



The logo is a circular emblem. At the top, a dark blue arc contains the text 'building a sustainable future' in white, lowercase letters. The center of the logo features a green cross surrounded by various green leaves. Below the cross are three dark blue silhouettes of people's heads. The entire design is set against a white background.



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ABOUT THIS REPORT

Zuellig Pharma believes that we have an ethical responsibility to protect the environment and comply with environmental laws and regulations. Climate change is a reality that not only affects health outcomes, but also directly impacts our mission of making healthcare accessible to the communities we serve.

Through our first Greenhouse Gas (GHG) Report, we aim to further develop our culture of transparency and accountability, and in doing so reaffirm our commitment to the immediate reduction of our carbon impact.

BOUNDARY AND SCOPE

The information contained in this report pertains to the period January 1 to December 31, 2020 and covers Zuellig Pharma's operations across 13 markets. Where performance data for Q4 2020 is not yet available, we have stated so accordingly and will update the full-year figure in our 2021 report.

We intend to update our GHG report on an annual basis moving forward to hold ourselves accountable to our commitments, chart our progress, and identify areas in where we can improve.



We value opinions from internal and external stakeholders to help us improve our efforts to tackling carbon emissions.

Please send your feedback to:
Zuellig Pharma Sustainability Team
sustainability@zuelligpharma.com

MESSAGE FROM OUR CEO

Dear stakeholders,

Over the past years, it has become clear that climate change is not only the most significant threat we face as a society but also a challenge that calls for immediate and decisive action from all of us. This is a battle we can only win together.

The impact of this disrupted environment is painfully visible, in phenomena such as natural disasters that take an unbearable toll on the communities we are committed to serve.

Nonetheless, solutions exist. We are committed to driving Zuellig Pharma on the path to climate change mitigation and doing what is right, as demonstrated by our sustainability, compliance and quality standards. It is our firm belief that our natural role is to be a driving force in shaping a better future.

While we are dedicated to making healthcare more accessible, our operations do have an environmental impact. The way forward is to recognise this, take responsibility and work on appropriate solutions.

I am therefore proud to share with you our first Greenhouse Gas Report, which transparently details our impact on the environment. This is also an opportunity to share with you the myriad of initiatives that have been led across our operations.

Zuellig Pharma has made good headway in transitioning to renewable energy through solar panel installations at our distribution centres. Promising pilot projects to launch clean delivery solutions in Asia are also underway. The many initiatives launched by our different Business Units, and the passion that drives the teams that lead these efforts, illustrate the spirit of a sustainable and socially conscious company that will not shy away from its responsibilities as it strives for a better world.



JOHN GRAHAM
CHIEF EXECUTIVE OFFICER
ZUELLIG PHARMA

ZUELLIG PHARMA'S ENVIRONMENTAL VISION



OUR COMMITMENT

Respecting the Environment is a key pillar upon which our sustainability strategy is founded, covering Zuellig Pharma's material issues of climate resilience, climate change mitigation and energy efficiency, responsible waste management, and environmental compliance.

We are committed to the protection of the environment as part of every decision we make. Our goal is to avoid any situation that may lead to unacceptable environmental hazards for employees, the public or the environment in general. We comply with applicable environmental laws and regulations in the areas in which we operate, including the proper use of disposal of materials and waste. We are also conscious that our supply chain has a major part to play in protecting the environment, and we aim to take our suppliers along with us on this sustainable journey.

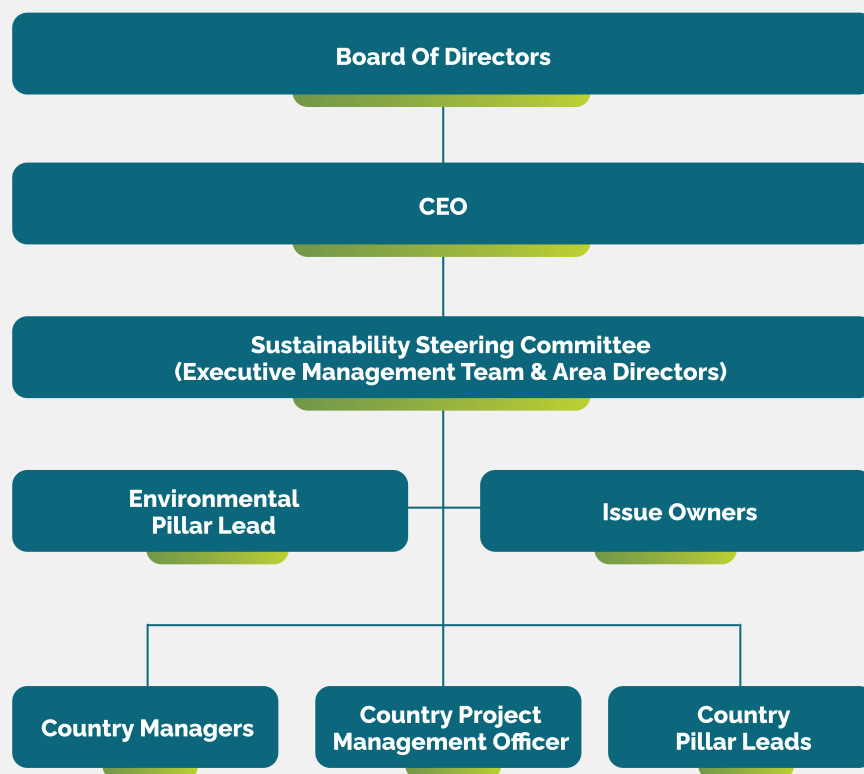
GOVERNANCE

Zuellig Pharma's Code of Conduct and Environmental Policy set out how we uphold environmental standards across our locations. These policies are reviewed on a regular basis to ensure compliance with the latest international standards and alignment with our goal of having a positive environmental impact on the communities we serve.

The Zuellig Pharma Sustainability Policy was established in 2020 to communicate our vision and key sustainability commitments. It serves as an overarching policy that encompasses sustainability-related policies in the areas of Environment, Social, Governance and reflects our sustainability priorities based on our four pillars.

Driving environmental initiatives throughout the organisation requires strong leadership support. Therefore, we have set up a governance structure with our Board of Directors, Chief Executive Officer and Executive Management Team (EMT) in steering our environmental agenda. The Respecting the Environment pillar is owned by a member of our EMT, who drives progress and execution across markets and ensures issue owner accountability.

Issue owners serve as subject matter experts to track and share relevant external developments around the 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 coordinate on local activities.



MATERIAL ENVIRONMENTAL TOPICS

After having conducted a materiality assessment of the potential impacts we can have over the environment, we have identified four areas where we can invest our efforts, and drive initiatives to have a positive contribution:

CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY

Reduce carbon emissions through three steps:

- **Measure:** Collect baseline data aligned with international standards, starting with our first GHG report
- **Manage:** Use renewable energy and technology in offices, facilities, fleet and equipment, whenever possible
- **Mitigate:** Encourage & support employee and local community activities that help reduce or offset emissions

ENVIRONMENTAL COMPLIANCE

Operate in an environmentally conscious way according to environmental laws and regulations of our markets, aligning with local & international best practices and guidelines.

RESPONSIBLE WASTE MANAGEMENT

Reduce and manage:

- **Waste within facilities and offices**
- **Sources of pharmaceutical pollutants through proper medication disposal**

CLIMATE RESILIENCE

Identify and mitigate risks to our facilities, so that our business can prepare for and recover quickly from climate impacts.

We strongly believe that through these four pillars, Zuellig Pharma can not only offset the impact of its operations; we can be a voice and a driving force of responsible operations and environmental efforts in Asia, to ensure we provide a better future to future generations.

COMPLIANCE, CERTIFICATIONS AND AWARDS



COMPLIANCE WITH LOCAL REGULATIONS & INTERNATIONAL STANDARDS

Diverse environmental regulations and standards exist across each of the Asian markets that we operate in. It is therefore crucial for Zuellig Pharma, as a key stakeholder in the healthcare industry, to ensure that we conduct our operations in conformance with local environmental laws and international standards. We have put in place policies and guidelines to comply with local governmental regulations, and to track any non-compliance. Our [Environmental Policy](#) requires all employees and partners to adhere to whichever is most stringent between local regulations and Zuellig Pharma policy, as well as always look at minimising the company's impact on the environment. At our request, suppliers 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.



COMPLIANCE WITH UNITED NATIONS GLOBAL COMPACT PRINCIPLES

Zuellig Pharma will act in accordance with the Ten Principles of the United Nations (UN) Global Compact. We joined the UN Global Compact as a signatory in October 2019, and continuously commit to furthering these principles by submitting an annual Communication on Progress to the UN Global Compact.

All employees, suppliers and partners are expected to align with the UN Global Compact's Principles 7 to 9 by:

- Supporting a precautionary approach towards environmental challenges
- Undertaking initiatives to promote greater environmental responsibility and
- Encouraging the development and diffusion of environmentally friendly technologies



PARTICIPATION IN GREEN FREIGHT ASIA

We are a member of Green Freight Asia, a non-profit association of industry players who collaborate with other industry companies, non-governmental organisations, and governments to improve the energy efficiency, fuel efficiency, reduce carbon emissions, and to lower operational costs across the entire supply chain. To signify our deep commitment to furthering energy efficiency in the industry, we have also joined Green Freight Asia's Board of Directors.



ECOVADIS GOLD CERTIFICATION

Zuellig Pharma focuses on sustainability ratings specialist EcoVadis as its primary certifying body, as its standards are widely used within the healthcare industry and beyond. EcoVadis provides strong guidelines for progress as we continue our sustainability journey.

In 2021 Zuellig Pharma has been awarded the prestigious Gold Medal in recognition of our sustainability initiatives. Our score of 72/100 places Zuellig Pharma within the top 1% of our industry and among top 5% of all companies assessed by EcoVadis.

LEED AND ISO 14001 CERTIFICATIONS

We seek to meet appropriate international environmental standards. We are planning a phased roadmap and an internal system for our sites to align to the ISO 14001 standard as a framework that the entire company can follow for effective environmental management, regardless of the markets in which we operate. As of 2020, our Canlubang, Sun Valley Cold Chain and Cebu Distribution Centres in Philippines have attained ISO 14001 certification, and our newly built MDI Santa Rosa Distribution Centre is Leadership in Energy and Environmental Design (LEED) certified. Both our Santa Rosa (Philippines) and Singapore warehouse are scheduled for ISO 14001 certification in 2021.



IN-MARKET CERTIFICATIONS AND AWARDS

Our Business Units are driven to actively raise our standards for respecting the environment. Our teams have been recognised for their efforts through the achievement of local certifications and awards. In 2020, our Hong Kong team received the WastewiSe and EnergyWiSe certificates for their efforts in reducing waste and energy consumption.

Presented by the Hong Kong government's Environmental Protection Department and Environmental Campaign Committee, the certificates recognise organisations that have substantial achievements in green management and encouraged the adoption of environmental practices.

Our team installed light switch timers, energy efficient fluorescent lamps and green certified electronics, which has reduced energy consumption by 11%. The team also cut waste by discouraging the use of plastic bottles and paper towels and unnecessary printing while promoting recycling of paper.

ENVIRONMENTAL RESPONSIBILITY ACROSS OUR VALUE CHAIN – INVOLVING OUR PARTNERS AND SUPPLIERS

All our suppliers and service-providers with an environmental impact are required to acknowledge our Supplier Code of Conduct, which includes an expectation to operate in an environmentally friendly manner and compliance with all applicable environmental laws and regulations.

The selection process of these suppliers includes a strict verification of their ability to implement the environmental standards they commit to. On-site audits are also conducted to ensure that implementation of environmental standards is up to Zuellig Pharma's stringent requirements. Key audit areas are in:

- Written environmental policy
- Tracking of paper consumption
- Ecolabels
- Waste segregation procedures or actions in place
- Environmental permits and licenses
- Eco certifications
- Innovation in areas of improving efficiency, energy conservation and sustainability
- Measurement programmes for energy consumption and greenhouse gas emissions
- GHG reduction targets
- Water usage reduction targets
- Past violations related to environmental non-compliances



Our concern for positive environmental impact also applies to the products we purchase. Our Taiwan team was officially recognised by the Department of Environmental Protection of the Taipei City Government for their efforts in responsible sourcing, through achieving the prestigious 2020 Green Procurement Award. This Award is based on a target set by the Environmental Protection Administration.



We take pride in recognising suppliers that meet and exceed standards in terms of business sustainability and aim to support them to operate more sustainably. We remain committed to training and supporting our suppliers in their sustainability journey and upskilling them to help them continue to make an impact on the healthcare ecosystem in the long run.

ZUellig PHARMA SUSTAINABILITY AWARDS

Zuellig Pharma Supplier Sustainability Awards celebrate suppliers with whom we enjoy a strong partnership and mutual sustainability agenda. Sustainable companies enable greater confidence and trust in their services, strengthening working relationships and allowing companies to differentiate themselves as an employer and supplier of choice. Our sustainable procurement goal is to have a positive environmental, social, and economic impact across our supply chain, as we ensure cost efficiency and security of critical services.



INDIVIDUAL INITIATIVES

Zuellig Pharma strives to nurture all driving forces of sustainability, through a clear direction set by our Sustainability Steering Committee, by supporting and empowering our teams to kickstart individual and group initiatives, and by creating an ecosystem of innovation around sustainability.

GHG IMPACT ASSESSMENT



SCOPE OF ASSESSMENT

This year, we have embarked on an in-depth analysis of our Scope 1, Scope 2 and Scope 3 emissions, as well as reviewed overall energy consumption across our various sites of operations. Our computation of greenhouse gas (GHG) emissions includes fuel consumption from vehicles that we lease and own and facilities that we lease and own. For energy consumption, we have included energy consumed from non-renewable sources, such as fuel and electricity, and energy consumed from renewable sources such as solar energy generated from our sites in Taiwan and Vietnam.

From January to December 2020, we consumed a total of 436,054,585 MJ (Megajoules) of energy. Approximately 70% of our energy consumed is from electricity, 28% can be attributable to fuel use, and 2% from renewable energy.

Our electricity consumed in 2020 has increased by 11,722,130 MJ versus 2019, or approximately 4%. This is largely due to an increase of 58,441m² (13.9%) increase in square area of warehouse space in 2020 following development of our Cambodia, Indonesia, Philippines and Thailand operations. Of this increased 58,441m² warehousing surface, almost 75% of this space is used as air-conditioned storage spaces or cold room storage. Our use of that space has been more effective, as our energy consumption per square meter has decreased by 9.1% compared to last year, and our energy use by unit that has transited through our warehouse has declined by 24.5%.

Our overall Scope 1 and Scope 2 emissions for January to December 2020 was 60,555,369 kgCO₂e. As our fuel data was not entirely available for 2019, the Scope 1 emissions for both years (2019 and 2020) would not be comparable.

We work with a large ecosystem of third-party sea, land and air transport companies to provide end to end fulfilment orders for our customers and are fully aware that Scope 3 emissions form an important portion of our GHG emissions. We have quantified Scope 3 emissions for 2020 for our operating sites, primarily by using a spend-based approach. Overall Scope 3 GHG emissions is 49,853,904 kgCO₂e. Approximately 81% of our Scope 3 emissions is from land transport, while 14% is from air transport and 5% is from sea transport.

SUMMARY OF ZUELLIG PHARMA'S ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

	2019	2020
Energy consumed from fuel (MJ)	- ¹	123,662,239
Energy consumed from electricity (MJ)	291,440,843	303,162,973
Renewable energy consumed (MJ)	8,701,812	9,229,373
Total energy consumed	300,142,655	436,054,585
Scope 1 GHG emissions (kg CO ₂ e)	- ¹	9,217,520
Scope 2 GHG emissions (kg CO ₂ e)	49,336,336	51,337,848
Total Scope 1 and 2 GHG emissions	49,336,336	60,555,369
Scope 3 GHG emissions (kg CO ₂ e) from third parties	- ¹	49,853,904 ²
Scope 3 GHG emissions (kg CO ₂ e) from water	76,839	101,575
Total emissions (kg CO ₂ e)	49,413,175 ³	110,510,848

Emission factors for fuel were sourced from GHG Protocol Emission Factors for Cross Sector Tools (March 2017)

Grid Emission Factors for Singapore, Taiwan and Hong Kong were obtained from country specific energy market authorities:

Singapore - Energy Market Authority,

Taiwan - Bureau of Energy, Ministry of Economic Affairs,

Hong Kong - CLP Power Hong Kong.

Grid Emission Factor for Myanmar was sourced from European Investment Bank.

https://www.eib.org/attachments/strategies/eib_project_carbon_footprint_methodologies_en.pdf (Pg.33)

Grid Emission Factors for other countries were sourced from Institute for Global Environmental Strategies (2019).

List of Grid Emission Factors, version 10.7. Available at: <https://pub.iges.or.jp/pub/iges-list-grid-emission-factors>.

¹ Data was not collected.

² Data was collected based on the period January 2020 to September 2020 and annualized.

³ Data does not include scope 1 fuel data and scope 3 emissions from third parties

IMPLEMENTING OUR VISION

UNDERSTANDING OUR GHG IMPACT FURTHER TO BETTER MANAGE IT

Significant efforts have been put in 2020 to enhance our understanding and assessment of our GHG emissions. Further initiatives will be led to further improve this assessment.

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.

Although air travel has almost been suspended in 2020, it is likely to resume in the near future, and therefore become an important part of our impact. In order to track this impact going forward, Zuellig Pharma will be using the tracking tool provided by the GHG Protocol.

Emissions from employee commuting, business travel covered by allowances will also be progressively incorporated as tracking tools are developed. Two of our recent acquisitions, KDS in Korea and APC in Cambodia, also remain to be added to our reporting.



RISK ASSESSMENTS

We operate in accordance with environmental laws in all countries, in line with the precautionary approach outlined by the Rio Declaration on Environment and Development. 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. We also conduct systematic risk assessment and management of our facilities and have in place response mechanisms to make these facilities more climate resilient.

ENVIRONMENTAL ADVOCACY AND CONSULTANTS

Three of our countries work with environmental consultants to further reduce our GHG impact:

- Our regional office seeks the support of an external environmental consultancy firm to independently assess our overall GHG impact for all countries
- Our teams in the Philippines work with a cabinet specialised in green architecture to enhance the environmental standards of our Santa Rosa Distribution Centre
- Our teams in Taiwan works with an environmental NGO to implement green initiatives such as a coastline reforestation project which finalised in December 2020

DISTRIBUTION NETWORK OPTIMISATION

We transport and manage products, including vaccines, across 13 markets at continuously regulated temperatures. As an end-to-end distributor, we recognise that greenhouse gas emissions from our road transport represent our primary environmental impact. If left unmanaged, the fragmented transportation industry could lead to inefficiencies such as unnecessarily long routes or empty miles. For this reason, 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 and take all impacts into account. By leveraging our scale and technological assets, we aim to reduce the carbon footprint and improve the sustainability of our supply chain.



ROUTE OPTIMISATION

Digitising our last-mile delivery is key to addressing some of our biggest challenges – Zuellig Pharma's customer base generates an average of 50,000 delivery drops per day. Last-mile delivery accounts for a large part of Zuellig Pharma's total environmental impact. Being able to manage and control our last-mile logistics costs makes a huge impact to the business. Increasing efficiency and accuracy throughout our processes demands for us to continuously eliminate manual processes and ensure new technologies are put in place.

Zuellig Pharma started its journey to digitising its operations by deploying a new transport management system (TMS) which enables us to operate more sustainably in complex logistics networks. A TMS provides visibility across all logistics operations, intelligent tracking and transport route optimisation, which helps improve cost efficiency and reduce emissions. The platform is currently live in Singapore, Malaysia, Vietnam, the Philippines, Hong Kong, Indonesia and Thailand.

As Zuellig Pharma is moving towards standardised, lean and agile distribution models, a second version of the solution has been created and was first deployed in Zuellig Pharma Malaysia and Singapore in 2017. The following year, Zuellig Pharma rolled it out to one of its distribution hubs in Vietnam and Philippines. This solution is planned to be used in all Zuellig Pharma's locations by 2021.

FLEET RENEWAL, HYBRID MODELS AND ECO-DRIVING

Fleet initiatives include modernising our equipment, transitioning to alternative fuels where practical and using new technologies to more efficiently route drivers, load trucks and handle freight on cross-docks. Our material handling equipment in warehouses are mostly electricity-powered rather than fuel-powered. This includes forklifts, pallet trucks, reach trucks etc.

Zuellig Pharma is under negotiations with our delivery partners to include mandatory fleet renewal requirements in contract, to ensure our deliveries are handled by vehicles updated with recent technological developments in terms of emission reductions.

As of January 2021, four of our countries have included these requirements in their contracts.



Our Malaysia team piloted an exclusive solar-powered fleet with our transportation supplier, launching a select fleet that generated solar power while being loaded and waiting for delivery. The trucks are estimated to reduce carbon emissions by up to 3,650kg per year and improve fuel efficiency by up to 22%.





Our delivery teams are also rolling out eco-driving campaigns focused on lowering carbon emissions through economical, ecological and safe driving.

Based on braking behaviour, speed, number of revolutions (rpm), emergency stops, gear changes, stopping or not stopping the engine when stationary, etc., we can continually evaluate the team and coach them to drive more economically and fuel-efficiently.

MDI's Santa Rosa National Distribution Centre in the Philippines, was opened in September 2020 with a storage capacity of more than 30,000 pallets. The facility is our first LEED certified warehouse, and is equipped with automation and energy efficient functionalities, including 10,000 square metres of solar panels, LED intelligent lighting and a water-chilled cooling system.

ENERGY EFFICIENCY IN OUR WAREHOUSES

We have piloted energy efficiency initiatives such as LED lighting and intelligent lighting systems to reduce our overall energy consumption. A more significant round of investment is also being rolled out, based on a transition towards renewable energy. We aim to do this through the installation of photovoltaic systems in selected operational sites. As of 2020, we have rolled out or are planning to roll out a consistent set of green measures across all our markets. Each country has also implemented their own electricity reduction measures such as installing electricity power saving systems or upgrading our air-conditioning systems to more energy-efficient equipment.

A key driver of our energy consumption for warehousing purposes is air-conditioning, used to maintain healthcare products in the temperature conditions that best maintain their safety and efficacy. Investments are being made to upgrade our air-conditioning systems. For example, implementing this in Cambodia in 2018 led to a 20% reduction in electricity use. Singapore is in the process of upgrading its systems to increase energy efficiency.



TRANSITION TO RENEWABLE ENERGY

We piloted solar panels installation at selected distribution centres in Taiwan and Vietnam, generating almost 500,000 kWh to power our operations.

Our pioneering country has been Taiwan, who added solar panels in 2018. This has covered 26% of energy use of our Taipei Distribution Center.

In Vietnam, our solar panel project has been fully implemented in 2020 reducing emissions in the three main warehouses by an average of 11%.

Our largest warehouse, Santa Rosa National Distribution Centre in the Philippines, opened in September 2020, and is an example of green architecture. Santa's Rosa's solar installation is expected to cover 30% of its electricity needs. In Malaysia, a solar installation will be finalised in 2021, covering 18% of the needs of our Kuala Lumpur Distribution Center. New solar installations are scheduled for 2021, with the intent of switching in these Distribution Centres 40% of our electricity consumption to solar.

Other Distribution centres are also being tested for eligibility, with an intent to equip every Distribution Center that is eligible with solar installations. With these measures, we are working towards the goal of setting an energy consumption target across the company and having up to 70% of our main Distribution centres equipped with solar panels by 2030.

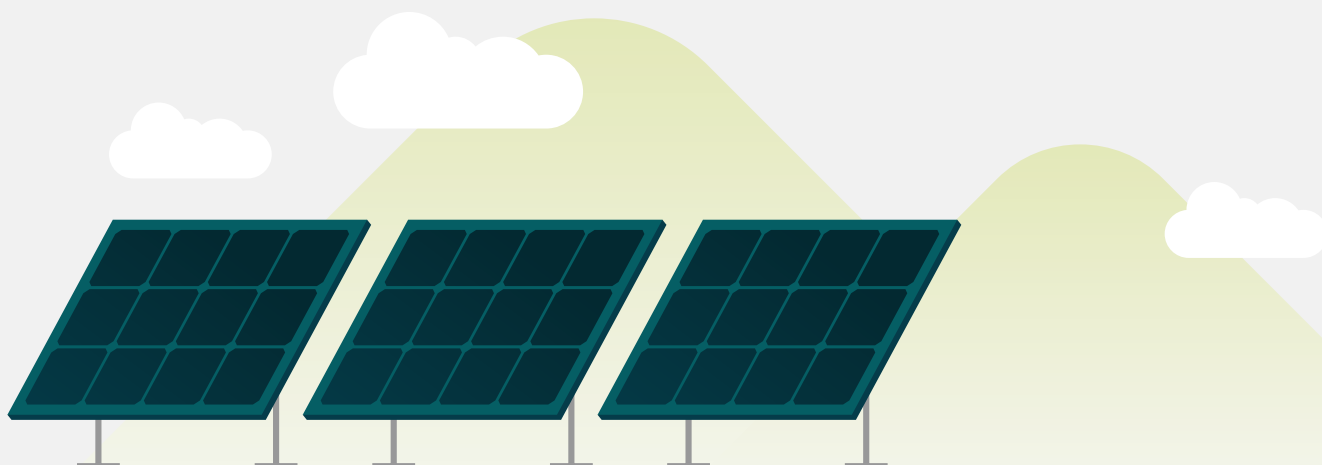
REDUCTION OF AIR TRAVEL

Since 2019, Zuellig Pharma has started systematically equipping its key locations with video-conferencing capabilities, in order to progressively encourage a reduction of business trips our teams would undertake and replace them with video conferences.

Since 2018, Zuellig Pharma has also implemented a policy of air travel reduction, which led to a 20% reduction of overseas travel between 2018 and 2019. Far ahead of 2020 travel restrictions, our ongoing commitment to limit GHG emissions from air travel can be seen by the fact that our air travel spend has been decreasing on every six-month period for the last 36 months (2018 to 2020).

REDUCTION OF ENERGY USE FROM IT INFRASTRUCTURE

Over the past few years, we have moved most of our regional services from on-premise 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.



WASTE REDUCTION AND RECYCLING

In 2020, we generated a total of 3,092,645 kg of non-recyclable waste, and 1,029,670 kg of recyclable waste.

We have programmes in place across markets to drive the use of recyclable materials and 3R programmes, as well as work with our critical packaging suppliers to reuse and recycle materials. We monitor and track our waste generated from the various sites, and some initiatives in place to reduce waste include:

- Re-use of wooden pallets in the ambient temperature warehouses
- Re-use of ice gels for multiple shipment delivery
- Reduce use of Styrofoam boxes by replacing them with eZCooler

Our recyclable waste includes carton boxes, paper and wooden pallets. We also reuse when possible, without compromising on product quality.

In our offices, where possible, we use eco-friendly brands that allow for take-back or recycling of empty or finished products, such as printer cartridges and toner cartridges. We avoid the use of plastic cups and paper cups in the office and encourage all our employees to bring their own mugs.

We have instructions related to reduction of paper use and colour printing. Some of these are also covered by default system settings. We also have introduced work instructions related to the use of shrink wrap.

Work processes are also gradually rolled out to recycle toners and ink cartridges, or pallets.



ORGANISED BY: SUPPORTED BY: RECOMMENDATION SITE: OFFICIAL PARTNER: PARTNER:

Example of Awareness Campaign visuals created by the Government of Singapore and shared internally to reduce the use of single-use plastic

Going the extra mile to move beyond just compliance, our Singapore team held an exciting recycle-reduce-reduce campaign centred around the theme of "Let's Go Green!" in 2020. A dedicated Green Committee made up of employees from different functions motivated their colleagues through various campaigns and ongoing communications to adopt environmentally friendly practices in their daily lives, and pledge to reduce waste and energy usage.



Following a "save trees" awareness campaign, Korea has reduced its paper usage by **30% in cost** and **28% in quantity**.

ENERGY-EFFICIENT COLD CHAIN PACKAGING

Zuellig Pharma has introduced a sophisticated new packaging solution – the eZCooler solution – that ensures the integrity of temperature-sensitive products to the last mile of transportation. The eZCooler solution's sophisticated phase change material and vacuum insulation panels enable it to operate without any reliance upon external energy sources. The eZCooler solution is also much lighter than traditional cold storage packaging solutions, helping to reduce freight costs. It is reusable and 100% recyclable, minimising our environmental impact. Currently, 5,000 units have been deployed across Asia.

eZCooler solution: The eco-friendly way to ensure the integrity of temperature-sensitive products

The eZCooler solution is a thermal insulation system that can be customised to provide temperatures of down to -40°C for products that must be stored at the required temperature to maintain their integrity.



Environmentally friendly, does not require external energy source



Maximum number of days that eZCooler can maintain a required temperature



The longest flight an eZCooler takes to transport products from Jakarta to Jayapura, Papua

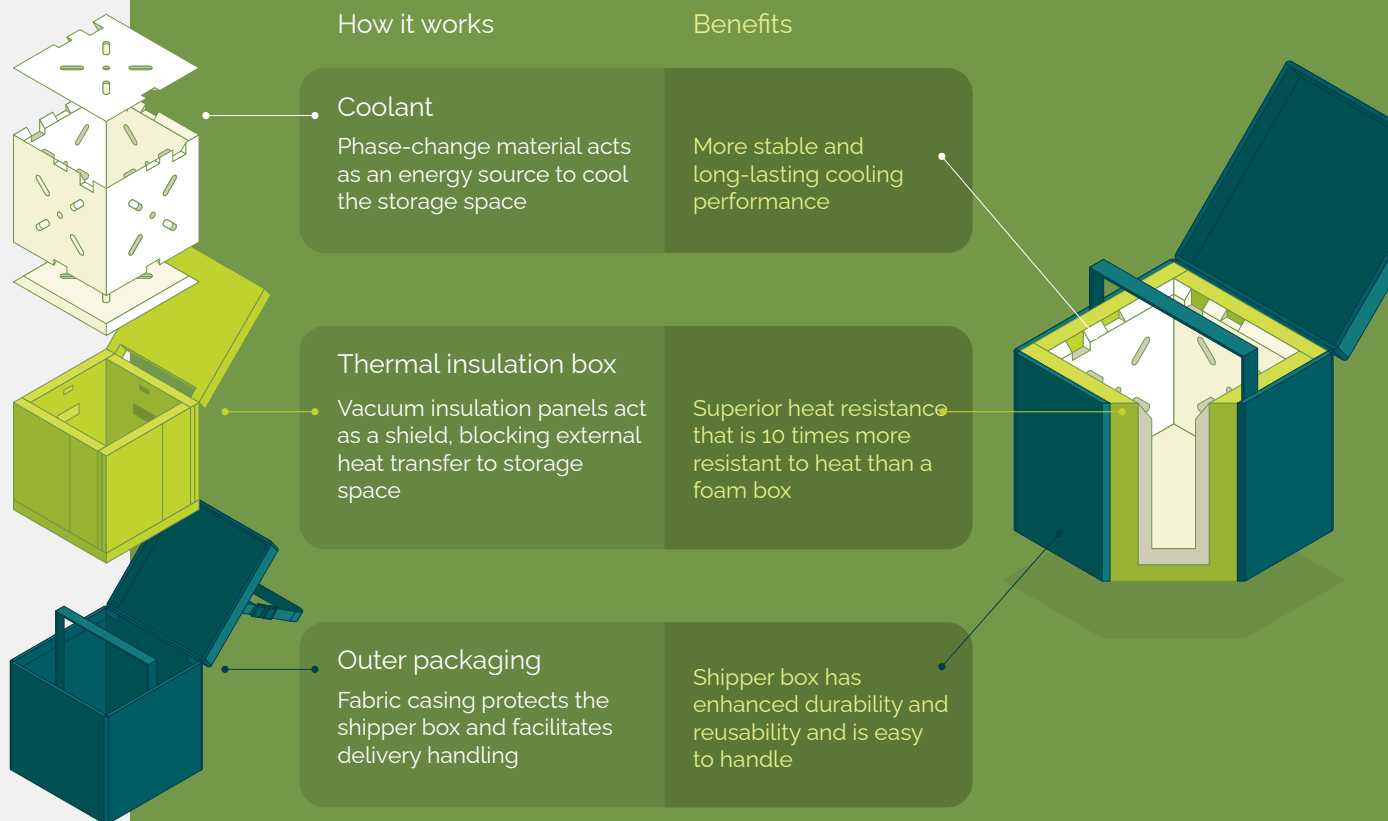


Number of eZCoolers in operation across Asia




The number of cycles eZCooler units are commonly used since its launch in 2015

What's inside the **eZCooler** solution?



The eZCooler solution can be customised to cover a wide range of temperature requirements and can be used to transport the most temperature-sensitive products.



 Able to hold maintain temperatures up to 96 hours

 Smallest: 8 litres
Largest: 960 litres

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

Pre-operation

Operation qualification:
Lab test or warehouse
challenge test

Performance
qualification:
Field runs simulating
actual conditions



During operation

Routine monitoring:
Sample check on
performance by
reviewing shipment
temperature data

Periodic review:
Yearly effectiveness
study by payload,
routes and temperature
excursion risk



Countries using eZCooler



AWARENESS AND TRAINING

Through initiatives led in all countries, and through our region-wide environmental week, we have implemented awareness campaigns that are visible and accessible by all our employees. In 2020, all our business units have been actively engaged in awareness campaigns and the Sustainability Month alone saw the active participation of more than 7,000 of our 12,000 employees.

OFFSETS

The final stage of our GHG emission reduction strategy will be the offsetting stage which can be done in two ways, through Renewable Energy Certificates (RECs) and through carbon credits.

Offsetting initiatives have already been financed throughout 2020, through four key projects: three launched (2,500 trees in the Philippines, 500 trees in Taiwan, one project in Thailand) and one financed (1,000 trees in Indonesia).



Two thousand five hundred trees were planted in the Philippines in partnership with EcoMatcher and FEED, a non-profit and non-governmental organisation that supports sustainable education and tree planting. The initiative was co-founded by Zuellig Pharma and its employees to inclusively grow, preserve and protect Philippine biodiversity. The trees are tracked by our partner EcoMatcher's blockchain technology, allowing employees to see actual pictures of their trees, follow their growth, and name and gift trees to family members and friends. EcoMatcher also helped us in developing our partnership with FEED in the Philippines, and later on supported the planting of an additional 2,000 trees in Indonesia. Over their lifetime, the trees from these two projects will sequester a total of 1,125 tons of CO₂e.



Ten minutes away from our Taiwan Daiyuan warehouse along the Guanyin Caota Sand Dunes, Taiwan teams have planted 500 trees on an 8.1km long dune field along the coast. This initiative not only reduces carbon, it protects the coast from erosion. Based on UN figures, each tree will absorb 12 kilogrammes of carbon every year. Taiwan's coastal areas are often hit by monsoons and typhoons. Coastal windbreaks are therefore very important for the stability of shifting and for protecting the living environment in coastal areas.



In Thailand, a reforestation project has been led as the final activity of a wellness initiative for employees called the "One Heart One Health" Program.

This initiative has taken place in the mangrove forest of Samutprakarn, with the goal of preserving the local ecosystem.

As we strive towards greater heights of respecting the environment, we welcome feedback from our stakeholders and partnerships on how to amplify these goals. Reach out to our Sustainability Team at **Sustainability@zuelligpharma.com** if you would like to contribute towards our GHG initiatives.

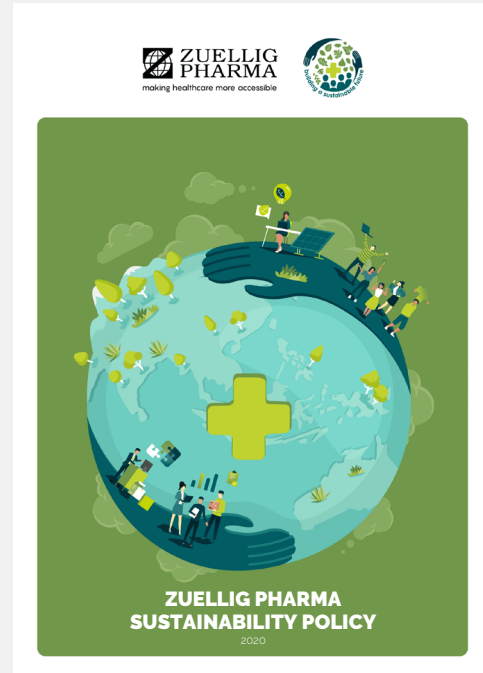


PARTNER WITH ZUELLIG PHARMA ON
SUSTAINABILITY AND JOIN US IN MAKING
HEALTHCARE MORE ACCESSIBLE FOR ALL.





2020 GRI SUSTAINABILITY REPORT



ZUELLIG PHARMA SUSTAINABILITY POLICY



2020 UN COMMUNICATION ON PROGRESS