing healthcare costs while enabling delivery of high-quality care. Our payor solutions help contain costs, manage, and track healthcare expenditure, minimise administrative work, and identify waste or abuse in their systems, while **benefitting 13 million patients**.



PREVENTIVE CARE

Effectively engaging patients in their care is essential to enabling better health outcomes. We believe that preventative care must complement disease management, to support healthier lifestyle choices and better self-management of chronic illnesses. This includes increasing disease awareness and patient adherence.

To promote patient education as a first step towards mitigating health risks and reducing the burden of diseases, our ZP Therapeutics team launched **8 disease awareness campaigns across therapeutic areas in 13 markets** in 2022. One of them is in Type II Diabetes Mellitus (T2DM) which has a high prevalence across Southeast Asia. For World Diabetes Day 2022, the team in Taiwan held an online event, "Let's Walk & Run", in partnership with the Taiwanese Association of Clinic Diabetes (TACD). This event sought to encourage T2DM patients to adopt the good habit of exercise with physicians setting the example. More than 100 healthcare professionals participated in the event, and it took only 5 days to finish the challenge around Taiwan. Together, they achieved an accumulated mileage exceeding 1,000 km in total, receiving widespread media exposure across more than 40 media articles.



The team also conducted activities for ASEAN World Axial Spondylarthritis Day, World Atopic Dermatitis Day, World Psoriasis Day, as well as Breast Cancer Awareness month. For example, for World Psoriasis Day, ZP Therapeutics conducted a webinar titled "Inside Psoriasis Disease" to raise educational awareness for psoriasis management and debunk common misconceptions. Leading dermatologists from Southeast Asia were invited to share and exchange their expertise and experiences on managing psoriasis to improve patient care. Overall, these disease awareness campaigns reached **over a million patients**.

We also sought to promote patient adherence through patient adherence and disease-management programmes. Through these programmes, we provide easy to understand educational material to patients, and support physicians and nurses to disseminate such information. By addressing the key areas leading to patient non-adherence, we are able to markedly improve patient adherence rates and health outcomes. In 2022, we served **58,294 patients** through our patient adherence and disease management programmes.

Consumer-centric vaccine education was also a key focus. Vaccination is a way to help people protect themselves and their communities. This has never been more important than during the ongoing pandemic. Emerging threats, such as the variants of COVID-19, reinforce the value of vaccination and the need for sustainable immunisation programmes in the region. Many elements, including improving consumers' knowledge of the benefits of vaccination, must be put in place to sustain the level of consumer vaccine uptake.

Zuellig Pharma's significant experience in running mass vaccination programmes have been put to good use supporting institutions and communities in administering end-to-end programmes. In 2022, we helped support **146** end-to-end mass vaccination programmes, with **over 64 million people** served.



Our own employees also have access to these vaccination programmes and more than 6,500 of them benefitted.



ENABLING HEALTHCARE PROFESSIONALS

Healthcare professionals (HCPs) like pharmacists and pharmacy employees are the first line of defence for their communities, especially in countries where healthcare systems are overburdened. Zuellig Pharma aims to enhance their abilities to serve their local communities by conducting training, conferences and upskilling the knowledge in medical education. We do this in full compliance with established industry rules of engagement and observe all applicable laws and regulations.

With the lifting of pandemic travel restrictions, our teams in the various markets actively engaged with local health authorities, medical associations, advisory boards, scientific experts, and key opinion leaders, convening discussions to explore new or improved treatment options and clinical practice to improve health outcomes for patients. In 2022, we conducted multiple regional **disease awareness days and annual conferences**. We successfully organised the **first South East Asian Annual Conferences in Oncology, Diabetes and Immunology**: SEA Oncologists Annual Conference in July, Asian Diabetes Xchange Conference and SEA Immunology Conference in November. These conferences brought together leading international and regional speakers across Asia for engaging discussions in the management of different therapeutics areas and networking among HCPs.



ASIAN DIABETES XCHANGE SUMMIT, ADX 2022

The ZP Therapeutics Asian Diabetes Xchange Summit (ADX) was successfully organised on 5 November 2022 in Bangkok, Thailand. The ADX Summit **engaged more than 300 HCP participants with 150 participants in person and more than 170 participants participating virtually from 8 markets** namely Thailand, Philippines, Malaysia, Indonesia, Vietnam, Taiwan, Hong Kong and Singapore.

The Summit was helmed by 2 International speakers and 8 esteemed Regional Experts delivering a robust line-up of scientific content on the evolving treatment landscape in diabetes management and applying evidence-based novel anti-diabetic drugs to help more patient achieve their treatment goals through a patient centered care approach. The Summit reinforces our commitment in strengthening ZP Therapeutics footprint in diabetes care in Asia.





SOUTHEAST ASIA ONCOLOGY CONFERENCE

ZP Therapeutics organised the inaugural 2022 Southeast Asia Oncology Conference on 31st July 2022, which brought together leading oncologists from the region and globally.

The theme of the conference "Innovation and Equity to close the cancer care gap" demonstrates our aim of sharing latest innovations in oncology and providing a platform for discussion on equitable access to these novel treatments.

The panel of global and regional experts convened to discuss the management of breast cancer, non-small cell lung cancer (NSCLC) and gastric cancer with various topics on innovation and access followed by informative presentations and robust discussions.

The event was attended by **over 190 participants from 4 markets i.e. Malaysia, Thailand, Singapore and the Philippines, online and in-person**, with lively interaction and networking throughout the day among HCPs, KOLs and ZPT representatives.



SOUTHEAST ASIA IMMUNOLOGY SUMMIT

The ZP Therapeutics 2022 Southeast Asia Immunology Summit successfully took place on 27th November in Bangkok, Thailand.

The event was attended by 150 participants from 4 markets i.e. Indonesia, Malaysia, Philippines and Thailand, with 22 global and regional speakers and 10 sessions delivered throughout the therapeutics range of Immunology portfolio. This summit marks the commencement of a scientific exchange between global and regional experts in the field of dermatology and rheumatology treating psoriasis, atopic dermatitis, rheumatoid arthritis, psoriatic arthritis and axial spondyloarthritis in order to encourage a multidisciplinary approach to improve immunology care.

Physical engaging and networking also took place throughout the day among HCPs, KOLs and ZP Therapeutics representatives. Based on participants' feedback, the Summit exceeded their expectations, and they wish for us to continue such high-quality educational efforts.

We look forward to continuing raising the bar of patient care and enhancing patient outcomes, in the spirit of collaboration and making healthcare more accessible.



We continue to harness our strong suite of ZP Therapeutics multi-channel engagement (MCE) digital solutions to deliver our training and education programmes and bring the latest scientific updates to HCPs. We reached more than **35,000** HCPs through our digital engagement programmes in 2022.

ZP Therapeutics also successfully launched **Veeva CRM and Veeva Vault** across 13 markets to expand HCP engagement and patient access. In addition, digital platforms like eZRx, our B2B eCommerce platform for healthcare products, and eZConsult, a virtual care and telemedicine network, enable HCPs to better connect and engage with their patients, especially during the pandemic period when physical consult and care is not always possible. More than **65,000** HCPs are using our digital solutions, up from 46,000 last year.



DIGITAL FIRST CUSTOMER ENGAGEMENT

ZP Therapeutics was set up to partner companies to commercialise and market their products in Asia, with a focus on implementing digital solutions to facilitate efficient processes and omni-channel customer engagement.

Veeva CRM and Veeva Vault are two commercial solutions that the team has added to their line-up of offerings in 2022 and successfully launched across 13 markets. The Veeva CRM platform aligns all customer-facing resources and interactions to deliver a personalised and coordinated customer experience across channels. Veeva Vault manages regulated documents, but also tracks critical information from product development to commercialisation on a single platform, which can improve workflow efficiency and help gain deeper insight from data.

We reached
more than
35,000
HCPs through our
digital engagement
programmes in
2022.





eZRx
has been recognised for its capabilities and innovativeness through the following awards in 2022:



THE IDC FUTURE ENTERPRISE AWARDS

2022 Regional and Singapore Winner of Special Award for Digital Resiliency

This award recognises organisations for their abilities to rapidly adapt to business disruptions by leveraging digital capabilities to not only restore business operations, but also capitalise on the changed conditions to ensure future success in the digital-first world.



SAP INNOVATION AWARDS 2022

Transformation Champion in Healthcare

This award recognises organisations that have pushed the limits of what is possible through SAP's cutting-edge technologies.



A SMARTER WAY TO BUY AND SELL HEALTHCARE PRODUCTS

Zuellig Pharma developed the eZRx as an end-to-end B2B ecommerce platform that provides a smarter and more convenient way to buy and sell healthcare products online, anywhere and anytime. In an increasingly digitalised world, this presents a way forward in the traditional sales-dominated business.

Through the platform, the order-to-payment process is digitalised and enables healthcare professionals and organisations to order products, make payments and arrange returns seamlessly and efficiently. Users are also able to track orders, view account statements and review purchasing balance to optimise inventory management. The platform is simple to use, allows for self-service and consolidates information all in one place with full visibility to the best prices, bundles and promotions. Compared to the manual order process, this platform also provides higher accuracy, transparency and minimises human errors.

With eZRx, we were able to ensure continued access to essential medical products even when pandemic restrictions prevented sales representatives to visit customers for orders and payment the traditional way. The simplified, digital process provided through eZRx ensured the timely delivery of vaccines and Personal Protection Equipment (PPEs), which played a pivotal role in the fight against COVID-19.



COMMUNITY ENGAGEMENT

Through the work we do to improve health outcomes and provide better access to healthcare, we engage with our communities which include targeted patient groups, local populations, virtual communities of healthcare service providers that we are connected to, as well as our employees and their families.

In 2022, our teams in different markets conducted disease awareness days and international days in partnership with clients or government agencies as well as employee volunteering and community engagement activities. In total, there were **27** such community initiatives, reaching **479,141** beneficiaries, including:

- World Immunisation Week
- World Osteoporosis
- Breast Cancer Awareness Day
- World Diabetes Day and Webinar



WORLD IMMUNISATION WEEK 2022

For World Immunisation Week in 2022, ZP Therapeutics organised a webinar as well as email campaigns internally and externally to increase awareness of the importance of immunisation, including on COVID-19 vaccination. We reached more than 128,000 people through the week's activities across Malaysia, Thailand, Philippines and Vietnam.



INCREASING COVID-19 AWARENESS IN PRESCHOOLS

ZP Myanmar implemented a COVID-19 awareness programme for Shinning Flower and Rainbow pre-schools located in Yangon to reduce the incidence of COVID-19 positive cases.

The COVID-19 awareness programme provided knowledge on how to stay safe at school, protect against COVID-19, and improve immunity to prevent infections in children through educational materials and in-person sharing by our employees. More than 300 preschool children and 50 teachers participated in this program.





STEPPING IT UP TO FIGHT DIABETES

The ZP Step Up Challenge was held as part of our annual Sustainability Month to commemorate World Diabetes Day and to raise funds for young people with Type 1 Diabetes in Southeast Asia. This event saw close to 2,300 employees and clients coming together to get active and fight Type 1 Diabetes with our long-term charity partner, Action4Diabetes (A4D).

Participants are challenged to complete more than 5,000 steps a day through activities like walking, running, stair climbing, to help reach the fundraising target. Zuellig Pharma will make a monetary donation to A4D for the steps accumulated.

Over the period of one week, a whopping 93.5 million steps was logged by the participants, and we successfully achieved our target of raising S\$100,000, which can cover an entire year of treatment for 140 young people suffering from Type 1 diabetes.



Through both financial support and leveraging their operational capabilities across South-East Asia, Zuellig Pharma is helping us take on Type 1 Diabetes across the region. Since we began operations in 2015, Zuellig Pharma has become an integral partner in our work, helping us expand our support to over 700 young people with ongoing and life-saving Type 1 Diabetes care across six countries. We are really grateful and appreciative of Zuellig Pharma's support.



CHARLES TOOMEY
CO-FOUNDER, A4D

**STEP
UP**
CHALLENGE

A4D was set up in 2015 to transform the lives of young people diagnosed with Type 1 Diabetes, an incurable condition, in Southeast Asia. The charity provides essential medicines and developmental support for patients through diabetes family camps, scholarships, and clinic programmes.



One of the beneficiaries is Laucky, whose tenacity and fighting spirit is precisely why we continue to serve.

Laucky lives near Siem Reap in Cambodia. She was diagnosed with Type 1 Diabetes (T1D) when she was six. Her family could not afford the essential medical care she needed, and there was a point when they lost hope and thought Laucky would not survive.

But through support from Zuellig Pharma, Action4Diabetes provided Laucky and her family with free access to T1D care and regular check-ups at a hospital in Siem Reap. Laucky is now a healthy and happy 14-year-old who loves riding her bicycle around the paddy fields near her home. She is one of over 700 disadvantaged young people around South-East Asia who A4D support with the help of Zuellig Pharma.

Laucky was brave enough to share her journey and we are heartened to be able to share it. Click [here](#) to learn more about her story.

NURTURING TALENT



OUR MATERIAL ISSUES

TALENT
RECRUITMENT,
DEVELOPMENT &
RETENTION



EMPLOYEE
WELLBEING



EMPLOYEE
ENGAGEMENT



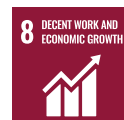
DIVERSITY &
INCLUSION



WORKPLACE
HEALTH &
SAFETY



CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)



NURTURING TALENT

2022 HIGHLIGHTS

351,461

training hours

with 28.3 hours on average per employee



Unadjusted gender pay gap contained at

0.16%

(reduced from 3.1% last year and significantly lower than the global average of 20%)

23 DEI initiatives held

(a three-fold increase) to raise employee awareness and engagement



45 wellbeing programmes

held across regions, benefitting **7,688 employees**



“

The Nurturing Talent pillar is driven by Zuellig Pharma's commitment to optimise people's growth and be the best version of self. We firmly believe everyone is talented, everyone has potential to be unlocked, and everyone owns his/her career. We focus on offering end-to-end talent life cycle management, offering multiple options by 'career lattice', creating the best employee experience, and fulfilling employee's own career aspiration.”

”



CAROL XU

CHIEF PEOPLE OFFICER,

NURTURING TALENT PILLAR LEAD



TALENT RECRUITMENT, DEVELOPMENT AND RETENTION

GRI 2-7, 2-8, 2-30, 3-3, 401-1, 401-2, 404-1, 404-2, 404-3

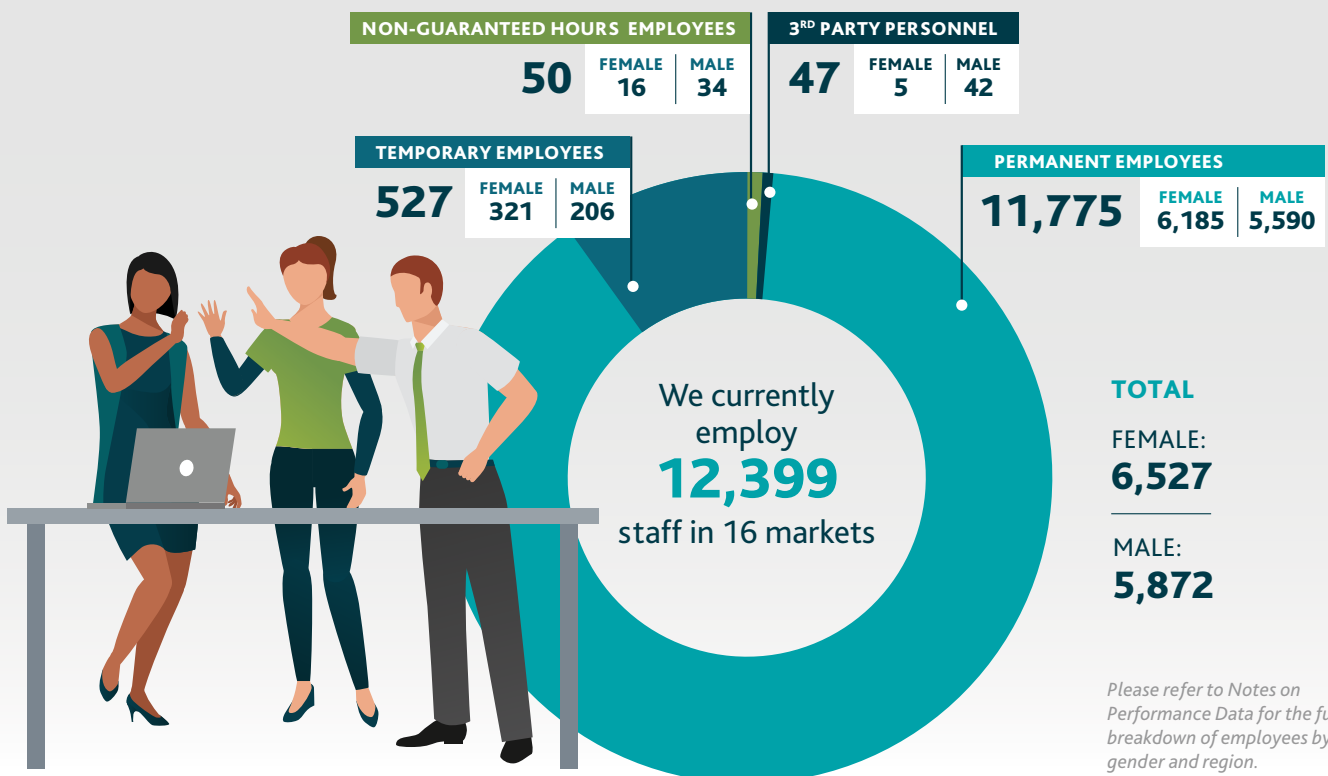
At Zuellig Pharma, we believe in managing careers, not jobs. We invest in our people's development to help them reach their best potential and build a high-performing and engaged workforce to drive our mission of making healthcare more accessible. Underpinning this is an end-to-end talent life cycle management framework in order to attract and retain the best talents.

Our current workforce of 12,399 staff across our 16 markets (excluding Japan) is made up of direct hires, a pool of contract staff, non-guaranteed hours employees and 3rd party personnel who provide services such as, but not limited to: administration, clerical work, warehouse operations (picking, packing, inventory count, etc.), customer service or project-based work. They typically are engaged to support additional workload or cover for staff who go on long leave.

Zuellig Pharma respects its employees' right to join, form or not to join a labour union, seek representation, bargain, or not bargain collectively in accordance with local laws and without fear of reprisal, intimidation, or harassment.

Our positions concerning freedom of association and collective bargaining are highlighted in our Human Rights & Labour Practices policy. Where employees are represented by legally recognised unions, we aim to have constructive dialogues with their chosen representatives and bargain in good faith with such representatives to better understand the other's challenges and find ways of resolving them. 57% of all employees are covered by collective bargaining agreements. For employees not covered by collective bargaining agreements, their terms of employment and working conditions are determined following the prevailing labour regulations or standards in the markets where they are based in.

We pride ourselves on our history of constructive dialogue with employee representatives and support the freedom of individuals to join trade unions or other employee representative bodies. Zuellig Pharma does not discriminate based on employee membership of, or association with, these bodies and seeks to enter constructive discussions when issues arise.



NURTURING TALENT

We have a clear talent framework in place, supported by robust tools and processes in talent identification and development. We believe that everyone is talented, and everyone has potential to be unlocked. The company thus provides support and the platform for employees to be a better version of themselves.

To attract talent, we offer competitive compensation and comprehensive benefits to all full-time employees, including insurance, healthcare benefits, annual and medical and parental leave entitlements. In addition, every market has their own remote work and flexi-time arrangement built into their own HR processes for applicable teams.

We have rigorous governance, policies, and processes to ensure that our compensation practices are aligned with the principles of our compensation philosophy. The Organisation Compensation Committee of the Board reviews and approves remuneration policies. Our remuneration policies and employment benefits apply to all Zuellig Pharma employees, including our Executive Management Team.

In line with our compensation philosophy to compensate people fairly and to attract and retain talents, we are committed to pay our employees at least – and in most cases well above – the minimum salary stipulated by law or collective agreements. Remuneration is managed locally with regional oversight to ensure competitive and equitable practices. We update our internal salary ranges yearly by benchmarking up-to-date salary data released by vendors such as Mercer and Willis Towers Watson, to ensure we move in tandem with the salary development in each market. In addition to remuneration, transport, mobile and meal allowances are supplemented in a number of our markets, providing another means of support for daily expenses. We also provide risk and healthcare insurance for our employees and are committed to improve our coverage for markets who might be behind market norms, thereby ensuring that our employees have baseline protection for Term Life and Personal accident and are able to afford adequate healthcare services for their well-being.

Key to our recruitment strategy is also building a strong employer brand, in order to attract potential talent who share similar values and passion for our mission. We work with universities across our markets to connect and attract suitable young talents to Zuellig Pharma through internships, mentoring and graduate programmes. Zuellig Pharma Korea, for example, signed an Internship MOU with Dongguk University Graduate School. Through this internship, Zuellig Pharma will provide professional and practical knowledge to contribute to developing human resources and to the community and industry.



➔ **NEW HIRES AND TURNOVER BY GENDER AND AGE GROUP IN 2022**

	NEW HIRE		TURNOVER	
	NUMBER	RATE	NUMBER	RATE
MALE	1,226	10%	1,093	7%
FEMALE	1,404	11%	853	9%

	NEW HIRE		TURNOVER	
	NUMBER	RATE	NUMBER	RATE
UNDER 30 YEARS OLD	1,106	9%	703	6%
30-50 YEARS OLD	1,383	11%	1,135	9%
OVER 50 YEARS OLD	141	1%	108	1%

Note: Rate is calculated as number of new hires/turnovers over total headcount at the end of the reporting period.

We believe in managing careers, not jobs. This mantra underpins our performance development framework which focuses on providing clarity and support on individual career paths within the company. Our annual performance review process includes conducting development dialogues with employees to develop a shared career plan, assessing their current competencies and tracking progress. 95% of employees in the company received a regular performance and career development review in 2022.

We successfully launched our job grading exercise in 2022, providing a framework for effective, evidence-based pay & rewards decisions that boosts employee engagement and performance. The grading structure also enables various HR analytics which support businesses in making informed business decisions. In addition, an exercise on job evaluation was undertaken to provide the organisation with a common framework that clarifies organisation structure design and enables identification of competency gaps. It also allowed for the design of multiple career development paths, presenting opportunities for employees to be the owners of their careers, and as such, we have launched #MyCareerStartswithMe with our employees in the middle of 2022.





DEVELOPING OUR EMPLOYEES: #MYCAREERSTARTSWITHME

Building on the momentum following a successful job harmonisation exercise, we piloted various initiatives as part of the #MyCareerStartsWithMe. At Zuellig Pharma, we understand that career holds different meanings to each of our employee and evolve over time with one's aspirations, life stages, environment, etc., which is why #MyCareerStartsWithMe aims to promote greater career ownership for our employees.

As part of onboarding and on-going basis, employees are encouraged to update their Career Profile on the internal HR portal. This allows for an on-going career conversation between employees and managers on individual development.

Launched in Q3 2022, the Internal Referral Policy encourages our employees to become our talent scouts and company ambassadors in the talent market. The Referral Program encourages employees to refer quality

applicants for certain designated, open positions and rewards them monetarily when placement is successful. Employee referral represents employees' engagement and is one of the most effective recruiting channels.

We also launched the Internal Job Transfer Policy in Q4 2022, for greater career ownership. We recognise that internal transfer opportunities will allow employees to gain broader or new experiences and enable employees to learn and develop new skills for professional growth. Internal transfer may also provide a different experience for talents to build a high performing culture and business sustainability.

To support the initiatives, an Internal Job Platform was piloted in the Singapore market. This platform allows for transparency of job roles for employees to apply and/or make referrals. The pilot forms a foundation as we continue to scale up to more markets in 2023.



With "Personal Growth" as one of our core values, we seek to encourage and provide opportunities for employees to pursue learning and growth at all stages of their careers. We run in-house training programmes for skills development, including functional skills as well as general management skills like coaching and team collaboration. Our automated Learning Platform LMS offers a wide range of compulsory or optional trainings, for our teams to be able to take their professional development into their own hands. With more than 150 courses available, it includes online and face-to-face training, including LinkedIn Learning to provide employees with learning content that is accessible anytime and anywhere to enable self-driven and career-focused learning. In 2022, our employees undertook a total of 351,461 hours of training. In 2022, each employee undertook an average of 28.3 training hours.

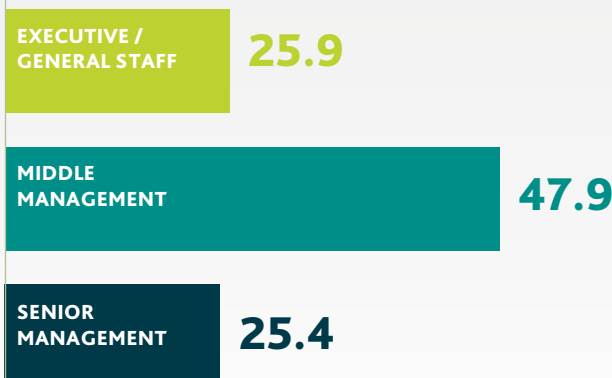


➔ **AVERAGE TRAINING HOURS IN 2022**

● **BY GENDER**



● **BY EMPLOYEE CATEGORY**



We conduct an annual talent review exercise to identify internal talents for accelerated development and place them in roles that give them exposure to other markets, functions and business units. This not only prepares them to assume expanded and upgraded roles within the company, but also strengthens our leadership succession pipeline.

In 2022, we also started a group-wide initiative to develop a complete framework and offering on People Management programmes, strengthen people management competencies, as well as create a common language for people management within the organisation. This initiative will go live in Q1 2023 and will continue to evolve as our managers play a very important role of people manager, business manager and customer manager.

With the ongoing transformation of Zuellig Pharma, it is imperative that leaders are equipped with the right mindset and leadership capabilities to lead the charge. A key focus area identified is on cultivating an Outward Mindset, where one is highly aware of the group's goals and how one's actions will affect the group, rather than on the individual self. To cater for this, a pilot programme by SEAsia Leadavation Center Co., Ltd (SEAC) was conducted with the leadership team in August 2022. The Outward Mindset programme has received positive feedback on its effectiveness, and it has been agreed by the leadership that it will be cascaded to the other senior management members. This will ensure a consistent language and behaviour being driven across the organisation.



EMPLOYEE ENGAGEMENT AND WELLBEING

GRI 3-3, 403-6

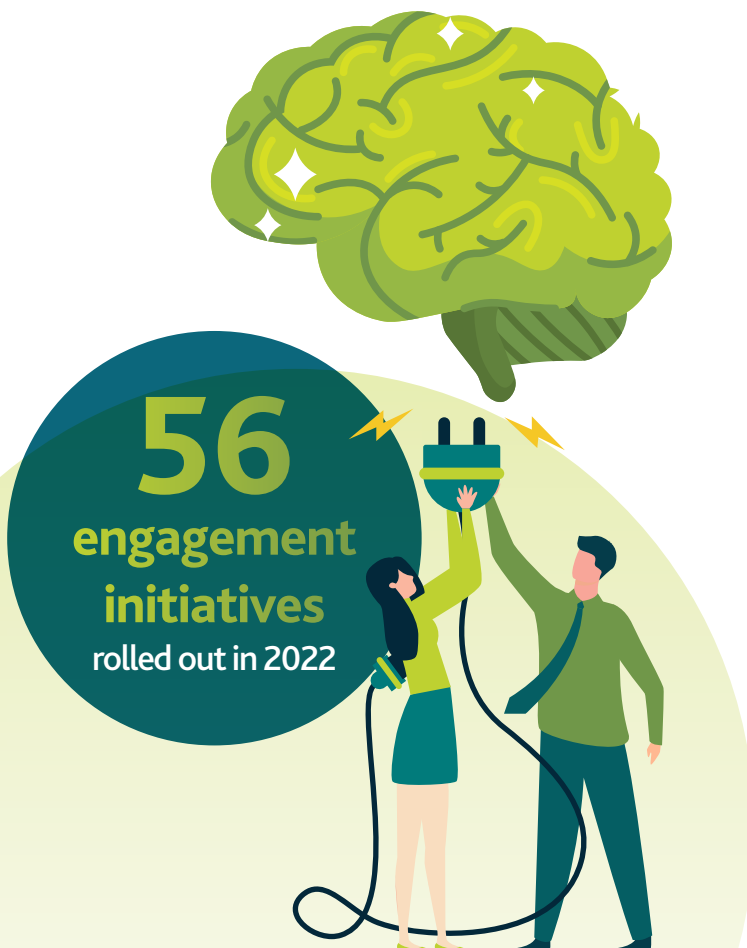
For employees to perform and grow to be the best versions of themselves in the company, they must feel engaged and fulfilled in the work they do.

Most of our employees are here because they are passionate and believe in our mission to make healthcare more accessible. We seek to continue fuelling this driving force and enhance engagement by understanding the factors that drive motivation and loyalty to the company. Different initiatives are implemented across all markets, based on country-specific employee engagement strategies. Some of these engagement initiatives include company townhalls, recognition programs, employee opinion surveys, workshops and communications platforms.

Aside from initiatives, our focus is on making jobs inherently rewarding and workplaces physically and psychologically safe for our employees. The enterprise-wide job evaluation process conducted in 2022 served as the foundation for more transparent and equitable compensation and rewards strategies. It also provided an avenue to improve our job design by providing more skill variety, increased autonomy, meaningful goals as well as effective feedback.

In 2021, we partnered with Gallup, an independent research-based consulting firm, to run our annual Employee Opinion Survey (EOS), with tremendous response. Continuing this momentum, we partnered with Gallup once again for the 2022 EOS, with the same set of standard measurements to measure progress, success, and gaps. We received responses from 10,109 employees, or 95% of the eligible participants. Research has shown that continuous participation in engagement surveys correlates to trust in an organisation's ability to take actions from the results. Overall, Zuellig Pharma has 4% more engaged employees than 2021, and our engagement score increased by 0.06. 12 markets have shown improvement in employee engagement, with India and Korea markets showing the largest jump in their engagement levels (based on local market data). We were heartened and motivated by this result to continue effecting positive and inspiring organisational change that drives employee satisfaction and engagement.

Closely related to employee engagement is the physical and psychosocial wellbeing of our employees. We review our employee benefits every year to see whether they are in line with the market. In doing this, we go beyond meeting the statutory regulations in our markets and build on them with specific company benefit plans. In the markets we operate in, we provide company health plans. This is our overall approach to facilitating access to medical services and care on a social and complementary health basis, thereby promoting employee health that focuses on holistic wellbeing.





In Indonesia, APL has a monthly #APLFruitDay to encourage all employees to lead a healthier lifestyle. APL also organised a monthly internal session called MedTalk hosted by an expert to educate APL employees about different health topics such as respiratory and skin health during the year.

ZP Singapore organised free on-site health screening and health coaching sessions for employees, with more than 450 employees receiving free health screening and coaching in 2022. A mental health survey was also conducted to learn more about employees' mental wellbeing at work, together with the launch of #AreYouOK campaign to raise awareness on mental health.

These principles of wellbeing and engagement extend to our suppliers: Our Supplier Code of Conduct states that suppliers are expected to provide their employees with fair compensation and benefits, including minimum wages, overtime hours and other benefits mandated by law.





ZP MENTAL HEALTH TRAINING AND TOOLKIT

As part of our Sustainability Month 2022 line-up of activities, we held a ZP Mental Health Training session conducted by Calm Collective Asia, a social enterprise with the mission to normalise mental health conversations in Asia. Employees learned how they can play a more active role in promoting their own mental well-being as well as that of their colleagues.



Our intention was clear from the beginning: To start supporting the mental well-being of the Zuellig Pharma team, we needed to clarify common mental health misconceptions, and impart helpful strategies that participants can apply in their daily lives. The high levels of engagement throughout the session was encouraging; it showed that the ZP team is ready to take the mental health conversation even further in 2023.




SABRINA OOI
CEO & CO-FOUNDER,
CALM COLLECTIVE ASIA

Together with Calm Collective Asia, we also jointly produced and launched the ZP Mental Health Toolkit during the Mental Health Training to provide mental health support for ZP employees.

The toolkit includes useful tips on how to identify common health conditions and challenges, simple self-care strategies to support their own mental health and ways to provide support to colleagues through empathy and compassion. Importantly, it highlights mental health resources that ZP employees can reach out to in their respective markets.



BEST COMPANIES TO WORK FOR IN ASIA

Zuellig Pharma Taiwan has won the "HR Asia-Best Companies to Work for in Asia" again in 2022, among 330 competitors. This is the third year as well as the second consecutive year (2018, 2021, 2022) that ZP Taiwan has won the award.

HR Asia Best Companies to Work for in Asia is the only award that is judged solely by the nominees' employees – making this the most transparent award of its kind. With the theme of Diversity, Equity and Inclusion this year, the award focused on the efforts of companies in promoting diversity and inculcating inclusion in the workplace. We achieved the recognition for our best-in-class practices, demonstrating high levels of employee engagement and having an excellent workplace culture. The award is more than a recognition; it is a confirmation that we are on the right path towards our employees' happiness.

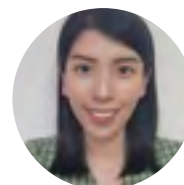


SHOWING APPRECIATION FOR OUR COLLEAGUES

The HR department kickstarted quarterly recognition awards starting from January 2023 onwards. The awards are a platform to credit and appreciate our colleagues who has gone above and beyond on stakeholder management, digitalisation, talent development and more.



I am honoured to be able to receive this award. Thank you to my mentor, Aloysius Chan, and the management team for recognising my work! Being part of an organisation that is proactive in recognising and rewarding employees, makes the work more meaningful. I will continue to strive to do my best in Recruitment!



SERENE LIM

SENIOR HUMAN RESOURCE SPECIALIST,
ZUELIG PHARMA SINGAPORE



ENGAGING EMPLOYEES ON SUSTAINABILITY

We launched the third edition of our Zuellig Pharma Sustainability Month in November 2022 to accelerate our steadfast commitment and collective quest towards building a healthier future for Asia. Inspired by our team's passion for sustainability, the event was themed "Heart of Sustainability" and rallied over 7,800 colleagues and partners virtually around four key sustainability pillars; Improving Health Outcomes, Nurturing Talent,

Respecting the Environment and Setting the Highest Standards of Integrity.

Each week of the month was driven by a line-up of meaningful activities including webinars, contests, pledges and more to increase our employees' awareness and engagement with each pillar. The month-long was warmly embraced across our workforce.

Sustainability Month 2022



~350

Memes were submitted as part of the **Compliance Meme Contest** where employees were extremely creative in exploring key compliance concepts through humour

TEAMS FROM
9 MARKETS

participated in the **Qualitest Quiz Show** organised by the ZP Quality Assurance teams, which tested their knowledge on ZP standards of Good Storage and Distribution Practices (GSDP), Data Integrity, Pharmacovigilance, Sustainability, and Health and Safety

~400

Employees participated in the **2022 World Quality Week Opening** where we heard great insights from our functional leaders, messages from our clients, and kicked off the regional activities



~200

Employees attended the World Diabetes Day Webinar where key insights on **common Diabetes Myths & Facts** to help upgrade their level of awareness on Diabetes

ZP STEP UP CHALLENGE

~2,300

employees and clients participated to raise

SGD100K

to support the treatment of 140 young people with Type 1 Diabetes for a year



~520

Employees participated in the **ZP DEI Pledge**, where they pledged to respect and treat their colleagues equally, regardless of race, language, religion, gender, age, experience, socioeconomic status or sexual orientation

~200

Employees participated in the **ZP Mental Health Training** session conducted by Calm Collective Asia where employees learned how they can play a more active role in promoting their own mental well-being as well as that of their colleagues

~60

Entries were submitted as part of the "**ZP Got Talent" Poster Art Contest** where employees were tasked to channel their inner artists and create a poster that addressed the question of "What does DEI in Zuellig Pharma mean to you?"



Employees got to learn about the various environmental initiatives that took place across markets during the year and what Zuellig Pharma is doing to combat climate change, including its commitment to the **Science-Based Targets initiative**.

~250

Employees participated in our **Sustainability Month Awards Ceremony**, where we announced and celebrated the winners for the activities that were conducted during the month





DIVERSITY AND INCLUSION

GRI 2-26, 3-3, 405-1, 405-2, 406-1

Zuellig Pharma aspires to be a beacon for diversity and inclusion, building a workforce and an environment where people feel empowered to realise their full potential regardless of age, gender, ethnicity, religion, ability, wellness, socioeconomic background, sexual orientation, and gender identity. With local offices across 17 markets in Asia, there is a high level of diversity within the organisation.

As a demonstration of this commitment, we had conducted a Diversity, Equity and Inclusion (DEI) assessment in 2021, to understand and assess our current efforts to promote diversity, equity and inclusion, as well as best practices in this area, and identify opportunities for further engagement. As a result of this assessment, we formed our own DEI Core Committee that is made up of 6 pillars, with each pillar led by a member of the senior management.

As a company, we have progressed in terms of overall gender diversity, with more than 50% of our employee base as well as our middle management made up of females. The percentage of female representation in senior management has also increased over the years and 14.3% of our Board of Directors are women. We will continue our efforts to support the development of our female talent, providing them opportunities for mentorship and professional development.

The average **unadjusted average gender pay gap**, which stands at 20% worldwide, is contained at **0.16% in Zuellig Pharma.**

Fair and competitive compensation is essential to attract, motivate and retain the best talent in our industry. Our compensation philosophy is anchored on the principles of pay for performance, external competitiveness, internal consistency, and fairness. This is based on the merits of individual, regardless of gender, nationality, age or any factors which may be deemed discriminatory.

For Zuellig Pharma, the average unadjusted gender pay gap between men and women is 0.16% for equivalent roles and skill sets, and we sit well below the global average of 20%. We will continue to conduct our annual market-level analysis throughout the organisation and any gaps identified will be addressed and reviewed.



➔ **PERCENTAGE
BY GENDER PER
EMPLOYEE CATEGORY**

	2022	
	MALE	FEMALE
SENIOR MANAGEMENT	60%	40%
MIDDLE MANAGEMENT	48.8%	51.2%
EXECUTIVE/ GENERAL STAFF	53.6%	46.4%

➔ **PERCENTAGE BY AGE
GROUP PER EMPLOYEE
CATEGORY**

	2022		
	< 30 YEARS OLD	30-50 YEARS OLD	> 50 YEARS OLD
SENIOR MANAGEMENT	0.5%	59.5%	40%
MIDDLE MANAGEMENT	4.8%	82.3%	12.9%
EXECUTIVE/ GENERAL STAFF	23.6%	67.2%	9.2%

Zuellig Pharma is committed to building an inclusive work environment that is based on trust and mutual respect among people and is free from discrimination & harassment. We aim to eliminate all forms of discrimination, and to be an organisation that compensates everyone equally.

All employees are expected to comply with our Anti-discrimination & Anti-harassment policy and our Human Rights & Labour Practices policy that prohibits any form of discrimination or harassment, and promotes diversity, equity, and inclusion of all employees. These policies were established to create an equal-opportunity environment in Zuellig Pharma where all individuals are treated with respect and dignity and are given equal opportunities for hiring, promotion and advancement. 100% of our employees completed anti-discrimination and harassment training. 99.5% of employees also received training on labour and human rights policy as part of diversity training in 2022.

Zuellig Pharma maintains a multi-lingual company Speak Up programme that encourages personnel to report any issues or concerns (through confidential channels), with no fear of retaliation. We communicate our Speak-Up channels via our LMS training materials, our onboarding compliance training materials, office posters, and other local reminder materials. This programme is designed to foster transparency and harmony in the workplace, as well as remind our Stakeholders that we have a strong commitment to our Code of Conduct and the wellbeing of our Employees. **There were no incidents of harassment or discrimination reported in 2022.**





DEI INSPIRE SERIES

To build a more diverse, equitable and inclusive culture, Zuellig Pharma launched the DEI Inspire series of talks and webinars in 2021, when the DEI Core Committee was formed. The first of the series saw each DEI pillar lead share about their vision and aspirations for each area they are championing.



In 2022, we held the 2nd DEI Inspire Webinar as part of the ongoing series in celebration of International Women's Day. The panel discussion was attended by 350 employees and our panellists discussed the importance of inclusive workplaces in supporting working mothers. We created the "ZP Queen of Hearts" portal where employees could send messages of appreciation to thank our female colleagues for their contributions. Close to 1,380 employees shared approximately 4,200 messages.



Zuellig is not just a strong business partner for Novartis-Sandoz, but a trailblazer for DEI initiatives and the webinar highlight on the pivotal role an organisation can play in building a culture that supports working mothers to have a limitless career that is balanced with various family life stages is truly inspiring. Bravo!



DEI INSPIRE WEBINAR PANELLIST

ADELINE LIM

HEAD OF ASIA CLUSTER,
SANDOZ, NOVARTIS





In the same year, we organised the 3rd DEI Inspire Webinar around another one of our DEI Pillars: “Cross-Generational Exchange”. The discussion included challenges faced in a multi-generational workplace and opportunities to harness the rich diversity of skills and experiences. Over 800 employees attended this webinar, led by Cross-Generational Exchange DEI Pillar Lead Brett Marshall, with guest speakers Joe Lombardo of Telos Partners and Kelly Lee of Organon.

In conjunction with the webinar, we launched the ZP “One Thing I Wish I Knew” Manual for all employees. The manual features words of wisdom from the leaders of Zuellig Pharma, who shared advice for colleagues who have recently started their careers at the organisation.



It is encouraging to see Zuellig Pharma investing time and effort to build an inclusive environment for its multi-generational workforce, acknowledging and addressing the concerns of the various generations. I see that there are many opportunities for everyone regardless of generation to thrive in the organisation.



DEI INSPIRE WEBINAR GUEST SPEAKER

KELLY LEE



The final DEI Inspire Webinar in 2022 was organised in conjunction with World Mental Health Day titled “It’s Okay to not be Okay”. Over 260 employees attended this session where we talked about giving ourselves permission to acknowledge and accept all emotions and approach them with a sense of curiosity and openness. Leading up to this webinar, we had sent up a ZP “Mental Health Matters” Message Boards where all employees can post about their struggles/triumphs with their mental health and share messages of encouragement with each other.



It was heartening to see the visible sponsorship by your senior leaders and their vulnerable sharing which employees responded to very positively with a high level of engagement. Whilst the webinar has ended, I am sure the ripples of impact from it continue to touch your employees to feel safe to talk about it and to be ok not to be ok.



DEI INSPIRE GUEST SPEAKER

SHOON LIM

CONSULTANT,
RUSSELL REYNOLDS ASSOCIATES



DIVERSITY, EQUITY AND INCLUSION THROUGH ART

A DEI Art Poster Contest was organised as part of Sustainability Month to promote the spirit of diversity, equity and inclusion (DEI) among employees. Employees had the chance to reflect on what DEI means to them and convey the message through their creativity in art.



"ZP GOT TALENT"

POSTER ART CONTEST CHAMPIONS

1st Mira Mustikawati
Indonesia (APL)



2nd Rowena Pena
Philippines (ZPC)



GLOBAL PRIDE DAY

We marked Global Pride Day on 27 June 2022 with a renewal of commitment to maintain a working environment built on mutual respect and openness to reflect our core values of collaboration, integrity, and trust, as part of our "LGBTQ+ Allyship" DEI Pillar.

Employees were encouraged to take part in a survey to gather insights on how we as an organisation can better support our LGBTQ+ employees and community. As part of the survey, employees were able to express interest in whether they would like to take part in a closed room/private discussion to further provide their perspectives. Insights gathered from this survey and closed room discussions were shared to the ZP Leadership Team and we are currently in the process of using the information gained to develop our strategy and action points.



3rd Lee, Philicia Fei Li
Singapore - SG & SSG /
LDC & RDC





WORKPLACE HEALTH AND SAFETY

GRI 2-25, 2-26, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9

HEALTH AND SAFETY MANAGEMENT SYSTEMS

Our utmost priority is in providing a zero-harm workplace for all workers, by always putting safety first and enforcing health and safety practices to minimise risk to life.

A robust Health, Safety, Security and Environment (HSSE) system of policies and guidelines, driven by a team of HSSE leads across all markets, ensures that we comply with health and safety requirements across all our markets. We have also developed and rolled out a set of 44 mandatory regional HSSE requirements to all markets. These requirements ensure compliance with prevailing statutory regulations and align us with global industry standards such as ISO45001. Our compliance to HSSE checklists stands at 100% across markets.

We have been implementing a phased roadmap to have all sites in our respective markets meet the standards of the ISO45001 Occupational Health and Safety certification. Our four Distribution Centres in Philippines, Singapore and Hong Kong have been certified and the remaining eight DCs are planned for certification in 2023, putting us on track to achieve our target ahead of schedule.

Other policies and procedures are in place to ensure workplace safety for all staff. This includes implementing HSSE scorecards to track and measure incidents such as Lost Time Incidents, First Aid Cases, and Near Miss Cases, and conducting investigations into all reported incidents, even if the affected party is not injured or refuses medical treatment. Additionally, all markets conduct HSSE committee meetings monthly which are part of the development of positive HSSE culture. A safety committee builds the bridge that directly connects workers to their company's safety culture, bringing together employees and supervisors to speak openly about safety concerns and solutions. These safety groups are an opportunity to share different perspectives on hazards and safety, provide management with key insights, and unite and align an organisation toward achieving safety goals as a team.

We aim to achieve
ISO45001
certification
across all market
distribution networks
by 2024



HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

Beyond regulatory requirements, all our markets have performed a Health & Safety Risk Assessment. The risk assessment was developed for all processes and is reviewed with process owners to ensure work activities conducted are safe and the risks are reduced to as low as reasonably practicable (ALARP). Our internal Health and Safety auditors have assessed operations according to a rigorous list of regional standards. This risk assessment is reviewed every 3 years or when there are changes from local regulations, whichever is the most frequent. We also regularly update and develop preventative actions whenever there are any significant changes to work processes or design, new machinery, substances, or procedures are introduced, or an injury or incident as a result of hazard exposure.

Once the risk assessment has been completed, we implement appropriate risk control measures to reduce or eliminate the identified hazards. These measures may include engineering controls, administrative controls, and personal protective equipment. It is important to regularly review and update the risk assessment to ensure that it remains current and effective in controlling hazards in the workplace and is in line with the local regulatory requirements along with Regional HSSE standards and the goal of Zero-Harm.

Zuellig Pharma conducts regular inspections or audits to ensure that safety protocols are being followed, such as monthly HSSE Inspections and GEMBA Walks. The HSSE lead for each country conducts monthly HSSE inspections to safeguard employees from exposure to hazards and to maintain compliance and conformity to HSSE standards. These regular inspections and audits are designed to identify any potential hazards or non-compliance issues, and to ensure that the company is taking appropriate steps to mitigate those risks and maintain a safe working environment for its employees.

We also started conducting regional HSSE audits in 2022 to ensure alignment and continuous improvements in HSSE management.



REGIONAL HSSE AUDIT

As a continuation of its commitment to ensuring a safe and healthy work environment, Zuellig Pharma commenced a new initiative in 2022 - conducting regional HSSE audits. This programme involves conducting systematic audits of the Health, Safety, Security, and Environment policies and procedures in specific regions or locations where the organisation operates. By doing so, the organisation aims to evaluate the effectiveness of its HSSE programs and identify areas for improvement to further enhance the safety and well-being of its workforce. The findings from these audits will be used to develop corrective action plans and promote continuous improvement in HSSE practices. This initiative is a testament to Zuellig Pharma's dedication to creating a safe and healthy work environment for all of its employees.



Regional HSSE reporting procedures are established to ensure all incidents at the workplace are reported. All incidents and near misses reported will be investigated to identify the root cause and recommend the control and preventive measures based on the hierarchy of controls. The aim of the control and preventive measures is to prevent the recurrence or occurrence of incidents within the organisation.

We have an open reporting structure in which employees can also report any work-related hazards and hazardous situations without fear of reprisals to their local HSSE lead. Monthly workplace Health and Safety Reports are shared with all HSSE leads for best practice sharing.

In 2022, there were 8 incidents of work-related injuries that were documented and reported, mostly caused by operation of material handling equipment and slip and fall incidents. The HSSE team immediately acted to correct the hazards and provided retraining for employees.

TRAINING ON HEALTH AND SAFETY

Providing regular training on health and safety issues is essential to ensure our employees have the appropriate skills and mental preparedness to anticipate and respond to any health and safety issue. All employees have completed workplace health and safety trainings during the year and efforts are also made to include third-party workers who work on-site. We also provide regular training on awareness and identification of hazards, as well as specific work-related hazards. This can help ensure that all individuals working within the organisation are aware of potential hazards and know how to respond in the event of an emergency. It also helps to ensure that employees are kept up-to-date with the latest health and safety information and regulations. We regularly evaluate the effectiveness of the training and make adjustments as needed to improve the quality of the training.

We maintained our track record of zero fatalities in 2022

	2020	2021	2022
Fatality	0	0	0
High consequence work related injury	0	0	0
Recordable work related injury	6	10	8
Lost-time Injury Frequency Rate (LTIFR)	0.42	0.34	0.29

Note: The above Health and Safety indicators cover all employees that are directly remunerated by Zuellig Pharma and outsourced workers.



HEALTH AND SAFETY PROCEDURES

Zuellig Pharma has translated its Health and Safety procedures into the major languages spoken by its employees to ensure that all workers understand the guidelines and procedures for maintaining a safe and healthy work environment. This includes information on how to handle hazardous materials, how to use personal protective equipment, and how to respond to emergencies. By providing this information in multiple languages, Zuellig Pharma ensures that all employees are able to understand and follow the procedures, regardless of their primary language.





REGIONAL HSSE WEEK 2022

To foster a strong culture of health and safety across the company, the Regional HSSE Week was held in September 2022. The event aimed to bring together several industry experts and leaders to discuss the integration of HSSE practices in operations and creating a safe and healthy work environment for employees and stakeholders. This year's focus also went beyond the physical aspects of health and safety to look at the mental aspects as well.

The Regional HSSE Week was inaugurated with an opening speech by Zuellig Pharma CEO, Mr John Graham, who emphasised the importance of mental wellbeing and the significance of developing an HSSE culture within the organisation. The event featured management speakers, Tim Withrington (VP of Technical Operations), Brett Marshall (VP of QA & HSSE) and Mr Garcia, Raoul Arnel (VP of Human Resource and Corp. Comm). Additionally, guest speakers from TAPA Asia and Chubb Safety Consultant shared their insights on the importance of security, ergonomic, MHE (Material Handling Equipment), and fatigue management safety. The Regional HSSE Week also recognised outstanding performers in the HSSE Awards. ZP Cambodia was honoured with the HSSE Improvement Award, while APL (Indonesia) was presented with the HSSE Champion Award for their outstanding HSSE practices. Furthermore, the winner of the HSSE poster competition was also announced, with the first prize going to Thailand, second prize to the Philippines and third prize to APL.

Overall, the Regional HSSE Week was a remarkable success, promoting mental wellbeing in the workplace and emphasising the significance of HSSE practices. It underscored the company's unwavering commitment to HSSE and the well-being of its employees.





BE SAFE, WE LOVE U CAMPAIGN

APL Korea initiated a safety campaign to raise awareness of potential safety risk and protect our employees. This campaign was done through a short cartoon series that featured employees. Other employees participated in it by highlighting other potential risks around the topics that the cartoon addressed.



This campaign was a strong reminder of the potential dangers that we easily forget in our daily lives. I've never seen such a fun campaign. I enjoyed the safety cartoons that featured our colleagues, and they gave me strong but succinct messages.



SEUNGSOO YI
BU HEAD - ZP LAB (KOREA)

RESPECTING THE ENVIRONMENT



OUR MATERIAL ISSUES

CLIMATE CHANGE
MITIGATION
& ENERGY EFFICIENCY



CLIMATE
RESILIENCE



RESPONSIBLE WASTE
MANAGEMENT



ENVIRONMENT
COMPLIANCE

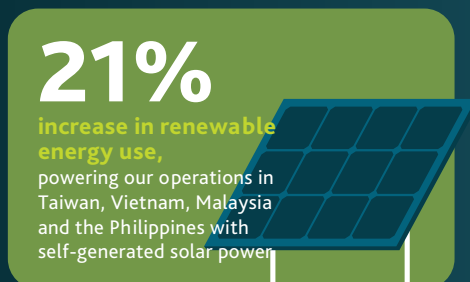
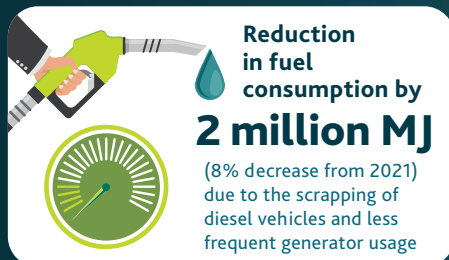
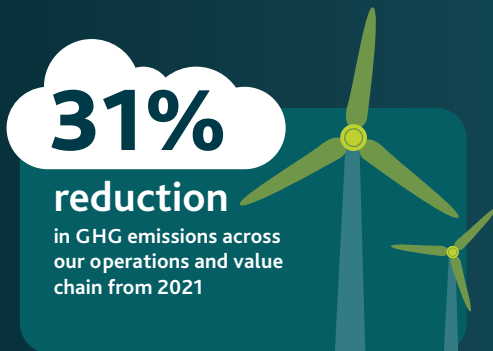


CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)



RESPECTING THE ENVIRONMENT

2022 HIGHLIGHTS



Climate change has a direct impact on our ability to make healthcare more accessible. We have to think about our business in a sustainable manner and ask ourselves how we can operate today in a way that doesn't compromise the wellbeing of next generations. We are relentless in driving our transition to clean technologies and energy efficiency and this comes from our deep-seated purpose of ensuring that the communities we serve are safe.



MAIKEL KUIJPERS

EXECUTIVE VICE PRESIDENT, DISTRIBUTION

RESPECTING THE ENVIRONMENT PILLAR LEAD



CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY

GRI 3-3, 305-1, 305-2, 305-3, 305-4, 302-1, 302-3, 302-4

Reducing our environmental impact is a significant part of our mission of making healthcare more accessible, as we seek to secure the wellbeing of future generations. Mitigating climate change is key to that overarching effort as it affects all of humanity and directly impacts our ability to build a healthier future.

As a key player in the pharmaceutical supply chain, Zuellig Pharma recognises the potential for us to play a significant role to address the climate crisis through decisive action. We are committed to do our part in mitigating climate change by reducing GHG emissions and increasing energy efficiency.

To hold ourselves accountable, we committed to the Science-Based Targets initiative (SBTi) in 2021 and worked with an external consultant to set science-based targets aligned to a 1.5C scenario, as well as develop a carbon reduction roadmap. Our near-term targets have been validated by the SBTi in 2022.

The latest review of our emission figures have shown that Zuellig Pharma is ahead of our GHG emissions reduction plan.

GHG EMISSIONS REDUCTION TARGETS

ABSOLUTE
SCOPE 1 & 2
GHG EMISSIONS

42%
reduction
by 2030

from a 2021 base year

ABSOLUTE
SCOPE 3
GHG EMISSIONS*

25%
reduction
by 2030

from a 2021 base year

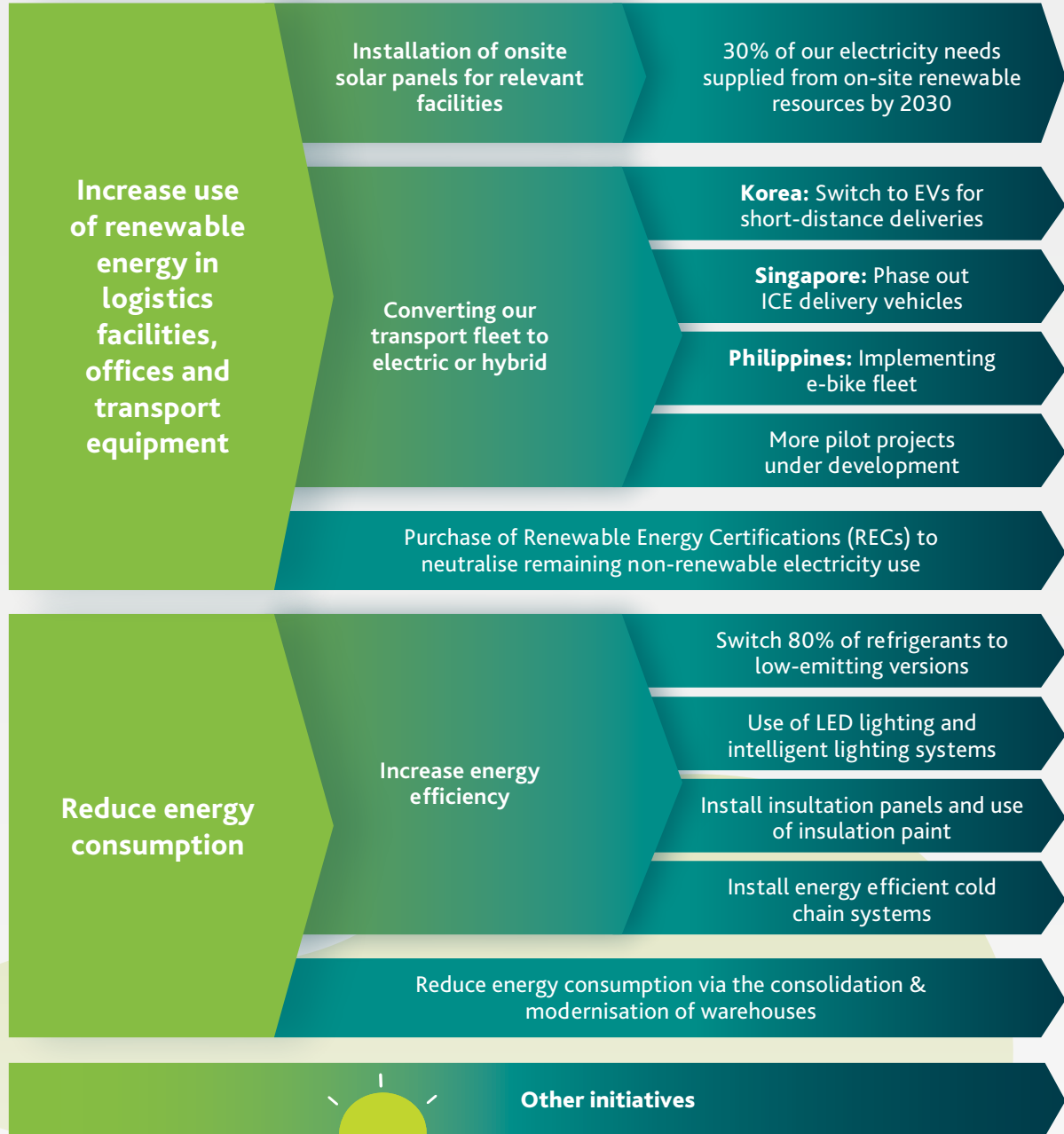
** As per SBTi guidelines, our Scope 3 GHG reduction target applies to the following categories, which cover at least 67% of our indirect emissions: Upstream Transportation and Distribution and Fuel, Energy-related Activities and Waste Generated in Operations.*

We seek to be **carbon neutral by 2030** for our own operations and while offsets might be necessary to achieve our targets, our primary focus is on reducing our emissions. We have mapped and will be looking at further opportunities to reduce our energy consumption, improve energy efficiency, increase the use of renewable energy and work with our suppliers to reduce our material value chain emissions. Our approach is based on a granular understanding of our emissions and an 8-year carbon reduction investment plan built around selected initiatives with the support of external consultants.



ROADMAP TOWARDS 2030 CARBON NEUTRALITY

2021 ▶ 42% reduction in Scope 1 and 2 emissions ▶ 2030



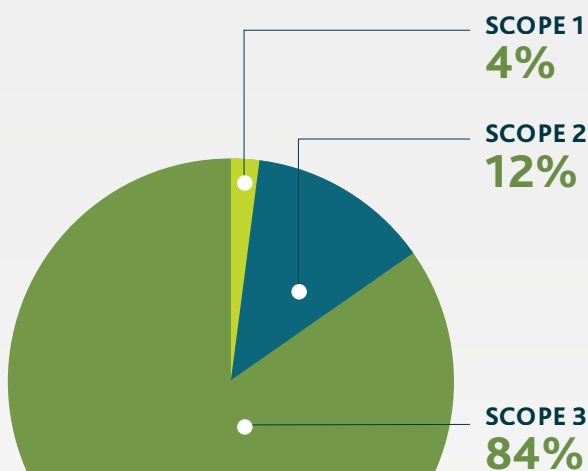
GHG EMISSIONS IN 2022

In the last two years, we have made significant advances in our understanding of our carbon footprint and areas of opportunities for emissions reduction. As part of our GHG assessment, Zuellig Pharma has also screened all Scope 3 categories listed by the GHG Protocol to identify those relevant to our activities. We are thus able to provide a comprehensive review of our total direct, downstream and upstream GHG emissions, following GHG Protocol requirements.

Our Scopes 1 and 2 emissions result mainly from operating our road transport fleet as well as running our distribution centres. A big part of our efforts is therefore directed towards greening our fleets and facilities. These include modernising our vehicles with new technologies in terms of emissions capture and fuel efficiency. Our material handling equipment in warehouses is mostly electricity powered, rather than fuel powered. This includes forklifts, pallet trucks, reach trucks, etc

Scope 3 emissions form a significant portion of our GHG emissions as we work with a large network of third-party sea, land and air transport to provide end to end fulfilment orders for our customers. The bulk of our Scope 3 emissions originates from outsourced deliveries and other purchases of goods and services.

➔ BREAKDOWN OF TOTAL GHG EMISSIONS



IN-HOUSE AND OUTSOURCED DELIVERY ROUTE OPTIMISATION

To enhance transport efficiency, we use a blended model of contracted, owned and brokered truck capacity, giving us the flexibility to select the optimal transportation solutions for each customer. We also deploy a transport management system (TMS) which enables us to operate more sustainably in complex logistics networks. The TMS provides visibility across all logistics operations, intelligent tracking and route optimisation, which helps improve cost efficiency and reduce emissions. It also provided our drivers (both employees and suppliers) a tool to track products, documents, and cash collections all in one app and identify best routes to take for optimised deliveries.

The platform has been rolled out and is live in 92% of our key markets with a distribution setup as of 2022.



REDUCTION OF ENERGY USE FROM IT INFRASTRUCTURE

Over the past few years, we have moved most of our regional services from on-premises hosting to cloud-based Microsoft Azure data centres. This cloud hosting solution is up to 93% more energy efficient and up to 98% more carbon efficient than on-premises solutions. Our service provider also has a goal to use 100% renewable energy by 2025 and to be water positive by 2030 on these sites. A total of 459 servers have been migrated or created on Microsoft Azure data centres, representing more than 95% of the data managed by our Regional Technology services.

In 2022, 52 servers have been migrated to cloud solutions, up to 98% more carbon efficient than on-premises solutions.

While we are committed to reducing the impact of our supply chain, we only own the trucks in our distribution network in a few markets, and work with other logistics providers for the air, sea or rail transport. That presents both challenges and opportunities as accounting for our Scope 3 emissions arising from logistics in a more precise way would require further data collection with our logistics partners, which is what we are currently working on.

Nevertheless, we recognise that addressing Scope 3 emissions is fundamental to accelerating climate action at the industry level and we strive to leverage the unique position we have to influence our suppliers' policies and behaviours.

A significant portion of our efforts to reduce our Scope 3 emissions is directed to working with our suppliers and partners to on new initiatives to drive emission and waste reduction. We prioritise working with suppliers who demonstrate their progress and ability to reduce their carbon footprint. As such, we have started to incorporate sustainability criteria within supplier selection and our contracts, with a focus on educating and mandating our suppliers to report the carbon impact of their activities. These clauses also allow us to be able to monitor and map their carbon reduction initiatives. For our largest suppliers by spend, we have performed an analysis and mapping of their time-bound environmental targets that we will use to align on our roadmap to achieve our carbon reduction targets.

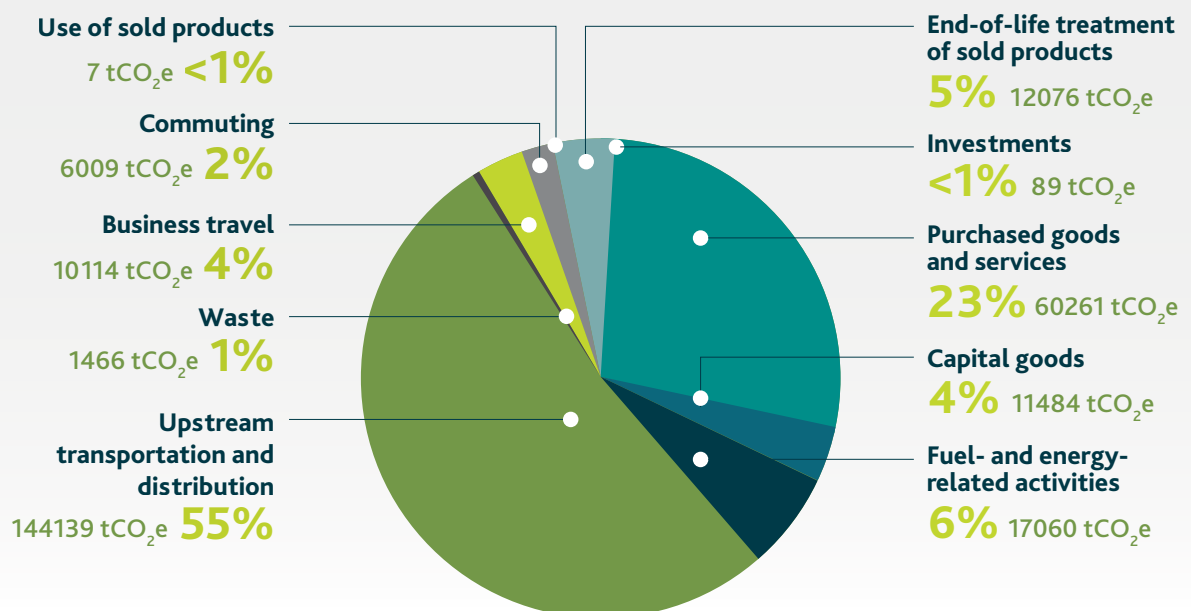


SUSTAINABILITY INITIATIVES WITH SUPPLIERS TO REDUCE SCOPE 3 EMISSIONS

Some of those initiatives include usage of biofuel, newer generation engines, frequent change of tires to reduce up to 3% carbon emissions, driver trainings and monitoring to enable them using emission reducing driving habits, newest technology to insulate cold trucks reducing the usage of aircon blower of up to 30%, aerodynamic improvement allowing up to 12% fuel saving, introduction of more electric vehicle, piloting electric motorbikes and constantly improving routes and asset utilisation rates.

With regards to reducing emissions from last-mile deliveries, our work was focused on load optimisation, which includes consolidating orders from our customers to maximise the capacity of each of our delivery vehicles which ensured that the fewest numbers of vehicles were used while maximising the number of deliveries.

Another vital part to achieve our emission target is passive packaging. Passive packaging is reusable and allow transportation even in normal environment not requiring air conditioning. Constant improvement of insulation technology allows an improvement of load ratio of up to 10 times compare to traditional single use packaging.



GHG EMISSIONS (tCO ₂ e)	2020	2021	2022
Scope 1 emissions	9,551	12,032	10,891
Scope 2 (market-based) emissions	51,255	49,477	35,683
Scope 2 (location-based) emissions	54,061	50,320	60,742
Scope 3 emissions	341,689	389,602	262,705
Total emissions*	402,495	451,111	309,279
GHG emission intensity (tCO ₂ e/piece)	0.0000265	0.0000262	0.0000185

*Total of Scope 1, Scope 2 market-based and Scope 3 emissions

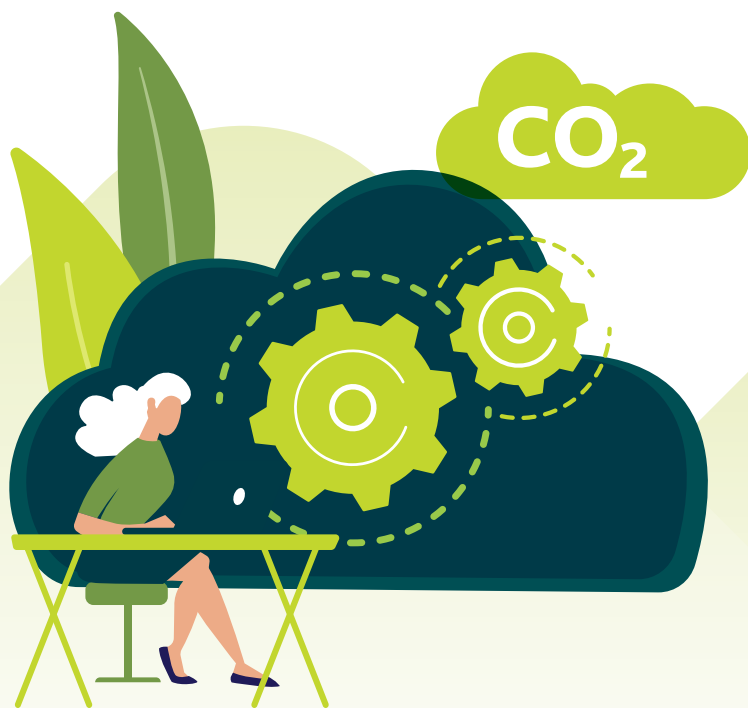
Our total GHG emissions in 2022 was 309,279 tCO₂e, a 31% like-for-like reduction from 2021 levels. We have made progress in 2022 against our Science-Based Targets with a 24% reduction in Scope 1 and 2 emissions from a 2021 baseline and a 33% reduction in Scope 3 emissions from a 2021 baseline.

Zuellig Pharma has successfully reduced its overall carbon emissions by **31%** in 2022 and made progress against our Science Based Targets

MANAGING OUR ENERGY CONSUMPTION

We manage our overall energy consumption as part of our strategy to reduce GHG emissions. We have been implementing Energy Management Systems in our distribution centres in the majority of our markets including Indonesia, Malaysia, Cambodia, Hong Kong, Singapore, Taiwan, Thailand, Vietnam and Philippines, to optimise energy consumption.

In 2022, we consumed a total of 384,437,375 MJ (megajoules) of energy. The majority of our energy consumed (more than 90%) is attributable to electricity use. While our direct fuel consumption has fallen by 2,187,579 MJ (8%) compared to 2021 due to the scrapping of old delivery vehicles consuming diesel fuel and increased outsourcing of last-mile deliveries to third party providers, there was a rise in electricity consumption due to an increase in the volume of vaccines we handled which required the use of additional cold-room facilities or standalone freezers rented on a temporary basis for some of the markets. However, we have increased significantly the portion of electricity sourced from renewable sources through self-generated solar energy and purchase of Renewable Energy Certificates (RECs).



ENERGY CONSUMPTION (MJ)	2020	2021	2022
Fuel consumption	25,480,746	28,245,732	26,058,153
Electricity consumption from non-renewable sources	307,033,233	294,978,724	222,168,243
Electricity from renewable sources	9,229,373	16,125,972	136,210,980
Total energy consumption	316,262,606	339,350,428	384,437,375
Energy intensity (MJ/piece)	0.149	0.145	0.152

Note: The conversion factor for litres to MJ for fuels was obtained from the GHG Protocol Emission Factors for Cross Sector Tools (Stationary Combustion tab).

Energy efficiency initiatives such as LED lighting and intelligent lighting systems have been implemented across all markets, as well as investments to upgrade our air conditioning systems across several locations. Zuellig Pharma has also initiated an upgrade of its insulation systems, by installing insulation panels and using thermal insulation paints for better temperature control and air-conditioning savings. For example, in ZP Vietnam, we installed the first energy efficient and fully FM Global approved building skin, using insulated panels which has a better thermal capacity to reduce energy usage. We will adopt the same approach going forward with any new infrastructure planning and work with the landlord to minimise energy consumption of buildings we occupy.

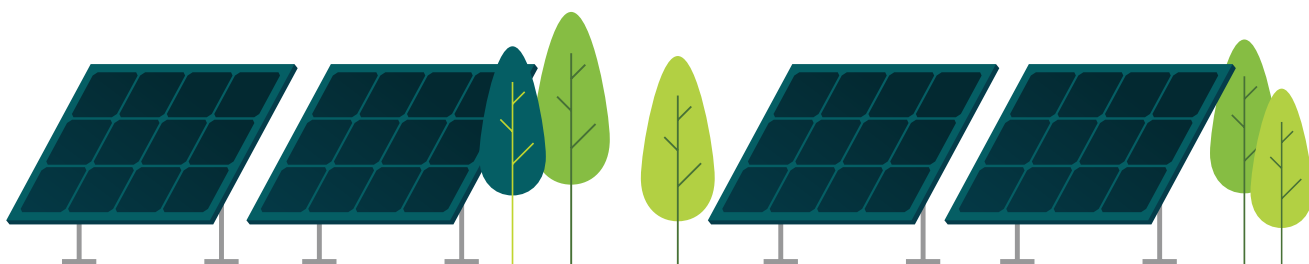
Our latest efforts involve energy efficient cold chain systems installed with frequency inverters which reduce 30% to 40% of overall electricity consumption compared to existing systems employed. The plan is to implement this new cold chain installation region-wide, starting with Hong Kong and Korea where we are opening new cold chain facilities.

We have also been looking into increasing our use of renewable energy in our logistics facilities, offices and transport equipment, such as installing solar panels and converting our transport fleet to electric or hybrid vehicles. Our goal is to supply 30% of our electricity needs from on-site renewable resources by 2030.

We first piloted solar panels installation at our distribution centres in Taiwan and Vietnam and have continued to roll it out progressively to other markets. In 2022, we have installed solar panels in Vietnam and plan to do so for Singapore, Thailand, and Cambodia in 2023. We generated 5.4M kWh from our solar panels to power our operations in 2022, which covered 5% of our electricity needs.

Our efforts to expand solar panel installations have led to a **21% increase in renewable energy use**, which in turn reduced our electricity-related emissions by 4.3% in 2022

In addition, we have made further commitments in selected markets to move towards greener transport fleets. In Singapore, we aim to phase out internal combustion engine (ICE) delivery vehicles by 2030 and in Korea, we aim to switch to electric vehicles for all short-distance deliveries by 2030.



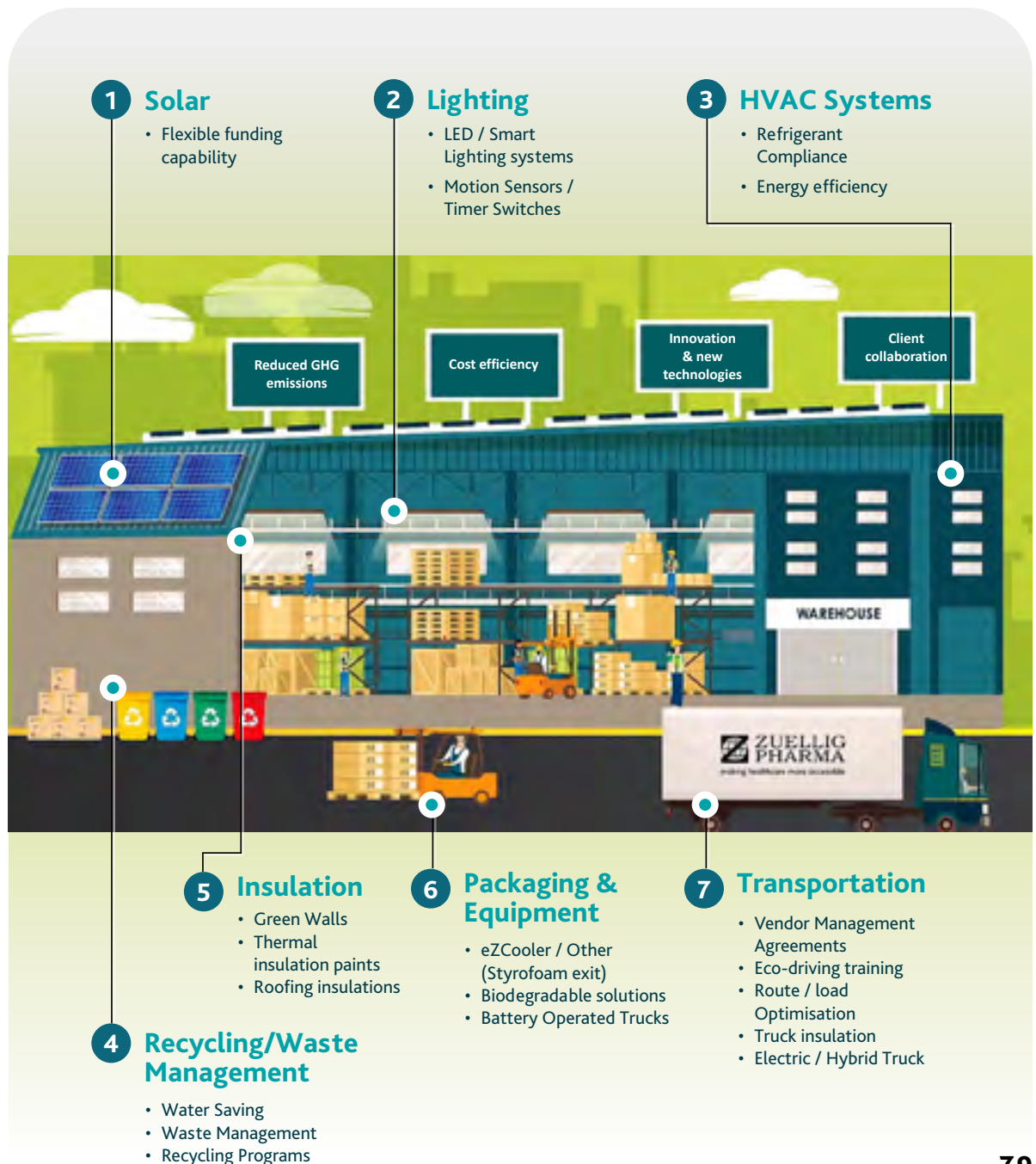


GREENOVATE - INNOVATING FOR CLIMATE ACTION

Our internal incubator Greenovate was launched to provide a conducive environment for innovating and accelerating ideas and initiatives that can contribute to combatting climate change impacts. The goal is to finance ground-breaking green technologies which are either not available across Asia or are struggling to reach optimal scale, to boost their development, develop proofs-of-concept and create a stepping stone for their roll-out across Asia.

These initiatives are kickstarted as pilot projects in optimal markets, with country teams identifying the most suitable partners to test out these pilot projects. Projects are assessed based on impact, scalability and relevance to the unique Asia landscape. Following the implementation of the project, we track results and identify opportunities for improvement. Best practices from the project are then shared with other markets, with a roadmap for scaling up.

The Greenovate Project is also designed to raise employee awareness on environmental actions.



INVESTMENT IN CARBON NEUTRALISATION PROGRAMMES

While our primary focus is on reducing our emissions such as by generating renewable energy through onsite solar panel installations, we also complement this by investing in offsite renewable energy projects through the purchase of Renewable Energy Certificates (RECs). All the RECs we purchase are certified by the I-REC Standard¹ or the TIGR Registry².

We are also investing in carbon neutralisation projects that are verified by Verra, one of the leading and most widely recognised standards for the development, verification and certification of carbon neutralisation projects. Key projects have been financed in in the Philippines, Taiwan, Thailand, Indonesia and Vietnam.

¹ The I-REC (International REC) Standard provides a robust and standardised attribute tracking system for use around the world and supports tracking compliance with governmental renewable energy requirements. The I-REC Standard is acknowledged by major reporting frameworks such as the Greenhouse Gas Protocol (GHGP), CDP, and RE100 as a reliable backbone for credible and auditable tracking instruments. It ensures the highest quality systems and adherence to best practices designed to avoid double counting, double certificate issuance, and double attribute claims.

² The TIGR Registry is a platform for tracking and trading RECs outside of North America, and is one of the more prominent and widely used registries globally. The registry provides a transparent and secure platform for tracking the ownership and transfer of RECs and ensures that each REC represents a verified and additional environmental benefit.

All existing sites conduct an annual local BCP training and simulation exercise to test and refresh their hazard mitigation



CLIMATE RESILIENCE

GRI 3-3

Besides reducing our carbon footprint, we also seek to ensure that our business and operations are resilient to climate change events, as they directly affect our ability to deliver healthcare to the communities we serve. We aim to increase the ability of our business to prepare for and recover from climate impacts, especially in vulnerable locations.

We have worked with our global insurance partner, FM Global, on a company-wide assessment of material locations with high exposure to natural hazards such as earthquake, floods, high winds, etc., or located near the ocean front without adequate mitigation plans to counteract rising sea levels. For the identified locations, we put in place natural hazard mitigation plans and loss prevention measures.

In 2022, we began undertaking a 3-year multi-country risk improvement programme. In the Philippines for example, the MDI National Distribution Centre will be further reinforcing the roof perimeter and corner areas of their warehouse to strengthen protection against typhoons and windstorm exposure. The ZPC Philippines Canlubang warehouse is also working on upgrading and adding to its fire protection system e.g. sprinklers and fire pump, to mitigate any fire risk that may result from a climate hazard.

We are currently evaluating risk improvement projects in other markets with plans to begin implementing these from 2023 onwards.

All new build facilities incorporate mitigation against climate change and natural hazards during site selection and design. The MDI National Distribution Centre in Santa Rosa is designed to be earthquake-proof based on California Standards and complemented by a Seismic Design Racking System. These are attuned to the company's Business Continuity Plan (BCP) to safeguard the products and mitigate the impact of acts of nature, thus strengthening its climate resilience.

An annual local facility risk survey is conducted to assess any gaps. All existing sites also conduct an annual local BCP training and simulation exercise to test and refresh their plans. 69 such training and simulation exercises have been conducted in 2022. FM Global also conducts loss prevention training for Zuellig Pharma employees.

Our Distribution Centres are regularly audited against FM Global's rigorous property loss prevention standards and recognised with risk management excellence awards. We have made good progress over the years, with more than three-fold increase in awards since 2015, with two of them achieving the highest accolade for excellence in loss

prevention programmes & comprehensive risk mitigation measures. This is testament to our commitment to safeguard the resilience of our facilities.

We recognise that addressing climate change impacts is crucial to ensure the business remains sustainable and we support the Taskforce on Climate-related Financial Disclosures (TCFD) as a useful framework to enhance disclosure of climate-related risks and opportunities, to enable stakeholders to make more informed financial decisions. We seek to align our approach with the TCFD recommendations and as such, intend to embark on our TCFD implementation journey in the year ahead.

RESPONSIBLE WASTE MANAGEMENT

GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

We recognise our responsibility in minimising waste to landfill, both in our own operations and along our value chain as much as possible. Our approach to waste focuses on waste prevention and reduction by prioritising the reuse and recycling of the waste materials we produce. Our main source of waste generation in the company comes from the packaging materials for the products that we distribute. We also seek to minimise waste generation in the first place, such as by automating warehouse processes to go paperless.

In 2022, Zuellig Pharma generated a total of 11,124 tonnes of waste, with a majority of it being non-hazardous. The increase from 2021 was largely due to the opening of new operational facilities in Singapore and the Philippines. The only type of hazardous waste was batteries which were taken care of by professional waste management service providers. Zuellig Pharma has ongoing programmes in all its markets which focus on reducing, reusing and recycling materials. These include recycling paper and electronics in offices, using eco-friendly products like recyclable or eco-certified paper products, biodegradable bags for transporting goods, reusing void fillers from incoming packages, recycling toners and disposing any remaining waste through eco-friendly methods such as thermal destruction.

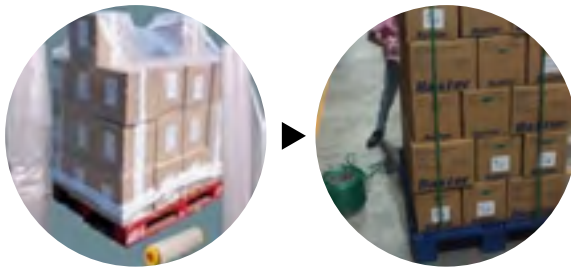
WASTE GENERATED IN METRIC TONNES	2020	2021	2022
Total waste generated	6,824	5,471	11,124
Total non-hazardous waste	6,747	5,435	9,228
Total hazardous waste	77	36	1,896
Waste incinerated	2,998	2,855	8,923
Waste to landfill	3,821	2,610	1,961
Waste intensity (tons/piece)	0.00000297	0.00000233	0.00000441





REPLACEMENT OF PLASTIC SHRINK WRAPPING

At ZP Myanmar, plastic shrink wrap has been used for wrapping storage pallets in the warehouse racks to hold boxes together. In order to reduce the usage of plastics, the team proposed to replace plastic shrink wrapping with a manual strapping tool which is also more secure. This solution can save around 200 rolls of plastic shrink wrap a year, reduce costs as well as improve safety in the warehouse operations.



Besides implementing various 3R programmes, our markets also initiate activities to raise awareness and momentum for 3R. For example, ZP Singapore's Let's Go Green team organised a ZP Swap Party in December for colleagues to donate their pre-loved items for that other colleagues can select from, including books, toys, children's clothes, collectibles, electronics, etc. They also organised an Earth Day Recycled Art activity, in which the 12 departments across ZP Singapore were to each complete one part of an Earth Day poster by recycling and reusing everyday materials that are commonly found in their homes.

We commit to achieve zero waste to landfill by 2030



Our APL team also launched a waste education programme "Pilih-pilih Sampah Demi Masa Depan" to encourage employees to sort their waste for recycling by providing waste sorting bins across 3 work locations.

Zuellig Pharma is committed to protecting the environment and as part of our efforts to prevent pollution that can harm the health and environment of the communities we serve, we are committed to diverting the disposal of our waste away from landfills and into alternatives like incineration and recycling to reduce waste. Zuellig Pharma has set a goal to achieve zero waste going to landfill by 2030 and 4 markets have moved away from landfill disposal, with Korea, Singapore and Taiwan having moved completely away from landfill. In markets where waste that is still being directed to landfills, this waste is handed over to government or government-approved entities which will dispose of the waste as per regulations in designated landfills that are regulated by the local government authorities.

We also work actively to minimise the amount of waste generated indirectly by our operations. **4 markets** have already launched the use of reusable plastic totes for deliveries, to minimise the use of cartons and plastic bags.

In addition, our innovative eZCooler solution helps prevent the use of at least 360,000 styrofoam boxes per year and has won the Sustainable Medicines Packaging Circularity Awards 2022, organised by YewMaker and hosted by Connect Ins Pharma. This award recognises packaging services, processes, partnerships, or products that reduce single-use packaging, bringing circularity into the pharma packaging supply chain.

We also aim to source for a cost effective, eco-friendly cold chain box to replace Styrofoam boxes used in uni-directional delivery (boxes unable to return to warehouses due to customer retention) going forward.



We not only aim to decrease waste in our own operations but also work with partners in our supply chain to investigate circular business solutions to decrease waste and optimise resource utilisation. While we do not handle medical waste of our clients after delivering them to customers, we seek to assist them in identifying opportunities to minimise waste.



ENVIRONMENTAL COMPLIANCE

GRI 2-27, 3-3

As a key stakeholder in the healthcare industry, it is crucial for Zuellig Pharma to ensure we conduct our business and operations in conformance with the local environmental laws and regulations in each of the Asian markets that we are present in.

We have put in place policies and guidelines to comply with local environmental laws and to track any non-compliance. Our [Environment Policy](#) requires all employees and partners to adhere to local regulations as well as take additional steps to minimise the company's impact on the environment.

We also work towards meeting appropriate international environmental standards, for example the ISO14001 Environmental Management Systems standard, as a framework that the entire company can follow for effective environmental management, regardless of the markets we operate in.



We have planned for a phased roadmap for all our sites to get ISO14001 certified by 2024. 3 markets, Hong Kong, Philippines and Singapore are already certified.

Besides internal compliance, we require our supply chain partners and service providers to acknowledge our [Supplier Code of Conduct](#), which includes an expectation to operate in an environmentally friendly manner and in strict compliance with all applicable environmental laws and regulations. Please refer to the section on Responsible Sourcing on page 91 for more information.

There was one case of non-compliance with environmental regulations with regards to labelling and storage of waste drums in Malaysia MDD site, incurring a fine of MYR 4,000. The team has conducted Corrective and Preventive Actions, and closed these 2 non-conformance items. No other fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations were incurred in any of our markets during the year.

WATER STEWARDSHIP

GRI 303-1, 303-5

Our water impact, though relatively small, is also an area on which we wish to reduce our impact and build sustainable practices. In 2022, we consumed 345,777m³ of water across our operations, mainly for air-conditioning and maintenance purposes. We are pleased to report that we are now 7% more efficient with our water use regionally. In addition to various reduction efforts that have started, our long-term commitment is to launch a rainwater harvesting programme by 2025, to offset the use of water our organisation requires for our operations.

We aim to
achieve ISO14001
certification
across all market
distribution
networks by 2024



SETTING THE HIGHEST STANDARDS OF INTEGRITY



OUR MATERIAL ISSUES

PREVENTING
BRIBERY AND
CORRUPTION



RESPONSIBLE
SALES AND
MARKETING



RESPONSIBLE
SOURCING



PRODUCT
QUALITY
AND SECURITY



FIGHTING
COUNTERFEITS AND
PARALLEL TRADE



DATA
PRIVACY AND
SECURITY



PUBLIC
POLICY



CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)



SETTING THE HIGHEST STANDARDS OF INTEGRITY

2022 HIGHLIGHTS

Achieved a

98%

performance rate, performing 264 supplier audits out of 270 planned audits on targeted Tier 1 and 2 suppliers



100%

of employees trained on compliance policies and procedures

7,755

units of our innovative cold-chain solution eZCooler deployed across Asia to protect integrity of temperature-sensitive products, helping **avoid the use of 360,000** single-use Styrofoam boxes each year



eZTracker tracked

\$19 MILLION

worth of suspected counterfeits and diversions with **> 200,000** scans of suspected counterfeits and diversions.



“

Zuellig Pharma's reputation is built on a firm commitment to always engaging in an ethical manner and maintaining high integrity standards in all dealings with key stakeholders.

As a Company with a 100 year track record, we set exceptionally high standards in the performance of our duties and obligations which are relied upon by multiple partners across the globe. Indeed, we place a high value on ethical business dealings, transparency, and quality patient care. Our commitment to compliance, ethics and data security underlies the pursuit of our passion to benefit the societies and the patients who we are privileged to serve.

”



NG CHONG JIN

**GENERAL COUNSEL & CHIEF COMPLIANCE OFFICER,
INTEGRITY PILLAR LEAD**

UPHOLDING ETHICAL BUSINESS PRACTICES

As a key node within the healthcare systems across our markets, our role demands that we uphold the highest ethical standards in all aspects of our business. Our commitment to the highest standards of integrity has been the foundation of our many decades of business operations in Asia and our reputation for trust, transparency and service quality. To ensure that there is clear and aligned understanding of what standards of ethical conduct and responsible business practices are expected of all employees, we have put in place policies to provide guidelines and spell out unacceptable behaviours.



ANTI-BRIBERY AND CORRUPTION

GRI 2-26, 2-27, 3-3, 205-1, 205-2, 205-3

At Zuellig Pharma, we take a zero-tolerance stance towards bribery and corruption. Our Anti-Bribery and Anti-Corruption (ABAC) Policy and Framework, bolstered by our Code of Conduct, form an essential part of our "best practice" Compliance Programme. We have a dedicated Compliance Team covering all markets in which we operate, which is led by the General Counsel & Chief Compliance Officer. The programme is designed to "**Educate, Embed & Execute**", on adherence to the highest standards of ethical business conduct at all times by our employees and partners. We have established clear policies and procedures to identify, manage and mitigate any suspected or reported cases of bribery and corruption. This ensures we conduct our business in accordance with all laws and regulations in our operating environment, with a keen focus on maintaining exemplary ethical and compliance standards.

All employees receive mandatory compliance training, which are linked to their annual performance, on business ethics issues and the Code of Conduct upon joining Zuellig Pharma, including on anti-bribery and corruption as well as on gifts and hospitality. Employees are regularly assessed on their understanding of these policies and guidelines, which are available in local languages.

Our guidelines and policies on ethical business conduct are also communicated to all material business partners and third parties who work with Zuellig Pharma. They are also subject to our anti-corruption due diligence process to ensure that we are dealing with reputable and credible partners and that we address any risks that are identified. Executive Management Team and across markets via local governance bodies in the form of Country Compliance Committees composed of the country leadership team and co-chaired by the country managing director and the local compliance officer. The establishment of local Country Compliance Committee meetings in every market, held at regular intervals throughout the year, is also a key driver in managing internal controls and introducing a "forward thinking risk mindset" into all business units. Our control procedures are subject to oversight with mandatory compliance monitoring as well regular audits. We have also introduced an automated pre-approval framework to monitor and manage all expenditure being made in association with healthcare related events and activities. To this end, the industry "Rules of Engagement" are strictly adhered to.



All employees receive training on business ethics and the Code of Conduct.

In addition, every 2 years, we conduct an internal audit risk assessment, taking into consideration Transparency International's Corruption Perception Index (CPI). In 2022, 100% of our markets have conducted their required Country Compliance Committee meetings while our internal audit risk assessment has covered all markets in identifying and mitigating risks, including risks related to corruption. Corruption risks are identified based on several factors that include local control activities, investigations, and ongoing monitoring that are discussed during Country Compliance Committee meetings, inquiries conducted as part of internal audit risk assessment that has taken consideration the most recent CPI and the past fraud history of the markets that we are based in. At the enterprise level, corruption risks are determined by applying the Group's Risk Management policy and procedures and mapped onto a risk matrix that assesses them based on their likelihood of occurring and the impact on the business. They are then assigned to a member of the Executive Management Team based on the relevance of that risk to the respective function they head. All risks and their mitigating controls are documented in detailed templates and shared with the Internal Audit Committee and the Board on an annual basis. Controls include documentation of control process and procedures, how controls are communicated within the organisation and how the relevant personnel are instructed and trained to perform controls. The mitigation status of each risk is also being tracked monitored on a regular basis.

Our approach to identify and address grievances includes our highly visible Speak Up Programme which supports various communication channels to enable our employees and third parties to report any suspected misconduct or violations to our Code of Conduct or policies. This programme is administered by the Compliance Team and is designed to provide a "safe and trustworthy" platform for employees and third parties to raise credible issues in an anonymous and confidential manner. We do not tolerate retaliation against anyone who wishes to make a genuine report through the Speak Up hotlines and / or [website](#) (run by an independent third party). These channels are available 24 hours a day, 7 days a week and are available in the local languages of the markets where we operate. The Speak Up Programme emphasises acting on and investigating any credible issues raised about potential misconduct in any market in which Zuellig Pharma operates in. All relevant genuine cases are investigated by our Integrity Office, with final reports being submitted to the Audit Committee on a bi-annual basis. We have been educating each market on immediate reporting and proper management of incidents in accordance with our new Investigations Guidelines that we launched in 2022. This has allowed us to capture, document, and properly manage all relevant incidents from the markets, applying a standardised approach. Going forward, we will be looking at setting suitable metrics to help us measure our effectiveness, as well as gathering feedback to ensure that we are aware of any gaps or weaknesses in our process.

Grievance cases as well as their resolution are reported to the Audit Committee of the Board on a quarterly basis. Any critical concerns that would emerge would be discussed at the Audit Committee and escalated to the full Board as appropriate.

There were no confirmed incidents of corruption in the reporting period.

As part of our commitment to continually develop our Compliance programme to adjust to the evolving needs of the organisation, we have recently updated two key compliance policies. The first one relates to our interactions with healthcare providers which is vital to our daily business activities. In the updates, we have provided more specific and detailed guidance on the application of our policies and standards to our interactions with healthcare providers and have also streamlined our processes to allow for more focus on activities with higher corruption risk. The other update is on our anti-corruption compliance due diligence



process where we have dedicated more resources towards focusing on third parties that present more significant risk to the company. Both updated policies align with the best practices in the industry and allow the company to better manage its internal and external corruption risks.

In addition to the above, we have also rolled out new guidelines on investigations and on disciplinary actions to better align different markets and functions that are involved in the investigations process. The new guidelines have allowed us to better capture, manage and document concerns raised through the Speak Up channels as well as from routine monitoring and control processes by different functions.

To ensure that our Compliance programme is maintained to a high level and matures yearly, we have implemented a region-wide monitoring framework to enhance our risk-based approach to addressing any gaps in internal controls.

Importantly, we are constantly focusing on raising the visibility of the Compliance Team and our overall Ethics & Integrity programme to win trust and respect from all key stakeholders and to set a very high bar for exemplary conduct across the region. We believe that this mission and vision is critical in achieving optimal business outcomes and in differentiating Zuellig Pharma as a market leader within the industry.



RESPONSIBLE SALES AND MARKETING

GRI 2-27, 3-3, 417-3

We uphold responsible sales and marketing practices to ensure informed decision-making on medicine usage and patient safety.

Our sales and marketing practices adhere to the proper disclosure of product indications, contra-indications, efficacy and adverse events so that healthcare providers and consumers can make fully informed decisions based on accurate and complete information. In addition, we have a robust Pharmacovigilance system in place to safeguard the public by ensuring that all adverse events and product feedback are captured, analysed, acted upon and reported, as appropriate.

Zuellig Pharma Healthcare Guide ("ZP Healthcare Guide"), and pharmacovigilance SOPs primarily govern our sales and marketing practices. **100% of our salesforce are trained on our ZP Healthcare Guide and pharmacovigilance SOPs.** We also ensure that promotional materials from all markets are reviewed by relevant channels to meet industry standards regarding disclosure of relevant information that will help healthcare providers and patients make fully informed choices. This is detailed in our promotional materials SOP.

There were no cases of non-compliance with regulations and/or voluntary codes concerning marketing communications in the reporting year.

We review and update our SOPs regularly, with inputs from our partners, as needed. The ZP Healthcare Guide and the pharmacovigilance SOPs were updated in 2022 and 2021 respectively. The ZP new Healthcare Guide provides greater clarity and detail about expected ethical interactions with key stakeholders as well as permissible limits regarding hospitality, sponsorships and other healthcare-related expenditures. We have fully rolled out our approval system for interactions with Healthcare Providers to all markets which automates our Zuellig Pharma Healthcare Guide processes to ensure better compliance and risk control. Activities captured in the approval system are then subject to desktop and live monitoring by the Compliance team to ensure proper oversight over the events. Significant findings from monitoring activities are then forwarded to the Investigations Officer for proper handling.

As we continue to evolve our compliance program to address the needs of the business, we have identified areas that will require further improvement. One is on readily available access to compliance information and guidance which we will address by creating an application that contains anything and everything about compliance. This will enable all employees who have interactions with HCPs, healthcare organisations, government officials and patient groups to exercise better business judgement in accordance with our compliance policies.



RESPONSIBLE SOURCING

GRI 2-6, 2-24, 3-3, 308-1, 414-1

Sustainable procurement is key to our commitment to protect the environment and to uphold fair labour practices and human rights in the supply chain.

Sustainable Procurement is incorporated into all key aspects of our supply chain and procurement process. We work directly with almost 6,000 suppliers. We take a pragmatic and risk-based approach to implementing and tracking Sustainable Procurement. Each spend category has been mapped onto the Procurement Supplier Sustainability Risks Matrix and critical categories of suppliers have been identified. These suppliers are then selected and approached for in-depth assessments. These categories are:

- Transportation services
- Temporary labour
- Consulting and professional services
- IT hardware and servers
- Packaging, construction
- Leases
- Material handling equipment
- Office supplies

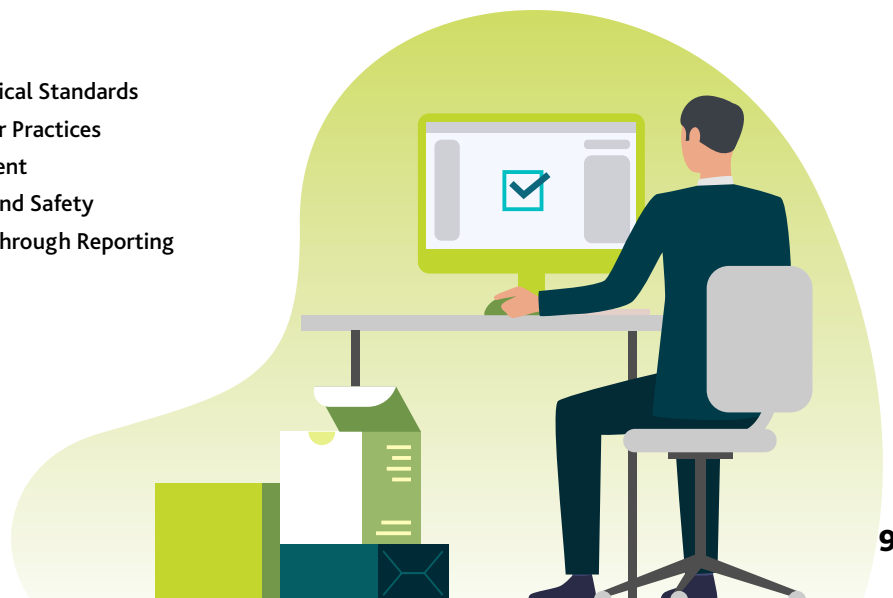
Currently, almost 40% of Zuellig Pharma supplies originate from sustainable sources, up from 14% last year. Our procurement team implements sustainable procurement practices and engages with suppliers to ensure positive environmental, social and economic impact across the purchasing and supply lifecycle. Our procurement practices are guided by our internal Global Sustainable Procurement Policy outlining our approach in these priority areas:

- Upholding the Right Ethical Standards
- Championing Fair Labour Practices
- Caring for the Environment
- Demonstrating Health and Safety
- Showing Transparency Through Reporting and Governance

All procurement staff who lead or take part in selecting and managing our external suppliers are trained on Sustainable Procurement. They are required to understand the importance and key requirements of the Sustainable Procurement Policy. Specifically, this requires ensuring execution of supplier pre-contract due diligence, and regular supplier monitoring activities. In addition, our procurement staff have sustainable procurement objectives integrated into their annual performance reviews.

Zuellig Pharma's Supplier Code of Conduct provides clear guidance about our expectations on sustainability to our suppliers with the same four priority areas as our internal policy. We work with our suppliers to ensure their commitment to the principles of the Supplier Code of Conduct. **67%** of our suppliers by value have acknowledged the Supplier Code of Conduct.

100%
of procurement staff are
trained on Sustainable
Procurement.



Sustainable procurement initiatives are implemented in **more than half** of our markets.

Approximately half of our supply base is working with us on a sustainability initiative ranging from collaborating on reducing emissions, enhance quality, health and safety, to providing materials manufactured from sustainable sources.

To date we have established over **34 sustainable procurement initiatives**, ranging from re-using packaging and minimising waste, implementing energy efficient solutions (LED lighting, intelligent lighting systems, solar), removing paper and enabling electronic signatures throughout the organisation.

SUPPLIER SUSTAINABILITY RISK ASSESSMENT

We adopt a risk-based approach that is driven by the value and strategic importance of what we procure from our suppliers. We created the Supplier Sustainability Risk Assessment Guide to ensure that essential goods and services are purchased from suppliers of known capability and risk profile. Our spend categories are mapped onto a risk assessment matrix to determine high-risk spend categories that require in-depth assessments in the form of regular Supplier Sustainability Assessments and on-site audits. These spend categories are: Transportation Services, Temp Labour, Consulting and Professional Services, IT Hardware and Servers, Packaging, Construction, Leases, MHE, and Office Supplies. The Guide also provides a clear and transparent set of sustainability criteria to assess supplier performance.

Since 2021, we have automated the supplier sustainability assessment process using a platform called IntegrityNext (INX). This helps us to increase coverage and track supplier's sustainability practices more efficiently and independently. INX provides us with insights on supplier's sustainability practices based on their prebuilt questionnaires, which are developed based on international standards and relevant regulations. The questionnaire covers sustainability topics such as Environmental Protection, Human Rights & Labour, Anti Bribery & Anti-Corruption (ABAC), Supply Chain Responsibility, Energy Management, Covid-19 (addressing challenges), Cyber Security, Health & Safety, Quality Management and GHG emissions.

We have automated the supplier sustainability assessment process using a platform called **IntegrityNext** to help us increase coverage and track supplier's sustainability practices more efficiently and independently.



To date we have assessed over **400** suppliers (57% by value) for Sustainability performance. All new suppliers above US\$75K in contract value are assessed.

INX also conducts real time data monitoring on the above topics which enable us to track any adverse news regarding suppliers' sustainability practices. We have prioritised the assessment for our top suppliers by value and also ensured that all new suppliers above USD75,000 in contract value are being assessed. We raise red flags and improvement areas uncovered to the suppliers and our leadership, and work with them to mitigate issues through ongoing dialogue, education or through structured Sustainability Development Programmes (SDP). The SDP seeks to drive concrete and timebound actions that Zuellig Pharma and the supplier undertake to ensure significant sustainability improvements from the suppliers are tracked, reported and reviewed year on year. Close to 20% of our supplier base is covered by a Sustainability Development Program.

In 2022, we also started to generate a quarterly report to monitor our supplier sustainability performance in IntegrityNext. This quarterly report highlights areas for the supplier to focus on as well as suggested action points for improvement.

Besides this, we also work with suppliers on one-off sustainability initiatives. For instance, we co-developed the use of solar panels to power refrigeration units in delivery vehicles in Malaysia and electric-powered fleet in South Korea which reduce our carbon footprint and increase fuel efficiency.

In 2022 we have performed 264 supplier audits out of 270 planned audits, a 98% performance rate. 43% of these audits were performed onsite while 57% were performed remotely. While movement restrictions have eased up in 2022, there is still apprehension to accept onsite audits by many of our suppliers. Remote audits remain to be an accepted audit alternative to be able to assess our supplier's capability to supply goods and to provide services. The option of remote auditing is outlined in DIN EN ISO 19011 – the standard for auditing management systems. Per our Supplier Quality Management, not all suppliers are audited on an annual basis. Audit frequency is determined on a risk-based approach where cycle can vary from annual to every 3 years depending on the supplier's performance and the audit outcome. Risk-based audit frequency determination is an acceptable approach in pharma industry as per Guidelines on Good Distribution Practice of Medicinal Products for Human Use (2013/C 343/01), European Commission.

We recognise that protecting human rights is not an issue that we can address alone, and working closely with all relevant stakeholders is integral. Suppliers are a particular focus, and we help them adhere to our principles through their acknowledgement of our Supplier Code of Conduct.

We have zero tolerance for any form of human rights abuse and follow strict governance, grievance, and remediation mechanisms to ensure compliance with our principles and commitments. Third parties can raise issues in confidence through the Speak Up channels we have established. All issues are handles confidentially, consistent with Zuellig Pharma's need to investigate, in compliance with law enforcement authorities, where required.

We do not practise or tolerate any form of child exploitation, and do not provide employment to children before they have completed their compulsory education. This applies to employment within Zuellig Pharma, and we expect the same from our partners and suppliers. All forms of forced and compulsory labour are against our principles; we do not practise or tolerate any form of exploitation or forced or compulsory labour.





ELEVATING WORKER VOICE

In 2022, Zuellig Pharma launched a pilot programme "Elevating Worker Voice" to monitor and address any labour risks in our supply chain. We identified 3 key markets, Malaysia, Indonesia and the Philippines as the test beds for

this new programme. The sites and geographies were selected based on the labour risk indices together with the number of supplier staff working regularly at our sites.

LABOUR RISK AND LABOUR SUPPLY INDICATORS



With our membership in The Mekong Club, a non-profit organisation specialising in detecting and eliminating modern slavery in Asia, we leveraged on the digital tool available to survey the working conditions of suppliers' workers who work in our facilities to ensure socially responsible labour practices, guaranteeing anonymity and safety of sharing feedback. The tool includes a best practices survey question set that addresses each risk type of the labour fair practices.

The Pilot Program covered all 31 suppliers with temporary workers working on-site, with a 56% participation rate from the temporary workers, ensuring that we survey a statistically relevant sample size of workers to draw meaningful conclusions about the practices they face. The survey highlighted some ambiguous practices, as well as the need to keep communicating to the workers to avoid confusion and misunderstanding. This followed a debrief with each supplier and sharing of the themes of the survey and finally their plans to address shortfalls in practices.

➔ RISK TYPES

CHILD LABOUR



RETENTION OF ID



GRIEVANCE



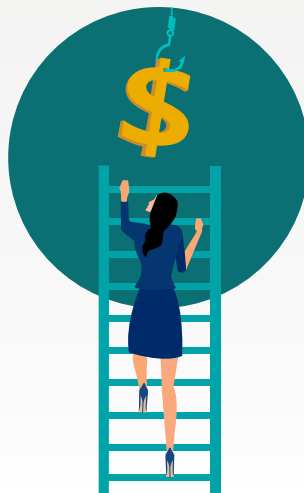
WORKING CONDITIONS



OVERTIME



DECEPTION



Zuellig Pharma recognises the need for a long-term engagement plan with our suppliers and their workers to ensure we mitigate any labour risks and uplift the communities we serve. In 2023, Zuellig Pharma will establish a Regional Guideline for the inclusion of worker surveys as part of supplier audits and implement the programme in at least 6 new sites across the other geographies we operate in.

SUPPLIER DIVERSITY

Working to achieve supplier diversity with a focus on prioritising working with local suppliers in high growth markets in Asia allows us to promote social development. The work we do is a step towards increasing decent work and economic growth across the region by supporting local businesses in the markets we operate in. In addition, our Supplier Code of Conduct highlights that our suppliers should avoid discrimination in their employment practices. These discriminations commonly include race, colour, age, gender, ethnicity, disability, religion, political opinion, marital status, union membership or sexual orientation.



SUPPORTING WOMEN-LED BUSINESSES



The logistics & transportation sector has historically suffered from underrepresentation of women. Despite the challenges women have faced in representation, we are proud to have worked with women-led businesses to make healthcare more accessible.

Since 1993, Cleemary has been supporting Zuellig Pharma's business in transportation and distribution in the Philippines. Currently, Cleemary is managed by three incredible women, Engr. Elsie B Napial – who works as their consultant, Ms. Cherrly Loiuse Napial Mariano who manages the financial aspects of the company, and Ms. Alouh Prestosa who provides her operations expertise to the trucking business. Despite facing numerous challenges, we would like to convey our appreciation to the Cleemary leadership and team for their proactiveness, adaptability and determination to ensure the highest level of service levels. In 2022, a Plaque of Loyalty was awarded by 1PH ZPC-MDI to Cleemary for its services rendered to ZPC for more than 20 years.

We recognise the value of partnering with women-led businesses and the positive impact it has to the communities we serve. Zuellig Pharma is committed to promoting the growth and success of women-led businesses in our value chain and will continue to partner and actively seek out opportunities of engagement.



Our gratefulness in serving Zuellig Pharma for this long was made possible through the goodness of ZPC personnel who provided also their support to us from day one of our services until now. We are all women who manage Cleemary as to date and we really appreciate the contribution of our ZPC partners and other who have been a big support to us. God bless ZPC and more power to its Management!

ENGR. ELSIE B NAPIAL



ENSURING SUPPLY CHAIN INTEGRITY AND SECURITY

Ensuring the end-to-end integrity and security of our supply chain is our responsibility and a commitment we make to clients, customers and patients. We also strive to drive greater supply chain transparency to counter illicit trade and its negative impacts on human health.



All key markets with a distribution setup are
ISO 9001 certified
and half of them are ISO 13485 certified.



PRODUCT QUALITY AND SECURITY

GRI 3-3

We operate a robust quality management system that ensures product quality and security, and integrity in storage and delivery. We continually develop systems and innovations to remain leaders in this area, as well as cultivate a culture of quality within Zuellig Pharma.

We have a framework for Quality and Security compliance in place, to keep track of both prevailing and evolving applicable regulations. Our process flows, warehouse designs, standard operating procedures and employee training modules are updated regularly to ensure they are aligned with global best practices. Regional audits are conducted to demonstrate the effectiveness of our Quality Management Systems in compliance with international standards. The governance framework of our QMS for Quality and Security compliance ensures product integrity and security, patient safety and a vibrant culture of quality.

We have also developed an electronic Quality Management Systems (eQMS) to implement electronic workflow processes, move away from traditional paper-based approach in managing our QMS and embark on a predictive technology-enabled approach. eQMS has helped automate the compliance process and improved document control and data integrity. High quality data directly facilitates better decision making and process improvements, enabling us to maintain high levels of quality management and accelerate our move towards digitisation. eQMS has been rolled out to all markets as of 2022.

All our warehouses are audited annually to certify good distribution practices and compliance with ISO standards. In addition, Zuellig Pharma has received **6 TAPA** (Transported Asset Protection Association) **certifications**, providing assurance of the security of our logistics supply chain. **We aim to be TAPA-certified across all key markets with a distribution setup by 2025.**



ENSURING SAFE TRANSBORDER DISTRIBUTION OF COVID-19 VACCINES

2022 continued to be a critical year for COVID-19 vaccine distribution. Zuellig Pharma was appointed to be the authorised distributor to import the Moderna vaccines into Asia. It was the first time Zuellig Pharma is responsible for the safe transportation of the vaccines from source to distribution.

Qualification work commenced immediately from freight forwarders to the appropriate passive packaging solution to the temperature data loggers. The key challenge is to have all the qualifications completed before the commencement of the vaccine shipments without delay. The project was complicated by the nature of global vaccine demand which meant the need to uplift the vaccines from multiple locations around the world. Zuellig Pharma had to qualify and work with different freight forwarders for the different source locations.

Supplier qualification was critical in identifying the right partner with the capability to ensure safe and quality transit over various transportation modes from source to destination. Qualification of appropriate passive packaging is equally important to ensure the packaging could protect the product integrity during the long flight journey, and possible flight delays or detours. Close monitoring of the product transit, using real time temperature monitoring and location tracking devices was crucial to allow Zuellig Pharma and its partners to react in the event of emergencies. Lane risk analysis was performed with a software provider to assess the risk level. In 2022, Zuellig Pharma successfully uplifted 11 million doses with no product loss.



We are continually investing in new cold chain solutions to broaden our coverage and drive healthcare access even in the more rural or remote areas. One of them is the eZCooler solution – a passive packaging technology for temperature sensitive products.

The eZCooler reduces freight carbon footprint by being much lighter than traditional cold storage packaging solutions, is reusable and 100% recyclable, minimising our environmental impact. With 7,755 units deployed across Asia, the eZCooler helps prevent the use of at least 360,000 styrofoam boxes per year.

Not only is the eZCooler a sustainable solution, it also assures integrity of delicate temperature sensitive products during the challenging last mile delivery. Going forward, we also aim to source for a cost effective, eco-friendly cold chain box to replace Styrofoam boxes used in uni-directional delivery (boxes unable to return to warehouses due to customer retention).



The eZCooler
helps prevent the
use of up to

360,000
styrofoam boxes



eZCooler is tested to international quality standards for the handling of pharma products before and during deployment to ensure its performance in field operations.



Countries using eZCooler



6,200 in use
Large scale implementation across region

- Environmentally friendly, does not require external energy source
- 4 days**
Maximum number of days that eZCooler can maintain a required temperature
- 200 times**
Exceedingly high re-usability rate per year, resulting in reduced box consumption
- 5 years**
Long usable shelf life of at least 5 years to reduce footprints
- ZER**
No temperature excursion within validated hours



Extensive capability of operating temperature ranges and box sizes

- 20°C to -40°C
- 15°C to -25°C
- 2°C to 8°C
- 15°C to 25°C
- Able to hold maintain temperatures up to 96 hours
- Smallest: 8 litres
Largest: 960 litres

As of 2022, 75% of our markets are automatically pushing temperature data digitally up to our cloud database. We established a strategic roadmap for Temperature Data Management to continue our digital transformation journey. With this, we will eventually have all temperature data from storage to delivery in the cloud to enhance our analytical abilities and enable future predictive capabilities in risk assessment.

Quality Assurance staff and related functions go through a progressive Quality Assurance Competency Certification program to promote competency development and skills acquisition with 5 levels of recognition from "Practitioner" to "Master". Annual Quality awards are given out in each market to recognise and motivate outstanding individuals and groups for upholding top standards of quality in our operations across all functions. This reiterates the often-overlooked fact that Quality is everyone's responsibility.



In line with Zuellig Pharma's strategic plan to be digital first, we have been encouraging employees to acquire new skills such as low code development which can support the digitalisation of quality assurance processes while helping them to develop competencies beyond quality control and assurance.



**NGUYEN PHUONG
NGAN LE (NGAN)**

QUALITY DIRECTOR OF ZP VIETNAM
SHARES HER EXPERIENCE DEVELOPING
A LOW CODE APPLICATION FOR
THE REPETITIVE INBOUND
MANUAL PROCESS.

Q: Why did ZP Vietnam develop the low code app for the inbound process?

Ngan: The manual process consumed too much time and resources. There are boxes of document records for every new product shipment and if we did not do something about this, we may not be able to cope to ensure data integrity and on-time delivery.

Q: In what ways does the app contribute to ZP's Sustainability journey?

Ngan: Paper, definitely! On an annual basis, we could save 41,764 sheets of paper, equivalent to 4 trees. We also save on the storage space in archiving paper records, carbon emissions in transporting these records to third party sites.

Q: Are there any unexpected benefits after the app was implemented that excite the team to do better?

Ngan: The app truly frees up time and resources. This allows the team to focus on more important tasks and they feel more engaged at work. We have not encountered any issue since implementing the app for three months and this encourages the team to continue to build similar low code apps for other processes.





FIGHTING COUNTERFEITS AND PARALLEL TRADE

GRI 3-3

One in 10 drugs sold in developing countries is estimated to be fake or substandard³. Counterfeiting and parallel trade of pharmaceutical products in the region is a grave issue that can adversely impact patient health, patient safety, and patient trust in product quality assurance. These dangerous products could contain incorrect doses, potentially harmful ingredients, or no active ingredients at all. They could increase patients' resistance to verified treatments and cause further illness, disability, or even death. Unfortunately, access to specialised equipment, technology and challenges in supply chain traceability have given counterfeiters and grey market perpetrators entry to a global marketplace that continues to grow.

We believe the healthcare industry urgently needs to leverage technology to fight back, by enhancing supply chain traceability that will deter counterfeiters and grey market perpetrators from entering a global marketplace that continues to grow. To solve these pressing supply chain issues, we launched **eZTracker - the first solution in Asia that uses blockchain technology to enable users to trace a product's origin and confirm its authenticity in almost real-time just by scanning its packaging**. This way, healthcare professionals (HCPs) can administer drugs with confidence and patients can trust that they are receiving legitimate products.

By harnessing the power of blockchain, we are able to drive greater traceability in the pharmaceutical supply chain and in doing so, protect patients' safety. If an unregistered product is detected, users can submit a report directly through the mobile app to notify Zuellig Pharma for further investigations. If required, this will be escalated to the drug's legitimate manufacturer and with the relevant authorities. eZTracker is also useful in supporting product recalls as it can notify patients who have previously scanned and marked the product as purchased, whereas



eZTracker

The first application in Asia that allows any user to instantly trace a product's origin and authenticity just by scanning its packaging.

previous efforts would have taken weeks or months to detect and withdraw a defective batch of drugs from a market through general announcements.

eZTracker also provides information about the medicine, including expiry dates and storage instructions. We have made updates to enhance the functionality of the app, including embedding product information leaflets onto the blockchain, creating a transition from paper to digital. This helps improve regulatory compliance by allowing pharma manufacturers to update product leaflets whenever required by government authorities without incurring extensive costs of product recalls. Patients and HCPs can also view detailed product information anytime they need.

eZTracker is downloadable on Google Play Store and the App Store. As of 2022, eZTracker has been implemented **in 6 markets with over 4.3 million products** on the blockchain and **over 110,000 app users** consisting of patients and doctors verifying the authenticity of their medicines.

In 2022, eZTracker tracked **19 million** worth of suspected counterfeits and diversions with 208,000 scans of suspected counterfeits & diversions.

³ World Health Organisation, 2017: <https://www.who.int/news/item/28-11-2017-1-in-10-medical-products-in-developing-countries-is-substandard-or-falsified>

Zuellig Pharma has been recognised as a frontrunner in using digital innovation to fight counterfeits and has received several accolades.

GARTNER POWER OF THE PROFESSION SUPPLY CHAIN AWARDS – CUSTOMER/ PATIENT INNOVATION OF THE YEAR

The award showcases powerful supply chain initiatives that enhance communities and the environment while delivering results that benefit businesses and their customers. Zuellig Pharma won with the submission "eZTracker: Making Safe Healthcare More Accessible from Plant to Patient with Blockchain."

IDC FUTURE ENTERPRISE AWARDS – FUTURE OF TRUST WINNER

With the increased sophistication of counterfeit methods exacerbated by the Covid-19 pandemic, eZTracker was recognised for improving patient safety and trust through blockchain technology. Zuellig Pharma was also the sole winner for pharma and healthcare in Singapore.



EMPOWERING CONSUMERS AND HEALTHCARE PROFESSIONALS (HCPS) TO AUTHENTICATE DERMAL FILLERS IN THAILAND

In Thailand, botched procedures undertaken by unlicensed practitioners are leaving patients disfigured and forced to spend thousands on reconstructive surgery. In 2022, VICE Asia interviewed a victim who suffered from disfiguration and adverse effects, and the effects on her livelihood and mental health were unimaginable.

eZTracker's blockchain-powered technology is used to empower consumers and healthcare professionals to verify the authenticity of products on their own.

To safeguard patient safety and brand trust, Galderma appointed eZTracker as the official verification app for their dermal fillers in Thailand. With the user-friendly mobile app, HCPs and end users can verify product distributor authenticity in almost real-time and access the product's source and details. They can also directly report any adverse events or product complaints.



eZTracker authenticates every product scan against information in the blockchain





REPORTING AND COMBATTING COUNTERFEIT VACCINES IN HONG KONG

In Hong Kong, an increase in the number of counterfeit human papillomavirus (HPV) vaccines were causing patients to not get the protection they need. This caused major panic and vaccination hesitancy.

Authentic vaccines were being resold in markets and products did not go through authorised checks and may not have been transported in the necessary cold chain conditions. Vaccines that are not transported within the specified temperatures may be damaged and can threaten patient safety.

However, reporting adverse events was a long-drawn process and patients had no direct channel to report fakes. Now with eZTracker, patients can report suspected incidents to manufacturers. Using the scan data from the app, we are also able to generate actionable insights to support investigations.

Data from patients, law enforcement agencies, clients and our own warehouses allows us to track possible fraudulent activities via our dashboards and generate exception reports on counterfeits, diversions, and operational performance to investigate fraud and counterfeit activities. With this, we can better safeguard patient safety and public health.



DATA PRIVACY AND SECURITY

GRI 3-3, 418-1

Continuing digital acceleration of business and work processes has resulted in greater risk exposure to cyber threats, coupled with the increased sophistication level of cyber criminals and their attack vectors, making it ever more critical for organisations to continually develop robust cybersecurity and data privacy programs to protect their systems and data.

Zuellig Pharma has established a Cybersecurity and Data Privacy Framework and Policy aligned with the National Institute of Standards and Technology (NIST) Framework, to secure the increasing amount of information we protect on behalf of our clients and customers. The controls and standards of NIST are implemented through our Information Security Management Systems (ISMS) founded on ISO 27001: 2013. It provides a common language for understanding, managing, and expressing cybersecurity risks to internal and external stakeholders to reduce cybersecurity risks and align our approach to managing these identified risks. The regional ISMS manual and policies are updated and revised for improvement and alignment to new versions of ISO 27001 standard.



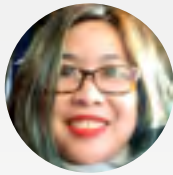
Zuellig Pharma is ISO 27001 (ISMS) certified in more than 80% of our markets, and being audited for re-certification every three years by third-party auditor TÜV Rheinland.

We target to get all key markets with a distribution setup certified by 2025.

We continuously seek to increase our cybersecurity and data privacy maturity levels and overall security posture to counter global cybersecurity threats and avoid data breaches. We underwent a Cybersecurity Maturity Assessment conducted by a third-party assessor against the NIST Framework and scored above average for the Global Pharmaceuticals Industry Benchmark.



Zuellig Pharma aims to continuously elevate our maturity in terms of data Privacy & security. To do this, we need to align and create documentations for standard practices. Two of our Legal Counsels have been instrumental in this effort, by sharing their legal expertise on privacy laws in their respective regions and by being major proponents of creating a better culture for privacy.



MAY CLEMENCE NERI

LEGAL LEAD (VENDOR CONTRACTS)
& COMPLIANCE OFFICER



LAU ZHONG NING

REGIONAL LEGAL COUNSEL,
DATA & DIGITAL

Our information security team supported by IT teams in different markets regularly monitor and report metrics, activities and initiatives relating to cybersecurity and data privacy. IT audits are also conducted, and the respective markets will work on remediation as well as continuous improvement of the audit results. By year 2025, we also aim to implement a privacy-centric culture supported with a consolidated and thorough Data Privacy Impact Assessment for all mission-critical systems and web applications that we offer to our clients and customers in each market.

Our efforts extend to third parties. Critical external partners undergo detailed information security due diligence processes.

All employees go through training on Information Security, Cybersecurity and Data Privacy as part of onboarding, and annual refresher courses are conducted with all employees to ensure awareness levels are maintained at a high level. The information security team also conducts quarterly random phishing simulation exercises to keep employees constantly alert to the latest cybersecurity threats.

In 2022, a data privacy workshop was conducted for all data privacy and compliance officers covering topics like understanding data privacy laws and their applications,

data privacy and protection practices, how to perform privacy risk and impact assessment, etc. We also implemented security hardening for our systems and devices to reduce vulnerability to cyberattacks. This is in addition to our use of DeCYFIR, a cloud-based, AI-powered cybersecurity platform, that can help us uncover hacking campaigns and cyberattacks at the early planning stage and take remedial actions to close vulnerabilities before hackers can compromise the network.

Zuellig Pharma strictly adheres to stakeholder consent rules regarding the processing, sharing and retention of confidential information. Our Zuellig Pharma Retention Policy requires our Business Units & Markets to maintain certain types of corporate records and documents, usually for a specified period of time. It is the responsibility of the Information Owners to determine proper record retention schedules and procedures and work with the ZP Enterprise Technology Information Security team to meet any regulatory requirements. All employees and third-party personnel are required to comply with this security policy. Any data privacy concerns can be escalated through Speak Up communication channels.

There were **zero complaints received concerning breaches of customer privacy** during the reporting period. There were also **no incidents of identified leaks, thefts or losses of customer data**, nor any security breaches.



CYBER CRISIS SIMULATION TESTING

The Zuellig Pharma Enterprise Technology Cybersecurity, Infrastructure, SAP Enterprise team and critical applications team underwent a crisis simulation testing performed and facilitated by PwC Australia, with emphasis on critical cybersecurity response. In the first cyber crisis simulation, the ZP Enterprise Technology Security Incident Management process and cybersecurity response plan was tested specifically on how we respond to critical cybersecurity attacks such as ransomware, phishing, etc. The team was commended for demonstrating a strong understanding of the incident response process and performing well for their first simulation test.



PUBLIC POLICY

GRI 3-3

Public policy directly impacts the health outcomes of the communities Zuellig Pharma serves. Key to our approach is to engage and partner governments and related health stakeholders in building a healthier future for communities through healthcare reform, support digitalisation of healthcare, healthcare financing and support, disease management, and the use of data analytics to guide policy.

We tap on Zuellig Pharma's expertise, capabilities and networks to guide and shape public policy that ultimately supports our mission to make healthcare more accessible. Our markets have each developed the capability to effectively monitor, analyse and communicate legislative & regulatory developments relevant to Zuellig Pharma. This includes participating in local trade associations or government collaborations in the markets where we operate.

Equitable distribution of vaccines and access to them form a major challenge in the race to get as many people vaccinated and protected as possible. Our recommendation is that together with the public and private sectors, we can develop ties that are even stronger across ASEAN to collaboratively leverage on one another's strengths and offer a unified response to crises, such as the current one. The unified response should be centered on the spirit of universal healthcare, where all people have access to the health services they need, when and where they need them, without financial hardship.

In 2022, we continued our key role in distributing COVID-19 vaccines, for example, signing a 2-year COVID-19 distribution deal in Taiwan and being recognised as key pandemic partner by the Taiwanese government. In Thailand, we worked with the Department of Disease Control and to distribute Covid-19 vaccines from Pfizer and Moderna.

We also conducted scientific exchange meetings on the latest bi-valent vaccines across key markets we operate. Our CEO, John A Graham, participated in World Bio Summit 2022, organised by the South Korea Government and World Health Organisation, to share learnings of our COVID-19 experiences and the importance of continued public-private-partnership to prepare for future pandemics and innovations to strengthen global health security.



In July 2022, Zuellig Pharma was awarded the Gold Standard Award for "Partnering with governments to make immunisation more accessible", by Public Relations and Communications Association (PRCA), the world's largest professional public relations body,

We also work actively as part of the EU ASEAN Business Council, US ASEAN Business Council and local trade associations to drive policy discussions through events, white papers and direct engagement with Governments. Our Regional Director, Jean-Gaetan Guillemaud participated in a panel discussion on anti-illicit trade, organised by EU ASEAN Business Council during the ASEAN Economic Ministers' Meeting, and stressed the importance for governments to mandate serialisation as a key measure to combat counterfeits and protect patient safety.

Our teams also actively engage with governments in Thailand, Hong Kong, Taiwan and Singapore to identify and explore new areas of partnership to support direct to patient delivery models enabled by digital solutions and participate in consultative discussions shaping telehealth and e-pharmacies' regulations.

Through these platforms, we contribute to policy discussions that help shape digital health regulations, healthcare financing framework, as well as immunisation and regulatory harmonisation standards. In 2022, over 50 employees trained on government affairs through a capability building workshop.

GRI CONTENT INDEX

STATEMENT OF US	Zuellig Pharma has reported the information cited in this GRI content index for the period from 1 January to 31 December 2022 with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARDS	Not applicable

GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ OMISSION
GRI 2: General Disclosures 2021	2-1	Organisational details	14
	2-2	Entities included in the organisation's sustainability reporting	14 Confidentiality constraints – As a privately held company, Zuellig Pharma does not have financial information on public record nor does it disclose details about its approach used for consolidating the information for minority interests.
	2-3	Reporting period, frequency and contact point	3 This report is published in April 2023.
	2-4	Restatements of information	112
	2-5	External assurance	117-121
	2-6	Activities, value chain and other business relationships	14-16
	2-7	Employees	51, 113-115
	2-8	Workers who are not employees	51
	2-9	Governance structure and composition	24 Confidentiality constraints – As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors
	2-11	Chair of the highest governance body	24
	2-12	Role of the highest governance body in overseeing the management of impacts	24
	2-13	Delegation of responsibility for managing impacts	24
	2-14	Role of the highest governance body in sustainability reporting	24
	2-16	Communication of critical concerns	24

GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ OMISSION
	2-22	Statement on sustainable development strategy	5
	2-23	Policy commitments	25-26, 87-104
	2-24	Embedding policy commitments	87-104
	2-25	Processes to remediate negative impacts	62-88
	2-26	Mechanisms for seeking advice and raising concerns	88
	2-27	Compliance with laws and regulations	84, 88, 89
	2-28	Membership associations	31-32
	2-29	Approach to stakeholder engagement	26-30
	2-30	Collective bargaining agreements	51
GRI 3: Material Topics 2021	3-1	Process to determine material topics	20-21
	3-2	List of material topics	22-23

→ IMPROVING HEALTH OUTCOMES

ACCESS TO HEALTHCARE

GRI 3: Material Topics 2021	3-3	Management of material topics	37-40
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AFFORDABILITY

GRI 3: Material Topics 2021	3-3	Management of material topics	41
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PREVENTATIVE CARE

GRI 3: Material Topics 2021	3-3	Management of material topics	42
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ENABLING HEALTHCARE PROFESSIONALS

GRI 3: Material Topics 2021	3-3	Management of material topics	43-46
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LOCAL COMMUNITY ENGAGEMENT

GRI 3: Material Topics 2021	3-3	Management of material topics	47-48
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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ OMISSION
→ NURTURING TALENT			
TALENT RECRUITMENT, DEVELOPMENT AND RETENTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	51-55
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	53
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	52
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	55
	404-2	Programs for upgrading employee skills and transition assistance programs	54-55
	404-3	Percentage of employees receiving regular performance and career development reviews	53
DIVERSITY AND INCLUSION			
GRI 3: Material Topics 2021	3-3	Management of material topics	61-65
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	62
	405-2	Ratio of basic salary and remuneration of women to men	61 We are only able to disclose the overall ratio for all employees but unable to disclose by employee category due to current unavailability of information
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	62
EMPLOYEE ENGAGEMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	56-60
EMPLOYEE WELLBEING			
GRI 3: Material Topics 2021	3-3	Management of material topics	56-60
GRI 403: Occupational Health and Safety 2018	403-6	Promotion of worker health	56

GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ OMISSION
WORKPLACE HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	66-70
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	66
	403-2	Hazard identification, risk assessment, and incident investigation	67-68
	403-3	Occupational health services	66-68
	403-4	Worker participation, consultation, and communication on occupational health and safety	66
	403-5	Worker training on occupational health and safety	68
	403-9	Work-related injuries	68
→ RESPECTING THE ENVIRONMENT			
CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY			
GRI 3: Material Topics 2021	3-3	Management of material topics	73-80
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	78
	302-3	Energy Intensity	78
	302-4	Reduction of energy consumption	77
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	77
	305-2	Energy indirect (Scope 2) GHG emissions	77
	305-3	Other indirect (Scope 3) GHG emissions	77
	305-4	GHG Emissions Intensity	77
CLIMATE RESILIENCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	80-81
RESPONSIBLE WASTE MANAGEMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	81-83

GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES / OMISSION
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	81
	306-2	Management of significant waste-related impacts	81-83
	306-3	Waste generated	81
	306-4	Waste diverted from disposal	81 Information unavailable / Incomplete: Zuellig Pharma currently discloses total waste incinerated and sent to landfill. Our current waste management approach does not provide enough detail to breakdown waste data beyond this. While we are looking at ways to get more granular data on waste, this is challenging due to the different approaches across our jurisdictions of operation.
	306-5	Waste diverted to disposal	81 Information unavailable / Incomplete: Zuellig Pharma currently discloses total waste incinerated and sent to landfill. Our current waste management approach does not provide enough detail to breakdown waste data beyond this. While we are looking at ways to get more granular data on waste, this is challenging due to the different approaches across our jurisdictions of operation.
ENVIRONMENTAL COMPLIANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	83-84
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	84
	303-5	Water consumption	84
SETTING HIGH STANDARDS OF INTEGRITY			
PREVENTING BRIBERY AND CORRUPTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	87-89
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	88
	205-2	Communication and training about anti-corruption policies and procedures	87-89
	205-3	Confirmed incidents of corruption and actions taken	88

GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ OMISSION
RESPONSIBLE SALES AND MARKETING			
GRI 3: Material Topics 2021	3-3	Management of material topics	89
GRI 417: Marketing and Labelling 2016	417-3	Incidents of non-compliance concerning marketing communications	89
RESPONSIBLE SOURCING			
GRI 3: Material Topics 2021	3-3	Management of material topics	90-95
GRI 308: Supplier Environmental Assessment	308-1	Percentage of new suppliers that were screened using environmental criteria.	92
GRI 414: Supplier Social Assessment	414-1	Percentage of new suppliers that were screened using social criteria.	92
PRODUCT QUALITY AND SECURITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	96-99
FIGHTING COUNTERFEIT PRODUCTS AND PARALLEL TRADE			
GRI 3: Material Topics 2021	3-3	Management of material topics	100-103
DATA PRIVACY AND SECURITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	102-103
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	103
PUBLIC POLICY			
GRI 3: Material Topics 2021	3-3	Management of material topics	104

NOTES TO PERFORMANCE DATA

GRI 2-4



ENVIRONMENTAL PERFORMANCE

EMISSIONS

We use the operational control approach based on the GHG Protocol to calculate our Scope 1, 2 and 3 emissions. Emissions are reported in units of metric tonnes of CO₂ equivalent which covers the accounting and reporting of the following greenhouse gases covered by the UNFCCC/ Kyoto Protocol — carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs).

Emissions from offices in Australia, China, India and Japan have been excluded from the inventory. These locations are engaged in pure office activities and based on our estimations have negligible impact over our total emissions. We have chosen to exclude it under this parameter.

Scope 1 and 2

Our Scope 1 emissions come from the burning of diesel and petrol in our generators and vehicles as well as the leakage of refrigerants. Emissions from fuels were calculated using actual fuel consumption. Refrigerant top-up has been used as an indicator of leakage. Emission factors for conversion of activity data to emissions were sourced from the United Kingdom Department for Business, Energy and Industrial Strategy (DEFRA), 2022.

Our Scope 2 emissions come from the purchase of electricity for our operations and offices. Emissions were calculated using actual energy consumption. Sources of grid/market emission factors are provided below.

Grid/Market emission factors for Singapore, Hong Kong, Malaysia, Vietnam, Korea, Thailand and Taiwan were obtained from country specific market authorities or energy provider: [Singapore – Energy Market Authority](#), [Hong Kong – HK Electric](#), [Malaysia – Tenaga Nasional](#), [Vietnam – Department of Climate Change](#), [Korea – Korea Climate and Environment Network](#), [Thailand – Ministry of Energy](#) and [Taiwan – Bureau of Energy, Ministry of Economic Affairs](#). Grid emission factors for other markets where we operate were sourced from the [International](#)

[Energy Authority \(IEA\)](#), 2021 as emission factors for 2022 were not available at the time of this reporting.

We report both located and market based Scope 2 emissions.

The Global Warming Potential (GWP) used in the calculation of the emission factors are based on the [Intergovernmental Panel on Climate Change \(IPCC\)](#).

Our GHG emission intensity is based on Scope 1 and 2 emissions over total customer work orders.

Scope 3

Our relevant Scope 3 value chain emissions include our purchased goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste, business travel, employee commuting, use of sold products, end-of-life treatment of sold products, and investments.

A spend-based approach was used to calculate emissions from purchased goods and services, capital goods, and upstream transportation and distribution. Emission factors were sourced from the US Environmentally-Extended Input-Output (USEEIO) v.1.1.1 USEEIO which provides an extensive list of categories. Well-to-tank emissions have also been included in emissions from upstream transportation and distribution, based on conversion factors provided by DEFRA, 2022.

Emissions from business travel were calculated using a combination of spend-based and distance-based approaches. Where distance data was provided by our sites, emissions were calculated using emission factors sourced from DEFRA, 2022. All other business travel emissions were calculated using emission factors sourced from USEEIO v1.1.1.

Employee commuting data was collected via a survey conducted in 2022. Emissions were calculated using emission factors sourced from DEFRA, 2022 and adjusted based on the total number of employees.

Actual energy and waste data was used to calculate emissions from fuels and energy related activities (well-to-tank emissions and transmission and distribution losses (T&D) for electricity) and waste generated in operations. Waste and well-to-tank emission factors were sourced from DEFRA, 2022 while T&D emission factors for each country were sourced from IEA, 2021.

Emissions from the use of sold products and end-of-life treatment of sold products include the use and disposal of agency products. A proxy was used to model the type and number of products purchased by Zuellig Pharma and sold to customers. Waste emission factors were sourced from DEFRA, 2022 while electricity emission factors were sourced from IEA, 2021.

The Global Warming Potential (GWP) used in the calculation of the emission factors are based on the [Intergovernmental Panel on Climate Change \(IPCC\)](#).

Emissions from investments have been calculated using the Quantis Scope 3 Evaluator.

Restatements and corrections of Information

To be consistent with figures submitted and verified by the SBTi as part of the target setting process, 2020 and 2021 data in this report has been recalculated and restated based on the above methodologies to include agency products purchased by Zuellig Pharma and energy consumed by our Brunei office. Restated categories include Scope 2: Location-based emissions, Scope 2: Market-based emissions and Scope 3: Fuel- and energy-related activities. New categories added to the inventory include Scope 3 Category 11: Use of sold products and Category 12: End-of-life treatment of sold products.

Additional changes to the 2020 and 2021 data include corrections to refrigerant top-ups, expenditure, and fuel and electricity emission factors. Affected categories

in 2020 and 2021 include Scope 1: Fuels, Scope 1: Refrigerants, Scope 2: Location-based emissions, Scope 2: Market-based emissions, Scope 3 Category 1: Purchased goods and services, Scope 3 Category 2: Capital goods, Scope 3 Category 4: Fuel- and energy-related activities, Scope 3 Category 4: Upstream transportation and distribution and Scope 3 Category 6: Business travel.

These changes have resulted in a 6.4% and 2.7% increase in emissions in our 2020 and 2021 total emissions respectively. However, as we are using 2021 as our base year and these changes in 2022 have resulted in a less than 5% change in our total emissions, which is below the threshold set by our re-baselining policy, these figures have not been restated in SR2022.

There are no further restatements or correction of information other than the above.

ENERGY

Total energy consumption encompasses fuel consumption of diesel and petrol as well as use of electricity and renewable energy at Zuellig Pharma controlled operations. The conversion factor for litres to MJ for fuels was obtained from the GHG Protocol Emission Factors for Cross Sector Tools (Stationary Combustion tab). Renewable sources include solar panels installed at our distribution centres in selected markets.

Fuel and electricity consumption from our offices in Australia, China, Japan and India have been excluded from the inventory. Given that these sites have negligible impact over our total emissions, we have chosen to exclude them under this parameter. Our energy intensity is based on total energy consumption over total customer work orders.

WASTE

Electrical waste is not included in the data reported; they are disposed of through professional third-party service providers from whom the data is not made available.

Products that are disposed of on behalf of our clients, i.e., expired products, are disposed of through appropriate channels as a service to them and are not included in the data.



SOCIAL PERFORMANCE

NUMBER OF EMPLOYEES

Workforce data is compiled based on headcount, and total numbers at the end of the reporting period. Headcount is defined as the number of physical people who are being directly remunerated by Zuellig Pharma. 3rd party personnel refer to individuals who are sub-contracted through 3rd party agencies and are directly remunerated by Zuellig Pharma. However, the indicators involving the

breakdown of employees by gender, age and employee categories do not cover outsourced workers that do not get directly remunerated by Zuellig Pharma. Non-guaranteed hours employees are those who not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.

➔ BREAKDOWN OF EMPLOYEES BY GENDER

GENDER	PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES	NON-GUARANTEED HOURS EMPLOYEES	3RD PARTY PERSONNEL	TOTAL
FEMALE	6185	321	16	5	6527
MALE	5590	206	34	42	5872
TOTAL	11,775	527	50	47	12,399

GENDER	FULL-TIME EMPLOYEES	PART-TIME EMPLOYEES	TOTAL
FEMALE	6509	18	6527
MALE	5834	38	5872
TOTAL	12,343	56	12,399

➔ BREAKDOWN OF EMPLOYEES BY REGION

REGIONS	PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES	NON-GUARANTEED HOURS EMPLOYEES	3RD PARTY PERSONNEL	TOTAL
AUSTRALIA	40	0	0	0	40
BRUNEI DARUSSALAM	38	0	1	0	39
CAMBODIA	407	0	0	0	407
CHINA	30	0	0	0	30
HONG KONG	415	16	7	0	438
INDIA	18	0	0	0	18
INDONESIA	2783	24	4	0	2811
KOREA	447	124	0	0	571
MACAO	69	1	10	0	80
MALAYSIA	933	97	8	0	1038
MYANMAR	152	2	0	0	154
PHILIPPINES	2238	21	0	0	2259
SINGAPORE	654	157	3	42	856
TAIWAN	820	26	0	0	846
THAILAND	1383	56	9	5	1453
VIET NAM	1348	3	8	0	1359
TOTAL	11,775	527	50	47	12,399

➔ BREAKDOWN OF EMPLOYEES BY REGION

REGIONS	FULL-TIME EMPLOYEES	PART-TIME EMPLOYEES	TOTAL
AUSTRALIA	40	0	40
BRUNEI DARUSSALAM	38	1	39
CAMBODIA	407	0	407
CHINA	30	0	30
HONG KONG	431	7	438
INDIA	18	0	18
INDONESIA	2807	4	2811
KOREA	571	0	571
MACAO	70	10	80
MALAYSIA	1030	8	1038
MYANMAR	154	0	154
PHILIPPINES	2259	0	2259
SINGAPORE	847	9	856
TAIWAN	846	0	846
THAILAND	1444	9	1453
VIET NAM	1351	8	1359
TOTAL	12,343	56	12,399

➔ **BREAKDOWN BY
GENDER PER
EMPLOYEE CATEGORY**

➔ **BREAKDOWN BY
AGE GROUP PER
EMPLOYEE CATEGORY**

	2022		2022		
	MALE	FEMALE	< 30 YEARS OLD	30-50 YEARS OLD	> 50 YEARS OLD
SENIOR MANAGEMENT	126	84	1	125	84
MIDDLE MANAGEMENT	671	704	66	1132	177
EXECUTIVE/ GENERAL STAFF	5594	4834	2464	7010	954

Note: For this social indicator, we have chosen to exclude 386 employees who have yet to be assigned their job grades. The job grading exercise is an ongoing process, and we are working towards assigning their respective job grades.

WORKPLACE HEALTH AND SAFETY

Fatalities are defined as the number of work-related accidents and injuries leading to death.

High-consequence work-related injuries are defined as work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Lost-time Injury Frequency Rate (LTIFR) is the number of lost-time injuries per million hours worked.

SUSTAINABLE PROCUREMENT

For the percentage of suppliers by value who have acknowledged the Supplier Code of Conduct, the data excludes our liaison offices in India, China, Japan, and Australia. It also excludes Brunei and Macau as because the volume of procurement with material vendors is negligible.

INDEPENDENT LIMITED ASSURANCE STATEMENT

To: THE STAKEHOLDERS OF ZUELLIG PHARMA HOLDINGS PTE LTD



INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas Quality Assurance Pte Ltd, Singapore (Bureau Veritas) has been engaged by ZUELLIG PHARMA HOLDINGS PTE. LTD. to provide limited assurance on its Sustainability Report 2022 (the Report). This Assurance Statement applies to the related information included within the scope of work described below. The aim of this process is to provide assurance to ZUELLIG PHARMA HOLDINGS PTE. LTD. (ZP)'s stakeholders over the accuracy, reliability, and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

SCOPE OF WORK

The scope of our work was limited to assurance over performance data and information included within the ZUELLIG PHARMA (ZP) Sustainability Report 2022 ('the Report') for the period 1st January 2022 – 31st December 2022, (the 'Selected Information') as listed below:

- General Indicators for 2022
- Performance data for 2022 for indicators marked as assured in the summary of main performance indicators table starting on page 88 of Sustainability Report:
 - 302-1 Energy Consumption within the organization,
 - 305-1 Greenhouse gas (GHG) emissions - Scope 1.
 - 305-2 Greenhouse gas (GHG) emissions - Scope 2.
 - 305-3 Greenhouse gas (GHG) emissions - Scope 3.
 - 306-4 Waste diverted from disposal: and
 - 403-9 Occupational health and safety
 - Percentage of employees who completed training of labor and human rights
 - Percentage of staff trained on sustainable procurement
 - Percentage of supplier by spent who have acknowledged the supplier code of conduct
 - Percentage of employees trained on code of conduct
 - Percentage of Business Units with ISO 27001
- Verification of Sustainability report performed with Reference requirement.

LIMITATIONS AND EXCLUSIONS

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented.
- Provide assurance on information outside the defined reporting boundary and period.
- Other information included in the Report other than scope defined above.
- Verify financial statements and economic performance for the reporting period mentioned in the scope of work; and
- Verify positional statements (expressions of opinion, belief, aim or future intention by ZUELLIG PHARMA (ZP)) and statements of future commitment

The following limitations should be noted:

Our work was limited to Zuellig Pharma head office activities where Zuellig Pharma consolidates and reconciles data provided by its markets, countries of operation, suppliers and other third parties. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at market/site level, not addressed as part of this assurance. This limited level assurance engagement relies on a risk based selected sample of the Selected Information and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

RESPONSIBILITIES

The preparation and presentation of the selected information in the Report, as defined in the scope of work, is the sole responsibility of the management of ZUELLIG PHARMA (ZP).

Bureau Veritas was not involved in the drafting of the Report. Our responsibilities were to:

- Obtain limited assurance about whether the selected information has been appropriately and accurately prepared.
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the Directors of ZUELLIG PHARMA (ZP).

ASSESSMENT STANDARD

We performed our work in accordance with International Standard on Assurance Engagements (ISAE3000), the Global Reporting Initiative (GRI Standard) and the Assurance Standard (AA1000AS v3) issued by the International Auditing and Assurance Standards Board.

SUMMARY OF WORK PERFORMED

Our procedures performed, which are set out in more detail below, included assessments of the risks of material misstatement of selected performance indicators and disclosures and underlying internal controls relevant to the information published in the Report. Our procedures were designed to gather sufficient and appropriate evidence to determine that the selected performance information is not materially misstated.

To reach our conclusions we undertook the following activities:

- Assessing the data collection and consolidation processes used for gathering and reporting of the information listed in the assurance scope above.
- Conducting remote data verification of sampled four sites plus ZP HQ deploying a risk-based approach as mentioned in the point above –Hong Kong Market, Vietnam Market, Thailand Market, Indonesia Market.
- Conducting interview with ZUELLIG PHARMA (ZP) personnel responsible for data collection, collation, and reporting.
- Testing of the sample data and reviewing evidence provided through a risk-based approach.
- Comparing the information presented in the Report with corresponding evidence in the source materials to ensure the reported data is supported by underlying records.
- Assessing the disclosure and presentation of the selected information to ensure consistency with assured information.

CONCLUSION

Based on the procedures we have performed and the evidence nothing has come to our attention that causes us to believe that the selected information presented in ZUELLIG PHARMA (ZP)'s 2022 Sustainability Report is not fairly stated in all material respects.

KEY OBSERVATIONS

Without affecting the conclusion presented above, we would like to draw the readers' attention to the following:

- ZUELLIG PHARMA (ZP) continued to embed principles of Corporate Responsibility into its standard business activities and day-to-day operations by further integrating these into senior management's objectives and other job descriptions/appraisals.
- Zuellig Pharma (ZP) has shown a significant improvement in creating awareness among its internal Stakeholders on Sustainability. But the scope for improving the understanding of sustainability exists at the market level.
- Zuellig Pharma has shown good Sustainable procurement Practices of including all the material suppliers in the system of tracking their performance and conducting knowledge sessions for their suppliers on Sustainability.
- Committed to getting all markets certified under ISO 27001 by 2025.
- ZUELLIG PHARMA (ZP) achieved a Platinum rating under EcoVadis for the second time in a row.
- The climate targets of Zuellig Pharma have been approved by SBTi.
- The CDP score of Zuellig got upgraded from C to B
- Annual code of conduct training with a mandatory minimum pass requirement is a good practice
- It is also noted that the corporate sustainability team is taking sincere efforts to make a transparent report

Findings and conclusions concerning adherence to the AA1000 assurance principles, 2018 of Inclusivity, Materiality, Responsiveness and Impact:

Inclusivity

Zuellig Pharma Holdings Pte Ltd. has processes in place for engaging with a range of key stakeholders including clients, customers, employees, local communities, governments and suppliers and has undertaken a number of formal stakeholder engagement activities in 2022 – 2023 including engagement of pillar leads to review literature, conducting reviews to acquire meaningful information on the changes and emerging trends relevant to our material topics and collecting feedback from external stakeholders.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that **Zuellig Pharma Holdings Pte Ltd.** has identified as being of the highest material importance. The identification of material issues has considered both internal assessments, as well as stakeholders' views and concerns. Zuellig Pharma conducts a full materiality assessment on a regular basis. Zuellig Pharma undertook with experts from the Business Social Responsibility (BSR) organization a comprehensive process of identifying and assessing material sustainability issues in 2019, as the basis for developing its sustainability framework.

As per the new requirement of GRI 2021 Universal standards, Zuellig has to identify its actual and potential impacts on the economy, environment, and people including impacts on their human rights, across the organization's activities and business relationships. Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred. These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

Zuellig Pharma will conduct a full blown materiality assessment in 2023.

Responsiveness

Zuellig Pharma Holdings Pte Ltd. is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators, and performance targets (for some of the material topics). The reported information can be used by the organization and its stakeholders as a reasonable basis for their opinions and decision-making.

Zuellig Pharma remains responsive to stakeholder concerns through its annual publication of the Report. Key Opinion Leaders (KOLs) convene discussions to explore new or improved treatment options and clinical practices with the goal of improving patient health outcomes.

Since warehousing and transportation are the core business activity of Zuellig Pharma, stakeholder concerns related to these activities are taken into consideration and several improvement action plans are established and implemented by Zuellig Pharma in relevant markets.

Finally, material sustainability issues are addressed by the sustainability strategy, which is managed by the committee, through a periodic reporting mechanism established to gather relevant data from various markets and periodic engagements with Executive Board.

Impact

Zuellig Pharma has defined a list of GRI performance indicators that it will report on annually moving forward to showcase accountability externally and manage its impacts. Whilst reporting on the impacts of initiatives such as Supply Chain Management, Employee inclusivity, and Community engagements including creating awareness about waste management, Climate resilience and energy efficiency, Zuellig Pharma plan, projects to create awareness amongst vendors and suppliers for instance conducting supplier day in Indonesia for creating awareness about sustainability among suppliers and improving responsible sourcing,

Zuellig Pharma achieved a 31% reduction in overall carbon emissions during the reporting period of 2022. Furthermore, Zuellig Pharma's efforts to expand solar panel installations have resulted in a 21% increase in renewable energy use, which has resulted in a 4.3% reduction in electricity-related emissions.

STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 185 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems, and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics that meets the requirements of the International Federation of Inspections Agencies (IFIA) across the business to ensure that its employees maintain integrity, objectivity, professional competence, due care, confidentiality, professional behavior, and high ethical standards in their day-to-day business activities. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with ZUELLIG PHARMA (ZP)



Bureau Veritas Quality Assurance Pte. Ltd.

Singapore

Date: 20/04/2023

Ref: BV/SG/Assurance-2023_v1.0



PARTNER WITH ZUELLIG PHARMA
ON SUSTAINABILITY AND JOIN US IN MAKING
HEALTHCARE MORE ACCESSIBLE FOR ALL.

Reach out to our Sustainability team at Sustainability@zuelligpharma.com if you have any questions about our Sustainability Policy and would like to contribute towards a healthier future for communities in Asia.