

SUSTAINABILITY REPORT 2023



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ON THE COVER

The cover illustration embodies the essence of Zuellig Pharma's journey, featuring vibrant digital elements that symbolise our dedication to innovation and digitalisation. It showcases our four pillars that are central to our Sustainability efforts in making healthcare more accessible and at the heart of it all are our employees, the driving force behind our success and the embodiment of our values. Their dedication and passion fuel our endeavours, propelling us forward as we continue to innovate and transform healthcare for the better.

ABOUT THIS REPORT

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

The Sustainability Report 2023 represents Zuellig Pharma's ongoing commitment to transparency and accountability in our sustainability efforts. As our fourth consecutive report, it serves as a comprehensive overview of our strategy and approach towards sustainability initiatives, showcasing our progress and performance in managing material sustainability issues.

With a focus on building a healthier future for Asia, this report underscores our dedication to driving positive change across our operations. By publishing our Sustainability Report annually, we aim to provide stakeholders with transparent insights into our sustainability journey, demonstrating our continuous efforts to create meaningful impact and uphold our corporate responsibility.

REPORTING PERIOD AND SCOPE

This annual report relates to the period 1 January 2023 to 31 December 2023. It covers Zuellig Pharma Holdings Pte Ltd operations across 18 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 reporting period and publication aligns with Zuellig Pharma's financial reporting period.

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 2022 to 30 September 2023. 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, Australia, and Japan. 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 therefore possible that metrics that are extracted from our systems are updated 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 171.

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

Zuellig Pharma has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023. 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 164.

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 page 177 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: sustainabilityteam@zuelligpharma.com

BOARD STATEMENT

GRI 2-22

The Board of Directors is committed to building on Zuellig Pharma's rich heritage, to continue bringing long-term benefits and value to communities throughout Asia. For over a century, the organisation's commitment to facilitating access to healthcare, alongside environmental and social contributions, have built a solid reputation of trust, integrity and quality in the industry.

Together with Management, The Board actively oversees and guides Zuellig Pharma's sustainability strategy and performance, with a focus on four key pillars: Improving Health Outcomes, Nurturing Talent, Respecting the Environment, and Setting the Highest Standards of Integrity.

Recognising the growing significance of sustainability in transforming business practices, the Board has established the ESG Committee to review the organisation's sustainability strategy, approve material policies, endorse investment requests and ensure that sustainability is incorporated into the purpose, governance, decision-making and reporting transparency.

The organisation has appointed ESG Leads and ESG Councils across all major markets, to enhance impact and spearhead agendas tailored to domestic needs. This supports the existing Sustainability Steering Committee; chaired by CEO John Graham, comprising members of the Executive Management Team and leaders from relevant key functions. The committee oversees all ESG material topics and ensures that ownership and execution are aligned to the organisation's strategic objectives.

The 2023 Sustainability Report reflects Zuellig Pharma's unwavering commitment to heightened standards of transparency and accountability. This report is certified in compliance with updated GRI standards, representing the pinnacle of disclosure and best practice in sustainability reporting. It incorporates TCFD that enhanced the organisation's understanding of climate-related risks and opportunities, resulting in strengthened risk management and better-informed strategic planning.

Over the past year, the organisation achieved significant milestones, including EcoVadis Platinum certification for the third consecutive year, and Climate Change and Supplier Engagement CDP scores of "A-" and "A" respectively - the highest in our sector globally. The organisation continues to make substantial progress towards attaining SBTi-approved carbon reduction targets with ambitious 1.5°C alignment, as evidenced by the 38% reduction indirect and indirect greenhouse gas emissions, four years ahead of schedule.

Zuellig Pharma will continue to be evaluated by its success in executing its sustainability agenda and achieving the ambitious targets outlined in this report. The organisation's values – Integrity and Trust, Passion for Excellence, Collaboration, Innovation and Personal Growth – will continue to guide its people, policies and processes to ensure the long-term interests of its stakeholders are met and the performance of Zuellig Pharma is sustained.



MESSAGE FROM OUR CEO

GRI 2-22



Dear stakeholders,

At Zuellig Pharma, our mission to *make healthcare more accessible* is the cornerstone of our business, driving us to establish the highest standards of quality and excellence for healthcare solutions we provide across Asia. We firmly believe that a robust sustainability framework is essential to our mission, serving as the foundation upon which we build a sustainable future for all our stakeholders.

In 2023, Zuellig Pharma was appointed as the **first and only transport services organisation in APAC**, and **one of only two companies worldwide**, to be included in the prestigious A- list for Climate Change by CDP. CDP operates the largest independent global environmental disclosure system, assessing over 23,000 companies representing two-thirds of global market capitalisation.

Within an industry where 80% of emissions originate from the supply chain, we also stand out as the **first and only transport services organisation worldwide** to receive an A score on supplier engagement. This places us among the top 2% of CDP respondents named in CDP's global supplier engagement leaderboard.

Zuellig Pharma is one of the few organisations to have its **GHG reduction targets recognised as 1.5°C aligned**, the most ambitious designation available through the SBTi, achieved by 1,000 companies worldwide. Our commitment to reducing carbon emissions has yielded significant results, with a reduction of **38% on direct and indirect emissions**. This is equivalent to 178,000 tons of carbon or 10.7 million tree seedlings planted and grown for 10 years, putting us four years ahead of our original targets.

MESSAGE FROM OUR CEO

GRI 2-22

Our pursuits and results extend beyond environmental sustainability. For the third consecutive year, Zuellig Pharma has been ranked within the **top 1% of organisations worldwide** receiving an **EcoVadis Platinum** medal for our performance in environmental efforts, labour and human rights, ethics, and sustainable procurement, improving on our 2022 **#1 score worldwide** among 2,800 logistics organisations.

Innovation has fuelled our commitment towards better health outcomes for patients and communities we serve. Our **eZTracker** solution has successfully tracked \$19 million worth of suspected counterfeits and diversions through over 200,000 scans. Additionally, we have worked with governments to serve over 100 million patients across Asia, through vaccination distribution and disease awareness initiatives.

Across the organisation, we continued to foster a culture of openness, care, growth and trust to drive engagement and harness the passion of our colleagues. Through initiatives such as our **DEI Inspire Talk series** and organisation-wide events marking International Women's Day, Global Pride Day, and World Mental Health Day, we ongoingly advocate inclusiveness among our colleagues where individuals are valued for their uniqueness and empowered to reach their full

potential. Notably, our gender pay gap stands at 0.6% in comparison to the 17% global average. Women constitute 48% of our workforce; 51% of whom are middle and senior managers; and 51% are successors to critical positions.

Gaining stakeholders' trust through transparency and accountability lies at the core of our operational ethos. For the third successive year, we have selected key metrics for thorough validation and **external assurance by Bureau Veritas**. We have shifted from being certified "with reference" to "**in accordance**" with the updated GRI standards, aligning with best practices and adopting more rigorous reporting benchmarks. This meticulous exercise underscores our commitment to upholding the highest standards of data integrity and reliability, ensuring that the information we share is accurate and trustworthy.

Zuellig Pharma stands on a hundred-year legacy of trust and service excellence, guided by our unwavering commitment to **integrity, collaboration, excellence, innovation and personal growth**. These core values are exemplified in our promise to prioritise the needs and wellbeing of our clients, customers, communities and the environment. We continue to listen, learn, evolve and grow; for tomorrow's generation and healthcare ecosystem to thrive.




JOHN GRAHAM
CHIEF EXECUTIVE OFFICER
ZUELLIG PHARMA

2023 HIGHLIGHTS OF THE YEAR


IMPROVING HEALTH OUTCOMES



4,972 employees and **907,832** patients benefited from ZP-organised awareness programmes



8,123 employees and **5.8 million** patients served through vaccination programmes with Zuellig Pharma's support



USD\$165 million worth of free boxes dispensed through affordability programmes

95,396 healthcare professionals reached through engagement and education programmes



Supporting over **5,500** clinical trials globally

NURTURING TALENT




467,451 training hours dispensed to our employees, 31 hours on average per employee, an increase of 2.6 hours from 2022.



Women representing **48%** of our workforce and 51% of our middle to senior management and professionals



51% of successors to critical positions held by female employees



Unadjusted gender pay gap contained at **0.61%** between men and women (lower than the global average uncontrolled gender pay gap at 17%)




100% adherence to HSSE checklists across all markets

HIGHLIGHTS OF THE YEAR

RESPECTING THE ENVIRONMENT

38%
reduction
in GHG emissions across our operations and value chain




24%
reduction in waste going to landfill in the span of 2 years, on track with our 100% target by 2030



6 electric trucks and bikes pilot programmes initiated



More than **57%**
of our electricity comes from renewable sources



SETTING THE HIGHEST STANDARDS OF INTEGRITY

Achieved a **100%**
performance rate, for all planned audits on targeted Tier 1 and 2 suppliers



36%
of Zuellig Pharma's supplies originate from sustainable sources



60
trade associations joined and collaborations with Governments



eZTracker tracked **\$19 million**
worth of suspected counterfeits and diversions with **30,000** scans of suspected counterfeits and diversions



100%
of employees successfully performed their training on compliance policies and procedures



OUR SUSTAINABILITY TARGETS AND PERFORMANCE

This section outlines our primary targets and commitments aimed at enhancing performance and addressing our significant sustainability matters. Subsequent reports will provide updates on our progress toward achieving these targets.

+ IMPROVING HEALTH OUTCOMES

Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
<ul style="list-style-type: none"> Access to Healthcare Access to Innovation Community Empowerment Equitable Healthcare Systems 	<p>To improve health outcomes by supporting access to affordable healthcare and essential medicines, as well as improving disease prevention and awareness.</p>	<ul style="list-style-type: none"> Our distribution network covers more than 200,000 clinics, hospitals, pharmacies, modern trade outlets and other customers in 13 markets, to ensure as broad a geographical access as possible. Supported patients and communities through a total value of USD\$165 million of free boxes dispensed through affordability programmes Served around 5.8 million patients through vaccination programmes Reached more than 95,000 HCPs through engagement and education programmes

+ NURTURING TALENT

Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
Workplace Health, Safety & Employee Wellbeing	Maintain zero fatalities	Zero fatalities recorded in the last 4 years, i.e., since we started reporting on this metric in our Sustainability Reports
	Achieve ISO45001 certification across all key market distribution networks by 2025	5 out of 13 markets with a distribution setup are ISO45001 certified
Diversity, Equity & 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 Established the DEI Inspire talk series and conducted 7 webinars as of 2023 to build awareness through the organisation Unadjusted gender pay maintained below 1% for two consecutive years
	100% completion rate for anti-discrimination and harassment training for employees	99.4% of employees completed anti-discrimination and harassment training
Labour Practices and Human Rights	100% completion rate for labour and human rights training for employees	99.4% of employees completed labour and human rights training

+ RESPECTING THE ENVIRONMENT

Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
Climate Governance	Achieve ISO14001 certification across all key market distribution networks by 2025	4 out of 13 markets with a distribution setup are ISO14001 certified
Climate Change Mitigation	<ul style="list-style-type: none"> 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 66% reduction of GHG emissions intensity by 2030 	In 2023, we achieved reductions across all scopes compared to our 2021 baseline: 12% in Scope 1 emissions, 44% in Scope 2 emissions, and 38% in Scope 3 emissions
	Supply 30% of electricity needs from on-site renewable resources by 2030	We generated 7.5M kWh from our solar panels to power our operations in 2023 representing 7.21% of our total electricity needs
Circular 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 2030	4 markets have launched the use of reusable plastic totes for deliveries

+ SETTING THE HIGHEST STANDARDS OF INTEGRITY

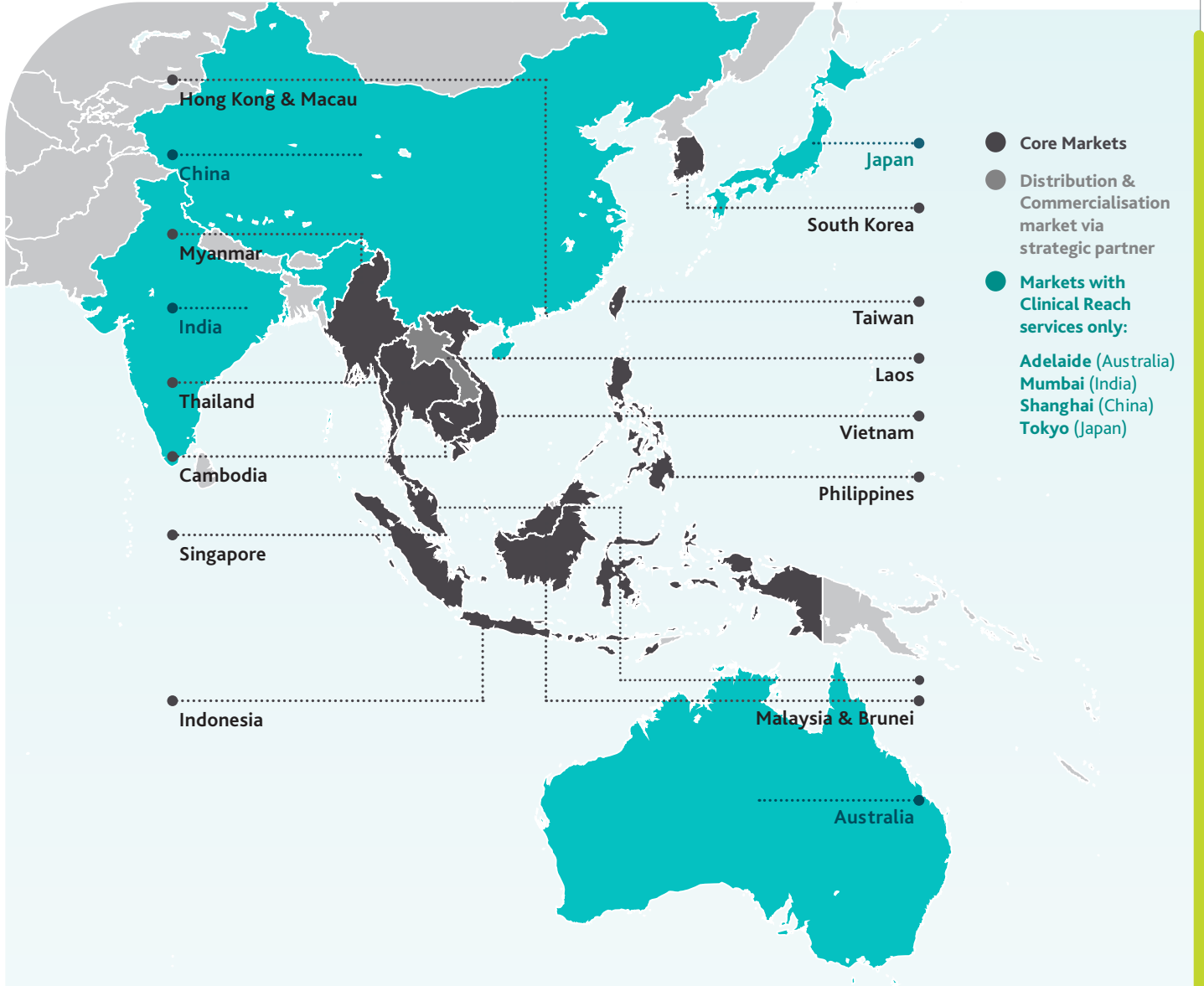
Contributing to UN SDG:



MATERIAL TOPICS	TARGETS AND COMMITMENTS	PROGRESS TO DATE
Patient safety	Be TAPA-certified across all key markets with a distribution setup by 2025	7 out of 13 markets with a distribution setup are TAPA certified
Supply chain security	Implement eZTracker across all key markets with a distribution setup by 2025	eZTracker implemented in 7 out of 13 markets with a distribution setup
Data governance and security	Achieve ISO27001 certification across all key markets with a distribution setup by 2025	11 out of 13 markets with a distribution setup are ISO27001 certified
Responsible procurement	<ul style="list-style-type: none"> 100% of new suppliers above US\$75,000 in contract value covered by Supplier Sustainability Due Diligence Questionnaire 100% performance rate, completed all planned audits on targeted Tier 1 and 2 suppliers 	<ul style="list-style-type: none"> 100% of new suppliers above US\$75,000 in contract value covered. Achieved a 100% performance rate, completing all planned audits on targeted Tier 1 and 2 suppliers. Included sustainability criteria scoring in new transport suppliers selection process
Ethical business conduct and compliance	100% of Zuellig Pharma employees trained on the Code of Conduct, as well as on business ethics relevant to their responsibilities, i.e., Interaction with Healthcare Practitioners.	<ul style="list-style-type: none"> 100% of employees completed training on Code of Conduct and business ethics relevant to their responsibilities. 100% of compliance incidents investigated with relevant corrective actions agreed upon and implemented.

ABOUT US

GRI 2-1, 2-6



Zuellig Pharma proudly celebrated 10 decades in business last year. In these 100 years, we have evolved into one of the largest healthcare providers in Asia.

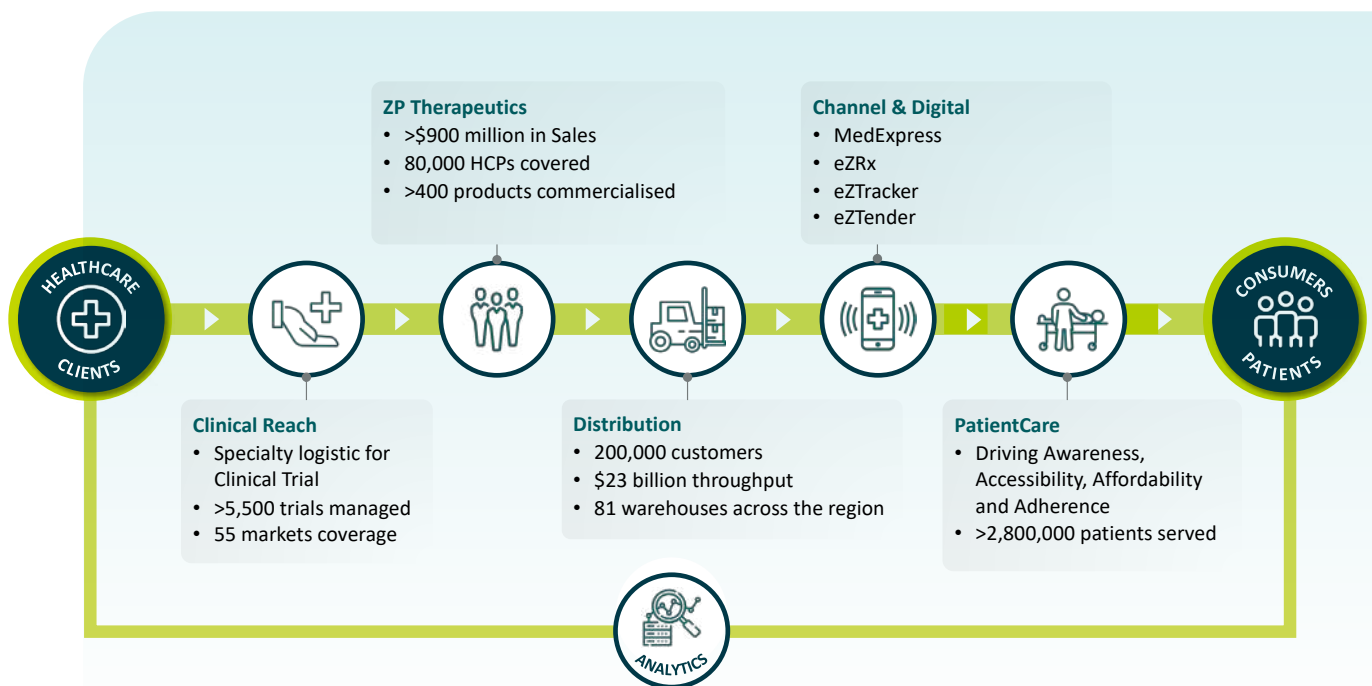
Our workforce of 12,291 employees supports a diverse clientele, including 22,000 hospitals, 55,000 clinics, 53,000 pharmacies, and various medical stakeholders such as modern trade outlets, convenience stores, and wholesalers. With a presence in 18 markets, our workforce is dedicated to bridging the gap between healthcare manufacturers and patients and enabling access to customised and innovative healthcare across Asia. We strive to deliver high-quality healthcare experiences to more than 200,000 of our customers and collaborate with over 490 clients, including the top 20 global pharmaceutical companies. Headquartered in Singapore, we are part of the privately held Zuellig Pharma Group.

VALUE CHAIN SERVICES & MARKET

With operations spanning 18 markets, our services bridge distribution, commercialisation, technology, clinical trial management and patient care services.

Our value chain plays a pivotal role in our sustainability journey, representing the interconnectedness of the healthcare ecosystem and the unique position Zuellig Pharma has in enabling and servicing healthcare needs.

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.



In 2023, Zuellig Pharma has sold its MiCare division under Payor Services. This does not impact our scope of reporting. The addition of Laos to the map shown on page 11, also does not impact our reporting as our presence is ensured by a third party. There are otherwise no significant changes in our services, value chain and other relevant business relationships compared to the previous reporting period.

CLINICAL REACH

We excel in offering precise end-to-end clinical supply chain solutions, boosting agility and efficiency in trials, and empowering clients on their journey towards the success of medical advancements.

- Clinical storage, & Distribution
- Cold chain management
- Project Management
- Clinical Sourcing
- Regulatory Insights
- Secondary packaging and relabelling
- Direct to Patients
- Cell and Gene Therapy Supply Chain

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

AUSTRALIA	+	
BRUNEI		+
CAMBODIA		+
MAINLAND CHINA	+	
EUROPE	+	
HONG KONG	+	+
INDIA	+	
INDONESIA	+	+
JAPAN	+	
LAOS		+
MACAO		+
MALAYSIA	+	+
MYANMAR		+
PHILIPPINES	+	+
SINGAPORE	+	+
KOREA	+	+
TAIWAN	+	+
THAILAND	+	+
USA	+	
VIETNAM	+	+

PATIENTCARE

DATA SOLUTIONS

We provide innovative healthcare solutions that encourage healthier lifestyles, drive prescription adherence, improve access to medication, support treatment affordability and improve health outcomes.

- Patient Education & Public Awareness
- Affordability Solutions
- Disease Management & Patient Engagement Programmes
- Mass Vaccinations Logistics and Event Management
- Medical Marketing

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
- End-to-end Segmentation and Targeting (Salesforce effectiveness)
- Pricing & Promotion Insights
- Market Expansion Analysis
- Demand Forecasting
- Digital Sales and Marketing
- Machine Learning/AI-driven Telesales

	PATIENTCARE	DATA SOLUTIONS
AUSTRALIA		
BRUNEI		+
CAMBODIA		+
MAINLAND CHINA		
EUROPE		
HONG KONG		+
INDIA		
INDONESIA	+	+
JAPAN		
LAOS		+
MACAO		+
MALAYSIA	+	+
MYANMAR		+
PHILIPPINES	+	+
SINGAPORE	+	+
KOREA		+
TAIWAN	+	+
THAILAND	+	+
USA		
VIETNAM		+

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 Relationship Management (PatientCare+)

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
- Government Affairs
- Medical Affairs
- Marketing Excellence
- Sales Excellence
- Digital Technology
- Pharmacovigilance
- Alliance Management

eZRx

eZTracker

PatientCare+

	eZRx	eZTracker	PatientCare+	
AUSTRALIA				
BRUNEI				+
CAMBODIA	+			+
MAINLAND CHINA				
EUROPE				
HONG KONG	+	+		+
INDIA				
INDONESIA	+			+
JAPAN				
LAOS				+
MACAO	+			+
MALAYSIA	+	+	+	+
MYANMAR	+			+
PHILIPPINES	+			+
SINGAPORE	+	+	+	+
KOREA	+	+		+
TAIWAN	+	+	+	+
THAILAND	+	+	+	+
USA				
VIETNAM	+	+		+

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)
- Downstream Liaison (Regulatory-Commercial-Supply Coordination)
- Technical Expertise (Dossier Preparation & Registration Submission)
- Intelligence Services (Regulations Changes Impact Assessment)

AUSTRALIA	
BRUNEI	+
CAMBODIA	+
MAINLAND CHINA	
EUROPE	
HONG KONG	+
INDIA	
INDONESIA	+
JAPAN	
LAOS	+
MACAO	+
MALAYSIA	+
MYANMAR	+
PHILIPPINES	+
SINGAPORE	+
KOREA	+
TAIWAN	+
THAILAND	+
USA	
VIETNAM	+

OUR MISSION & CORE VALUES

At Zuellig Pharma, our purpose is to **make healthcare more accessible** by providing world-class distribution, digital and commercial services to support the evolving healthcare needs in the region. We are committed to five core values which are the driving force behind who we are and what we do: **Collaboration, Passion for Excellence, Personal Growth, Innovation, Integrity and Trust**. Zuellig Pharma stands on a legacy of service excellence and traditions that is supported by our commitment to integrity and trust, collaboration, a passion for excellence, innovation, and personal growth. It is these core values that guide us to always prioritise the needs and wellbeing of the people and communities we serve.



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 an

A- score from CDP for Climate Change,

making us the first and only organisation in APAC and one of only two worldwide in our activity group to attain an A- rating

Received an **A** score for Supplier Engagement

making us the first and only organisation worldwide in our activity group to attain this. Named "Global Supplier Engagement Leader", placing us in the top 2% of CDP respondents across all industries.



Received

Platinum Rating

from EcoVadis for the third consecutive year, ranking us in

TOP 1%

of all assessed companies worldwide

Sustainability presents not merely a challenge but a clarion call for companies to innovate, adapt, and transcend boundaries. It is in overcoming these challenges that we not only safeguard our planet but also unlock unprecedented opportunities for growth, resilience, and shared prosperity.

Organisations that are leading the charge possess the unique power to inspire and mobilise the private sector towards a collective mission of sustainability, sparking a ripple effect that galvanises industries for the betterment of future generations.

As a leading healthcare service provider in Asia, we play a crucial role in making healthcare more accessible. This mission has been a guiding star throughout Zuellig Pharma's hundred-year history and shaped our commitment to the wellbeing of the communities we serve. By embracing sustainability as a core priority, 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.

Built upon four foundational pillars, our Sustainability Framework aligns with our core values, serving as the guiding force towards our Sustainability Vision of *building a healthier future for Asia with our Clients, Suppliers and Customers*.

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
- Access to Innovation
- Community Empowerment
- Equitable Healthcare Systems

Nurturing Talent



- Talent Development & Engagement
- Workplace Health, Safety & Wellbeing
- Diversity, Equity & Inclusion
- Labour Practices & Human Rights

Respecting The Environment



- Climate Governance
- Climate Change Mitigation
- Circular Waste Management
- Environment Preservation



Setting The Highest Standards Of Integrity

- Patient Safety
- Supply Chain Security
- Data Governance & Security
- Responsible Procurement
- Ethical Business Conduct

MATERIALITY ASSESSMENT

GRI 3-1, 3-2

To ensure our approach to sustainability continues to align with stakeholder expectations and remains relevant and resilient to the shifting context, Zuellig Pharma conducted a double materiality assessment in 2023, with the support of an external consultant. The double materiality assessment process is in line with international best practices, as it not only assesses sustainability topics from the traditional impact materiality lens but also incorporates the financial materiality lens, aligning with the IFRS standards. This robust, comprehensive process serves to embed transparency and accountability, reassuring stakeholders that material topics have been identified and assessed without any selective bias.

Zuellig Pharma adopted the following approach to its materiality assessment:



The initial stage in the materiality assessment was to conduct a context review. This included a comprehensive review of a broad range of sources and documentation that represented both business (financial materiality) and multi-stakeholder (impact materiality) perspectives. This stage not only included a review of key internal documentation to understand our strategic and business context, but also a review of external sources such as peers' and clients' material topics, reporting standards, and emerging trends. This process informed a shortlist of actual and potential sustainability topics.

From the shortlist, sustainability topics pertinent to Zuellig Pharma, along with their definitions, laid the groundwork for stakeholder engagement. A stakeholder mapping exercise was conducted which informed the stakeholder engagement plan based on the stakeholder's relationship with Zuellig Pharma. Key internal and external stakeholders were invited to share their perspectives on these topics through online surveys and one-on-one interviews. They included executive and senior management, customers, clients, suppliers (including contractors), government and trade associations, and community healthcare providers.

Adhering to double materiality principles, engagement questions were structured to elicit perspectives from stakeholders based on (1) the impact of sustainability risks and opportunities on the business, and (2) the business's impact on society and the planet through Zuellig Pharma's direct operations and value chain activities. External stakeholders, being affected parties, exclusively assessed the impact materiality perspective, whilst internal stakeholders assessed both perspectives.

The materiality assessment findings were analysed, presented to, and validated by the Executive Management Team (EMT). The final list of 17 material sustainability topics was reviewed and approved by the Board.

OUR MATERIALITY SUSTAINABILITY TOPICS

ACCESS TO HEALTHCARE

Facilitate access to healthcare and medicines, particularly in low to middle-income countries, by optimising both physical and digital distribution channels, and building supply chain and business resilience to ensure widespread continuity of access across regions.

ACCESS TO INNOVATION

Drive innovative solutions to enable broader access to healthcare by fostering the development, adoption, and integration of technology and actively support advancements in medical treatments, digital health solutions, and healthcare delivery models.

COMMUNITY EMPOWERMENT

Support the development and empowerment of local communities through community health initiatives and other charitable contributions.

EQUITABLE HEALTHCARE SYSTEMS

Adopt an holistic approach to enable the functioning of a thriving and equitable healthcare system, encompassing healthcare practitioner engagement, health promotion and prevention, and driving public policy formulation, all aimed at driving significant enhancements in healthcare outcomes.

TALENT DEVELOPMENT & ENGAGEMENT

Provide a conducive and engaging working environment and workplace culture with optimal employee benefits and incentives, as well as training and development opportunities, to attract and retain the right talent.

WORKPLACE HEALTH, SAFETY & WELLBEING

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

DIVERSITY, EQUITY & 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.

LABOUR PRACTICES & HUMAN RIGHTS

Management and transparency of the supply chain to ensure the minimum working standards and conditions are maintained in the regions in which our suppliers are located.

CLIMATE GOVERNANCE

Strengthen the ability of our business and operations to prepare for and adapt to climate risks and opportunities.

CLIMATE CHANGE MITIGATION

Reduce GHG emissions through energy optimisation measures and increasing the use of renewable energy in our operations, as well as working with our suppliers to reduce material value chain emissions.

CIRCULAR WASTE MANAGEMENT

Reduce waste generation and increase recycling in our own operations while playing a leading role in developing circular solutions and influencing responsible pharmaceutical and packaging waste management.

ENVIRONMENTAL PRESERVATION

Reduce the impact of our operations on the environment in the areas we operate and be proactive in implementing measures to preserve natural resources.

OUR MATERIALITY SUSTAINABILITY TOPICS (CONT.)

PATIENT SAFETY

Uphold patient safety by ensuring end-to-end product integrity and supply chain security with strong quality management systems and technology solutions.

SUPPLY CHAIN SECURITY

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

RESPONSIBLE PROCUREMENT

Implement sustainable procurement practices and engage our stakeholders in our value chain to ensure positive environmental, social, and economic impact across the purchasing and supply management lifecycle.

ETHICAL BUSINESS CONDUCT

Manage risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery, and marketing practices, to satisfy the highest professional and ethical standards, whilst also remaining compliant to the vast range of regulatory standards across our markets.

DATA GOVERNANCE & SECURITY

Protect client, customer, and patient data by continuously advancing robust cybersecurity and data privacy programmes and utilising responsible data practices.

When comparing to the previous reporting period, there are a few changes to Zuellig Pharma's list of material topics. 'Environmental preservation' has been added a material topic, due to the increasing attention and importance of the risks, opportunities and impacts of biodiversity and nature-related factors has on organisations. 'Affordability' was merged into 'Access to healthcare' as stakeholders perceived the two topics as closely related. In addition, many of the topic titles have been modified to better reflect what each topic covers.



SUSTAINABILITY GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16

Ensuring sustainability is integrated throughout the organisation requires robust governance structures and leadership support. We have strong oversight and control measures in place through our Board of Directors ESG Committee, CEO and Executive Management Team (EMT) steering our sustainability agenda.

The **Board of Directors** ("the Board"), which is chaired by a non-executive Director, maintains oversight of the sustainability agenda, reviewing and endorsing material sustainability issues in guiding business strategy and major plans of action. The Board of Directors is 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. Appointments onto the Board also takes into consideration the diversity and independence of directors. It also monitors performance and progress against

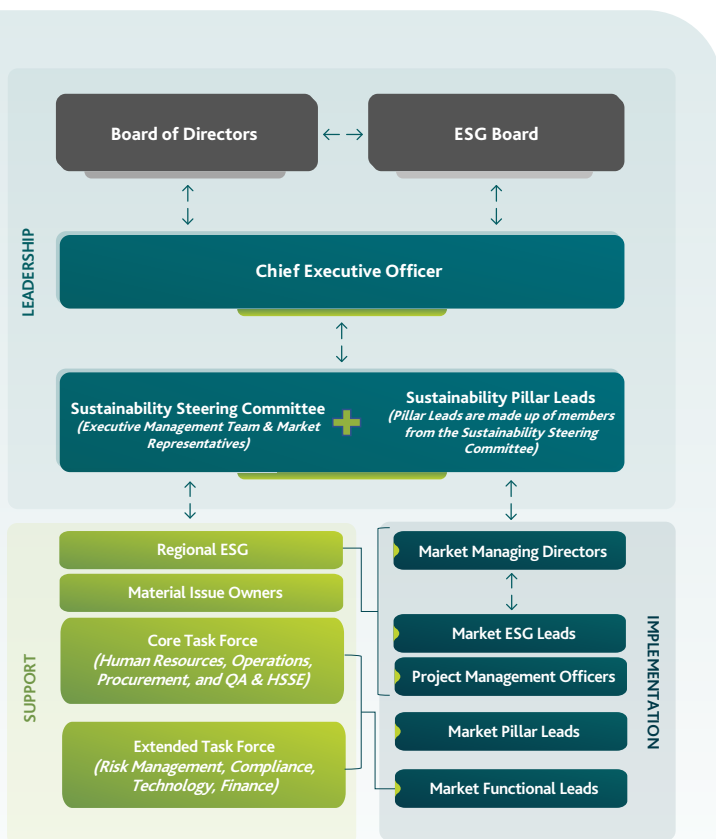
goals and targets for addressing material sustainability topics at quarterly Board meetings where updates are provided to them by the CEO. In the reporting period, no critical concerns were communicated to the Board of Directors, as no issues of such nature arose during this time.

In 2023, the **ESG Committee of the Board** ("ESG Committee") was established by Zuellig Pharma to provide specific counsel, oversight, and direction on sustainability-related matters to the Board. It comprises three permanent members of the Board of Directors and two members of the Executive Management Team. In addition, four other members of the Board are invited to join the ESG Committee meetings that happen at least twice a year. The ESG Committee is responsible for reviewing and endorsing requests for investment in sustainability-related initiatives, overseeing management of sustainability-related risks, making recommendations to the Board, and integrating ESG and sustainability into the purpose, governance, decision-making, and accountability reporting of the company. This is chaired by a member of the Board, Stephen Phua, and members are nominated by the Chairman of the Board.

The **Sustainability Steering Committee** ("Steering Committee") was formed to drive the implementation of the sustainability strategy and oversee progress and performance. It is chaired by our CEO and comprises eleven of our EMT and two managing directors, representing our main markets.

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.

Our Board of Directors, Committees and Executive Management Team recognise the importance of seeking external assurance for general disclosures and selected key ESG disclosures in this report to strengthen our approach towards reporting transparently.



SUSTAINABILITY POLICIES

GRI 2-23, 2-24

Zuellig Pharma's [Sustainability Policy](#) is the foundational document that exemplifies our commitment to sustainability. It serves as an overarching policy that encompasses other sustainability-related policies in the areas of Environment, Social, and Governance which reflects our priorities based on our four pillars. It identifies principles, focus areas and accountabilities that guide our business decision-making to foster trust among our stakeholders. The Sustainability Policy was reviewed and updated in 2023 to ensure it maintains relevancy in our operating environment and better reflects the maturity of our approach to sustainability. The policies are applicable for all employees, clients, customers, partners, suppliers, and third parties acting on behalf of our company.

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 in line with a precautionary approach to sustainability. All suppliers identified as critical from a sustainable procurement perspective 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, regulations and standards.

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 Policy and Third Party Anti-Corruption Due Diligence Policy set out how we maintain anti-corruption standards 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 laws. Compliance officers in all markets ensure our employees and suppliers act according to the highest ethical standards and abide by the Code of Conduct and anti-corruption policies. All employees are required to review and affirm their compliance with the Code of Conduct every year. In doing business with Zuellig Pharma, suppliers 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. Any concerns, queries or issues related to our policies can be escalated through Zuellig Pharma's confidential Speak Up communication channels.

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

Each of the 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 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 as part of our commitment to our sustainability vision - building a healthier future for Asia. Zuellig Pharma continues to support the UNGC and actively incorporates the UNGC's Ten Principles into our business operations.

Acknowledging the UNGC's call for companies to contribute to the Sustainable Development Goals (SDGs), Zuellig Pharma believes that we have an important role to play in the global agenda for sustainable development, contributing to a better, more sustainable future. Through the comprehensive materiality review conducted this year, SDG 3, "Good health and wellbeing," continues to be the central focus of our efforts. This SDG represents an area where Zuellig Pharma can make a significant positive impact and partner with other stakeholders to drive progress towards achieving sustainable outcomes. Our dedication to improving health outcomes remains unwavering as we embark on this journey to make healthcare more accessible.

We have also mapped SDGs 5, 7, 8, 12, 13, 16, and 17 to our four Sustainability Pillars: Improving Health Outcomes, Nurturing Talent, Respecting the Environment, and Setting the Highest Standards of Integrity. These goals represent areas where we can best contribute, address and support with, both directly and indirectly. Please refer to the section on Sustainability Targets and Performance on page 9 and 10 for our targets and commitment, as well as progress to date on identified SDGs.

STAKEHOLDER ENGAGEMENT

GRI 2-6, 2-29

Stakeholder engagement is a crucial aspect of our sustainability approach, guiding our understanding and management of material issues. We believe that open and regular communication not only enhances mutual understanding but also fosters partnerships to address sustainability challenges in the industry.

This year, we conducted the stakeholder mapping exercise once again to identify and prioritise engagement based on the stakeholder group's influence over Zuellig Pharma's strategic and operational decision-making. We also considered the level of interest and engagement the stakeholder group has in Zuellig Pharma's sustainability issues, performance, and direction. Through our two-way communication and engagement, we aim to obtain their opinions and feedback to enhance our practices and performance.

In Zuellig Pharma's 2023 materiality assessment, both internal and external stakeholders were engaged to provide relevant and accessible information on their respective areas of concern, either through interviews or surveys. During the preparation of this report, we collaborated with internal stakeholders to report key metrics and activities. Additionally, we engaged with select external stakeholders to gather their perspectives, which are reflected in quotes within this report. Given the highly regulated nature of the healthcare sector and the strict regulations in place, our level and type of engagement with patients and healthcare practitioners 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 or healthcare items.

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

KEY TOPICS OF INTEREST	OUR RESPONSE
<p>General sustainability progress</p>	<ul style="list-style-type: none"> • Updated Sustainability Policy to provide clients with a renewed overview of our approach to ESG and expectations of clients • Engaged with clients to participate in materiality assessment • Developed Sustainability Report in accordance with GRI standards • Attained EcoVadis Platinum certification • Engaged with clients on sustainability plan and identify areas of partnership
<p>Respecting the Environment Pillar</p> <ul style="list-style-type: none"> • Climate Governance • Climate Change Mitigation • Circular Waste Management • Environmental Preservation 	<ul style="list-style-type: none"> • Science Based Target initiative (SBTi) approved targets • Disclosure of carbon impact and reduction strategy on the Carbon Disclosure Platform (CDP) • Developed and shared GHG Report • Aligned reporting standards to GHG Protocol • Launched Greenovate, our internal incubator fostering innovation to combat climate change • Partner with clients on sustainability initiatives, e.g., piloted recycling programme with a key Client in Malaysia, tree-planting projects, etc.
<p>Improving Health Outcomes Pillar</p> <ul style="list-style-type: none"> • Access to Healthcare • Access to Innovation • Community Empowerment • Equitable Healthcare Systems 	<ul style="list-style-type: none"> • Organised the first client event since the pandemic, delivering a session for clients titled "Navigating towards a Healthier SG Together" • Co-hosted a seminar on "Pharma 4.0 Advanced Technologies and Digitalisation in Cold Chain Management" in Singapore with ELPRO Global
<p>Setting the Highest Standards of Integrity Pillar</p> <ul style="list-style-type: none"> • Patient Safety • Supply Chain Security • Data Governance & Security • Responsible Procurement • Ethical Business Conduct 	<ul style="list-style-type: none"> • CEO John Graham joined the PharmaLedger Association's Board of Directors, continue to connect insights from manufacturer to consumer and build greater supply chain resilience, as well as the US ASEAN Business Council Board to help shape conversations, projects, and partnerships to shape more innovative and equitable paths to treatment. • Code of Conduct and Supplier Code of Conduct publicly available • Communicated our policies, programmes, and certification on <ul style="list-style-type: none"> • Quality management • Data privacy and security • Pharmacovigilance, sales and marketing standards • 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 under pressure. 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)
- Digital Magazine (Regularly update)
- LinkedIn and website news updates (Regular)
- HCP Webinars

KEY TOPICS OF INTEREST

- Improving Health Outcomes Pillar**
- Access to Healthcare
 - Access to Innovation
 - Community Empowerment
 - Equitable Healthcare Systems

OUR RESPONSE

- Launched the pilot version of the new eZRx+, incorporating valuable feedback from users
- Launched of Cambodia's first localised pregnancy tracker mobile app Mommy+
- Organised a full day Osteoporosis Summit "Journey to Healthier Bones", enabling HCP to discuss and share valuable information about available treatments
- Organised the second Asian Diabetes Xchange Summit, which HCP were invited to share insights
- Held our second SEA Immunology Summit, fostering networks for immunology across Dermatologists and Rheumatologists

+ EMPLOYEES

ENGAGEMENT METHOD AND FREQUENCY

Our employees are the heart of our business. We are committed to sustaining and enhancing our workforce by understanding the factors that drive motivation and loyalty to the company. Across all markets, we implement various initiatives based on country-specific employee engagement strategies. These initiatives encompass company townhalls, recognition programmes, employee engagement surveys, and communication platforms.

- Sustainability Weeks (Quarterly)
- Townhall sessions (Quarterly)
- One-hour sessions with our CEO (Quarterly)
- Sustainability SharePoint (Updated regularly)
- Internal communications regional newsletter – ZP Connection (Monthly)
- Yammer updates (Regularly)

KEY TOPICS OF INTEREST

General sustainability awareness

OUR RESPONSE

- One week sustainability challenge to celebrate Earth Day 2023 in Singapore
- Organised Sustainability Week activities to improve awareness on sustainability topics
- Coordinated ESG 101 Training for our ESG Leads in key markets
- Zuellig Pharma Cambodia team participated in "Smile Amplifier – Give Back to the Community", a CSR initiative for employees to volunteer and make a positive impact on vulnerable children who are struggling with healthcare and education
- Integrated sustainability awareness and information into onboarding programmes for new joiners
- Communicated sustainability-related information through quarterly webinars, regional newsletters, and other internal communication platforms

+ EMPLOYEES (CONT.)

KEY TOPICS OF INTEREST	OUR RESPONSE
<p>Nurturing Talent Pillar</p> <ul style="list-style-type: none"> • Talent Development & Engagement • Workplace Health, Safety & Wellbeing • Diversity, Equity & Inclusion • Labour Practices & Human Rights 	<ul style="list-style-type: none"> • Celebrated our Nurturing Talent week under the theme "A safe Space for You". During the week, we held our 6th Diversity, Equity & Inclusion (DEI) Inspire Webinar • Celebrated our Unsung Heroes at the 2023 Zuellig Pharma Awards Night • Launched 2023-2024 Annual performance campaign • Held HSSE week with inspiring HSSE Talks • "Work Smart, Work Easy" webinar held in the improving health outcome week, along with successful employee engagement campaign, "Fit for Life!" • Launched Humans of Zuellig Pharma campaign to introduce our Zuellig Pharma colleagues who have exemplified our core values, and gone above and beyond to fulfil our mission • Training and development programmes • Led Gallup Engagement Survey • Expanded use of LinkedIn Learning Platform • Employee engagement and wellbeing programmes • Implemented Employee Assistance Programmes (EAPs) in areas of mental wellbeing, etc. • Expanded "Elevator Worker Voice" programme to cover more markets to monitor and address any labour risks in our supply chain

+ GOVERNMENTS/ REGULATORS

ENGAGEMENT METHOD AND FREQUENCY	
<p>We foster partnerships with the Ministry of Health (MOH), government entities, healthcare organisations and related health stakeholders in building a healthier future for communities. Our collaborative efforts focus on healthcare reform, promoting digitalisation in healthcare, providing support for healthcare financing, managing diseases, and utilising data analytics to inform strategic policy decisions and create real impact.</p> <ul style="list-style-type: none"> • Engagement via Healthcare Associations (regularly) • Direct engagement through emails, meetings, etc. (regularly) • Government partnerships (Project-based) 	
KEY TOPICS OF INTEREST	OUR RESPONSE
<p>General sustainability programme, policy, and compliance:</p> <ul style="list-style-type: none"> • Access to Healthcare • Access to Innovation • Community Empowerment • Equitable Healthcare Systems • Patient Safety • Supply Chain Security • Data Governance & Security • Ethical Business Conduct • Climate Change Mitigation 	<ul style="list-style-type: none"> • Held in partnership with the EU-ASEAN Business Council and key clients a Health roadshow across 6 ASEAN markets to address key public health topics • Held the Regulatory Affairs Summit in partnership with the EU-ASEAN Business Council to share insights and delve deeper into current issues faced in the ever-changing regulatory landscape, both locally within ASEAN and internationally with WHO, EMA, and USFDA • 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

+ SUPPLIERS

ENGAGEMENT METHOD AND FREQUENCY

We actively engage and form partnerships with our suppliers, focusing primarily on ethical business practices, fair labour practices, anti-corruption measures, and sustainable procurement practices. Zuellig Pharma's Supplier Code of Conduct offers explicit guidance on our expectations in these priority areas for our suppliers. Our primary supplier categories encompass transportation services, temporary labour, consulting and professional services, IT hardware and servers, packaging, construction, leases, material handling equipment, and office supplies.

- One-on-one engagement with Suppliers through emails, meetings, etc. (regularly)
- Supplier portal
- Supplier Sustainability Assessments and roll out of a Third 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

Setting the Highest Standards of Integrity Pillar

- Patient Safety
- Supply Chain Security
- Data Governance & Security
- Responsible Procurement
- Ethical Business Conduct

OUR RESPONSE

- Engaged our logistic partners on an Operational Partners Day
- Conducted our 3rd Supplier Sustainability Awards Day to celebrate suppliers' outstanding sustainability initiatives
- Joined Pharma Ledger Association as a Patron Member, aimed at accelerating innovation and adoption of digital healthcare solutions
- Won the prestigious Gartner Power of the Profession™ Supply Chain Awards 2023 for eZTracker, our fully functioning supply chain traceability solution
- Partnered with Mekong Club to survey the conditions faced by workers engaged by Zuellig Pharma's suppliers
- Communicated Supplier Code of Conduct and encouraged adoption of procurement policy
- 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
- Expanded "Elevator Worker Voice" programme to cover more markets to monitor and address any labour risks in our supply chain

+ LOCAL COMMUNITIES

ENGAGEMENT METHOD AND FREQUENCY

Through our efforts to improve health outcomes and facilitate greater access to healthcare, we actively engage with a diverse range of communities. This includes targeted patient groups, local populations, virtual communities of healthcare service providers we are connected to, as well as our employees and their families.

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

KEY TOPICS OF INTEREST

Improving Health Outcomes Pillar

- Access to Healthcare
- Access to Innovation
- Community Empowerment
- Equitable Healthcare Systems

OUR RESPONSE

- Continued our efforts to support the community and promote social responsibility, including CSR activities which show care and foster a culture of giving back
 - Patient access programmes
 - Corporate Social Responsibility (CSR) programmes
 - Supported Action4Diabetes (A4D) through financing the treatment for young people suffering from Type 1 Diabetes

+ LOCAL COMMUNITIES (CONT.)

KEY TOPICS OF INTEREST	OUR RESPONSE
<p>Setting the Highest Standards of Integrity Pillar</p> <ul style="list-style-type: none"> • Patient Safety • Supply Chain Security • Data Governance & Security • Responsible Procurement • Ethical Business Conduct 	<ul style="list-style-type: none"> • eZTracker voted as the top Customer or Patient Innovation of the Year, won the prestigious Gartner Power of the Profession™ Supply Chain Awards 2023 • Recognised as Microsoft Singapore's 2023 Partner of the Year in the Healthcare & Life Sciences Industry • Established pharmacovigilance and sales & marketing standards • Strict implementation of Code of Conduct and compliance instructions during all professional interactions • Robust Quality Management System • Information Security and Data Privacy Programmes • Anti-bribery & corruption programmes

+ INDUSTRY ASSOCIATIONS

ENGAGEMENT METHOD AND FREQUENCY

To deliver on our commitment to building a healthier future for Asia and strengthening our efforts on the four sustainability pillars, Zuellig Pharma has been actively engaged with a wide range of industry associations, such as APACMed and PSCI.

- Partnership on industrial forum
- Industry collaboration
- Regulatory Affairs

KEY TOPICS OF INTEREST	OUR RESPONSE
<p>Improving Health Outcomes Pillar</p> <ul style="list-style-type: none"> • Access to Healthcare • Access to Innovation • Community Empowerment • Equitable Healthcare Systems 	<ul style="list-style-type: none"> • CEO John Graham joined the Pharma Ledger Association's Board, to facilitate the ecosystem trend in digital health • Partnered with Mekong Club to gain insights into the working conditions of employees within our supplier network • Held Regulatory Affairs Summit in partnership with the EU-ASEAN Business Council



MEMBERSHIP ASSOCIATIONS

GRI 2-28

As an organisation committed to driving sustainable development and holding itself to high standards, Zuellig Pharma engages closely with a range of industry 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.



Since 2021, we have been a member of The Mekong Club, a non-profit organisation supporting the private sector to detect and eliminate 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 have started to conduct 2nd tier audits.



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 promotion of good distribution practices and services and sharing of best practices amongst the industry.



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.



Since 2022, Zuellig Pharma has committed to the Sustainable Procurement Pledge. This international organisation, which operates on a bottom-up, non-profit basis, aims to promote responsible sourcing practices and empower partners across the value chain by raising awareness and sharing knowledge. 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.



In 2023, Zuellig Pharma became a Patron Member of the PharmaLedger Association (PLA), a global not-for-profit based in Switzerland that is dedicated to fostering a secure and reliable Digital Trust Ecosystem in Healthcare (DTE-H). As part of our membership, we actively contribute to DTE-H to accelerate innovation and adoption of patient-centric digital healthcare solutions, fostering collaboration across the healthcare industry and ensuring compliance with regulations.



As part of our annual submission for the World's Most Ethical Company Award, we subscribe to membership on The Sphere platform, which our Compliance Team utilises to measure the effectiveness of our ethics and compliance programme by benchmarking it against peers across industries.



Since 2014, Zuellig Pharma has been a prestigious member of the Transported Asset Protection Association (TAPA) APAC. Notably, we have distinguished ourselves as the first Logistics Service Provider (LSP) to be certified for the Pharmaceutical Facility Security Requirement (PFSR) standards. More recently, we have also embarked on the TAPA Enterprise Membership, further cementing our commitment to industry excellence.



We are active members of 60 trade associations or otherwise represented on Board positions or sub-committees of these trade associations across the markets we are based, all of which adhere to the standards outlined by the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA).

MEMBERSHIP ASSOCIATIONS (CONT.)

Our participation in other voluntary initiatives include disclosing against frameworks of GRI, GHG Protocol and the Pharmaceutical Supply Chain Initiative (PSCI). 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.



We also commit to sustainability advocacy through our participation in the following committees:



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.



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



In five markets (Cambodia, Malaysia, Philippines, Singapore & Taiwan) 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 ACHIEVEMENTS



EcoVadis



Zuellig Pharma achieved a Platinum medal from EcoVadis for the third consecutive year, **placing us among the top 1% of all organisations evaluated worldwide**. EcoVadis, recognised as the world's most trusted provider of business sustainability ratings, assesses companies based on 21 sustainability criteria across four core themes: Environment, Labour & Human Rights, Ethics, and Sustainable Procurement.

This year, Zuellig Pharma achieved an overall EcoVadis score of 82, compared to a global and Asia average of 48 and 33 points, respectively. Notably, we have been recognised as a leader in carbon management, showcasing our best-in-class greenhouse gas (GHG) management system and a robust commitment to decarbonisation, complete with approved science-based targets.

This exceptional achievement is a culmination of the collective efforts of the various teams and functions from across our entire business and championed by the sustainability team.



It is an honour for us to be awarded EcoVadis Platinum for the third consecutive time. We are acknowledged as one of the organisations around the world that is consistently leading the charge in our commitment to sustainable impact and pursuit of excellence. With that, I'd like to congratulate and thank the passionate teams across our organisation for all their efforts in achieving this remarkable milestone.



**JEAN-GAETAN
GUILLEMAUD**

HEAD OF CORPORATE AFFAIRS



RECOGNISING OUR SUSTAINABILITY ACHIEVEMENTS (CONT.)



SBTi



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C  

The Science-Based Targets initiative (SBTi) provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals, and independently assesses companies' targets. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels. 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 1.5°C aligned near term climate targets were validated by the SBTi in 2022. Aligning with the near-term climate target principle of achieving significant emissions reductions by 2023, Zuellig Pharma commits to **reduce absolute scope 1 and 2 GHG emissions 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 25%** within the same timeframe.

To achieve our targets, we continue working on reducing our energy consumption, improving energy efficiency, increasing the adoption of renewable energy, and working closely with our suppliers to reduce our material value chain emissions.



CDP

CDP is a not-for-profit charity that runs the largest global environmental disclosure system, using an independent scoring methodology to score over 23,000 companies representing two thirds of global market capitalisation on climate change, water security and forests.

Zuellig Pharma was **awarded an "A-" for Climate Change, making our organisation the first in APAC and one of two companies worldwide in our activity group (Road Transport) to make it to the A- list for Climate Change** by CDP. This achievement places Zuellig Pharma well above both global and Asia averages and is testament to our unwavering commitment to addressing climate change and instilling across-the-board best practices in transparency, impacts and governance.

Zuellig Pharma was also **awarded an "A" for Supplier Engagement, making Zuellig Pharma the first and only organisation in our activity group worldwide to receive this recognition.** In addition to this, **CDP officially named Zuellig Pharma a Global Supplier Engagement Leader, placing Zuellig Pharma in the top 2% of CDP respondents across all industries.** This recognition highlights our proactive stance in driving climate action internally and throughout our value chain. As we collectively strive for a climate-safe future, we continue our efforts to reduce our environmental footprint and promote sustainable practices across our supply chain.



RECOGNISING OUR SUSTAINABILITY ACHIEVEMENTS (CONT.)



HR Asia Diversity, Equity, and Inclusion Awards



HR Asia is Asia's most authoritative publication for HR professionals. The theme for the 2023 HR Asia Diversity, Equity, and Inclusion Awards was "Celebrate Diversity and Inclusion," which sought to recognise organisations that have made significant efforts towards creating diverse and inclusive workplaces.

Zuellig Pharma is a **two-time consecutive winner of the HR Asia award**, acknowledging that we are one of the best companies to work for in Asia. This recognition reflects our strong commitment to the Nurturing Talent pillar of our sustainability framework and our dedication to diversity, equity, and inclusion.



Microsoft Singapore Partner of the Year



The Microsoft Singapore Partner of the Year Awards recognise exceptional innovation and partner excellence. In 2023, **Zuellig Pharma was honoured to be recognised as Microsoft Singapore's 2023 Partner of the Year in the Healthcare & Life Sciences Industry**. This stands as a strong testament to our dedication to building a customer-centric, interconnected, and accessible healthcare ecosystem through digital and data innovations.

From leveraging Microsoft's Azure solutions to house healthcare data, generate actionable insights and monitor suspected fraudulent activities, we look forward to future collaborations to drive further positive change.



Gartner Power of the Profession Supply Chain Awards



The Gartner Power of the Profession™ Supply Chain Awards are an annual community-driven recognition programme that inspires supply chain transformation around the globe.

Zuellig won the Customer/Patient Innovation of the Year Award 2023 with our eZTracker, which makes healthcare safer and more accessible from plant-to-patient through blockchain. This achievement recognises our positive and quantifiable impact through supply chain initiatives.



Healthcare Asia Pharma Awards 2023



ZP Therapeutics was **awarded Most Innovative Service of the Year and Outcomes-based Contracting Model of the Year in the Healthcare Asia Pharma Awards 2023**.

The Healthcare Asia Pharma Awards acknowledge outstanding accomplishments and pioneering advancements by healthcare organisations across Asia. This recognition highlights Zuellig Pharma's three key exceptional achievements: supporting government pandemic response through vaccination, accelerating regulatory approval of vaccines, particularly for Omicron-specific variants, and increasing vaccination rates through enhanced medical education and public awareness.

IMPROVING HEALTH OUTCOMES



ACCESS TO
HEALTHCARE



ACCESS TO
INNOVATION



EQUITABLE
HEALTHCARE
SYSTEMS



COMMUNITY
EMPOWERMENT




CONTRIBUTING TO
THE SUSTAINABLE
DEVELOPMENT
GOALS (SDGS)



IMPROVING HEALTH OUTCOMES




2023 HIGHLIGHTS




4,972 employees and **907,832** patients benefited from ZP-organised awareness programmes

8,123 employees and **5.8 million** patients served through vaccination programmes with Zuellig Pharma's support




USD\$165 million worth of free boxes dispensed through affordability programmes



95,396 healthcare professionals reached through engagement and education programmes

Supporting over **5,500** clinical trials globally



Improving Health Outcomes is a pillar that lies at the heart of Zuellig Pharma's business efforts. It relates directly to our core purpose of improving access to quality healthcare services, life-saving medicines, and vaccines. For more than a hundred years we have pushed 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

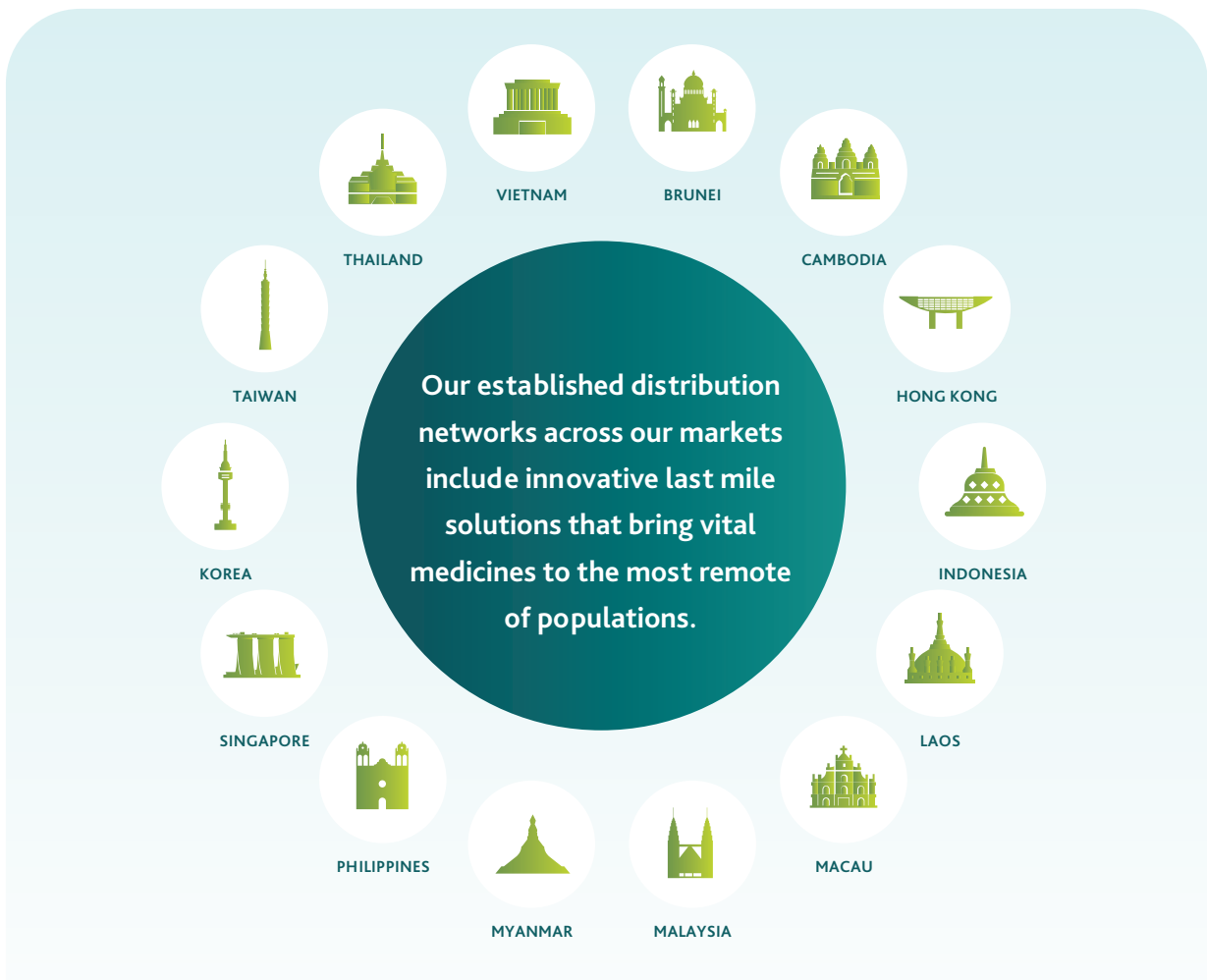
GRI 3-3

Over the past hundred years, Zuellig Pharma has become a vital link in the healthcare ecosystem, dedicated to advancing our mission of *Making Healthcare More Accessible* in Asia. Particularly in some of the underserved regions in Asia where access to quality healthcare remains a significant challenge, we leverage our unique position in the value chain to make a positive impact. As the world emerges from the Covid-19 pandemic, our region faces various macro-environmental challenges, intensifying the strain on both the healthcare system and the communities we serve.

To address these challenges and forge a healthier future for Asia, collaboration with key stakeholders in the ecosystem is essential. Through concerted efforts, we are optimising both physical and digital distribution channels to ensure the seamless delivery of healthcare solutions and the wellbeing of the communities we serve.

MANAGEMENT APPROACH

DISTRIBUTION NETWORKS AND COLD CHAIN REACH



Our unparalleled healthcare market access enables us to provide good and reliable distribution networks to ensure as broad a geographical access as possible. With our distribution network covering **more than 200,000 clinics, hospitals, pharmacies, modern trade outlets and other customers in 14 markets, we have 90% coverage across Asia** to reach even the most remote areas for healthcare needs.

Zuellig Pharma's distribution network and cold chain reach are at the forefront of ensuring seamless access to healthcare across the region. State-of-the-art infrastructure, including **LEED Gold certified distribution centres** spanning key locations like the Philippines, Indonesia, Hong Kong, and Korea, ensures prompt delivery without compromising quality. Our extensive cold chain capabilities, boasting **over 18,000 cold room pallets**, surpass international standards for distributing biologics and vaccines.

Our Singapore-based Regional Distribution Centre, meeting the highest pharmaceutical and cold chain management standards, serves as a hub for resilient and flexible supply chain operations in Asia. Moreover, our redressing services, with an annual capacity of up to 80 million finished packs, ensure customised solutions, including production redressing, specialty packing, and cold-chain redressing, all managed by GMP-certified workstations.

Innovative solutions developed by Zuellig Pharma, such as the eZCooler, extend the storage time of temperature-sensitive products in transit, mitigating risks from supply chain delays. This reusable and 100% recyclable solution enhance product integrity to the last mile, enabling greater reach in Asia. For more information on our eZCooler solution, please refer to 155.

Zuellig Pharma has invested in building a digital infrastructure on our distribution foundations 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.



Zuellig Pharma Thailand Partners with MSD and Thai Red Cross for HPV Vaccine Distribution

In a significant partnership, Zuellig Pharma Thailand collaborated with MSD (Thailand) Limited and the Thai Red Cross Society to manage the storage and distribution of **800,000 doses** of the quadrivalent Human Papillomavirus (HPV) vaccine.

Leveraging Zuellig Pharma's state-of-the-art warehouse in Samut Prakan Province, the vaccines were delivered to key service units and health alliance partners, including the Department of Disease Control and Ministry of Public Health. The collaborative effort extended to various bureaux within the Thai Red Cross Society, such as the Queen Saovabha Memorial Institute and Relief and Community Health Bureau. This initiative had a profound impact on the wellbeing of Thai girls and vulnerable populations in Thailand who had not yet had the opportunity to access the vaccine, thereby protecting them from cervical cancer and HPV-related diseases.



PATIENT ACCESS & AFFORDABILITY

Driven by our purpose of *Making Healthcare More Accessible*, we are dedicated to ensuring patients have fair, timely, and affordable access to quality treatment options. Through our patient access programmes, we provide guidance and support to healthcare institutions, facilitating national formulary listings and inclusion in reimbursement systems. Our PatientCare team collaborates closely with regulatory pharmacists to expedite access to essential medicines through special approvals. This enables patients to receive vital treatment that may otherwise be inaccessible. Additionally, our CareConnect team empowers patients to adhere to their treatment plans by supporting to disseminate easy-to-understand educational materials provided by healthcare professionals.



Promoting CareConnect at Bio-Asia Taiwan 2023

Zuehlig Pharma was invited to participate in Bio Asia Taiwan 2023, the world's third-largest biotech exhibition. This event attracted over 100,000 visitors and 2,000 exhibitors from Taiwan and across Asia. Ms. Tracy Chui, our Senior Clinical Reach (Taiwan) Operations & Project Manager, was invited to deliver insightful presentations on how decentralised clinical trials can effectively address emerging challenges and new requirements for clinical trials in the post-Covid-19 era, with a specific focus on participant recruitment.

Moreover, the Zuehlig Pharma Taiwan team leveraged this platform to demonstrate CareConnect, our innovative patient care solution. By prioritising patient centric care, CareConnect tackles the underlying causes of non-adherence to treatment plans. Through initiatives targeting access, affordability, education, and disease management, CareConnect offers holistic patient care solutions that extend beyond medication.



Affordability is one of the top challenges facing our healthcare industry. The escalating costs of healthcare can hinder individuals from seeking timely medical attention or adhering to treatment, even though such actions can eventually reduce the overall healthcare burden. Through a guided enrolment process, patients can access our patient support programmes and start their treatment without financial barriers. These initiatives aim to alleviate the burden on patients and encourage them to prioritise their health, ultimately contributing to the overall reduction of healthcare costs over time.

Zuellig Pharma, through its ZP Therapeutics business unit, is committed to improving patient access to medicines and treatments through affordability programmes. In 2023, we continued this effort by serving **more than 378,488 patients** across all our markets, providing discounted medications or redemption offers to those who completed a guided enrolment process. This amounted to a total of **USD35.6 million in discounted medication and redemption offers**, empowering patients to afford the care they need. Additionally, **the total value of free treatment options dispensed through our affordability programmes reached USD165 million** in 2023, underscoring our dedication to ensuring that patients have access to vital treatments.

More than
378,488
 patients served through
 patient access and
 affordability programmes



Asia Pharma Awards 2023

ZP Therapeutics was honoured to receive the **'Most Innovative Service of the Year'** and **'Outcomes-based Contracting Model of the Year'** awards at the **Healthcare Asia Pharma Awards 2023**. The awards programme celebrates exceptional achievements and ground-breaking advancements from healthcare organisations across Asia.

Our winning initiatives include making the Covid-19 vaccine accessible in Asia as we worked with health authorities for timely approval to accelerate regulatory approval of vaccines, ensures the availability of the much-needed vaccines during the pandemic, and partnering with major Singaporean pharmacies to implement an omnichannel campaign for oral and throat care products, which resulted in increased public awareness and brand association with preventive health and early self-treatment.

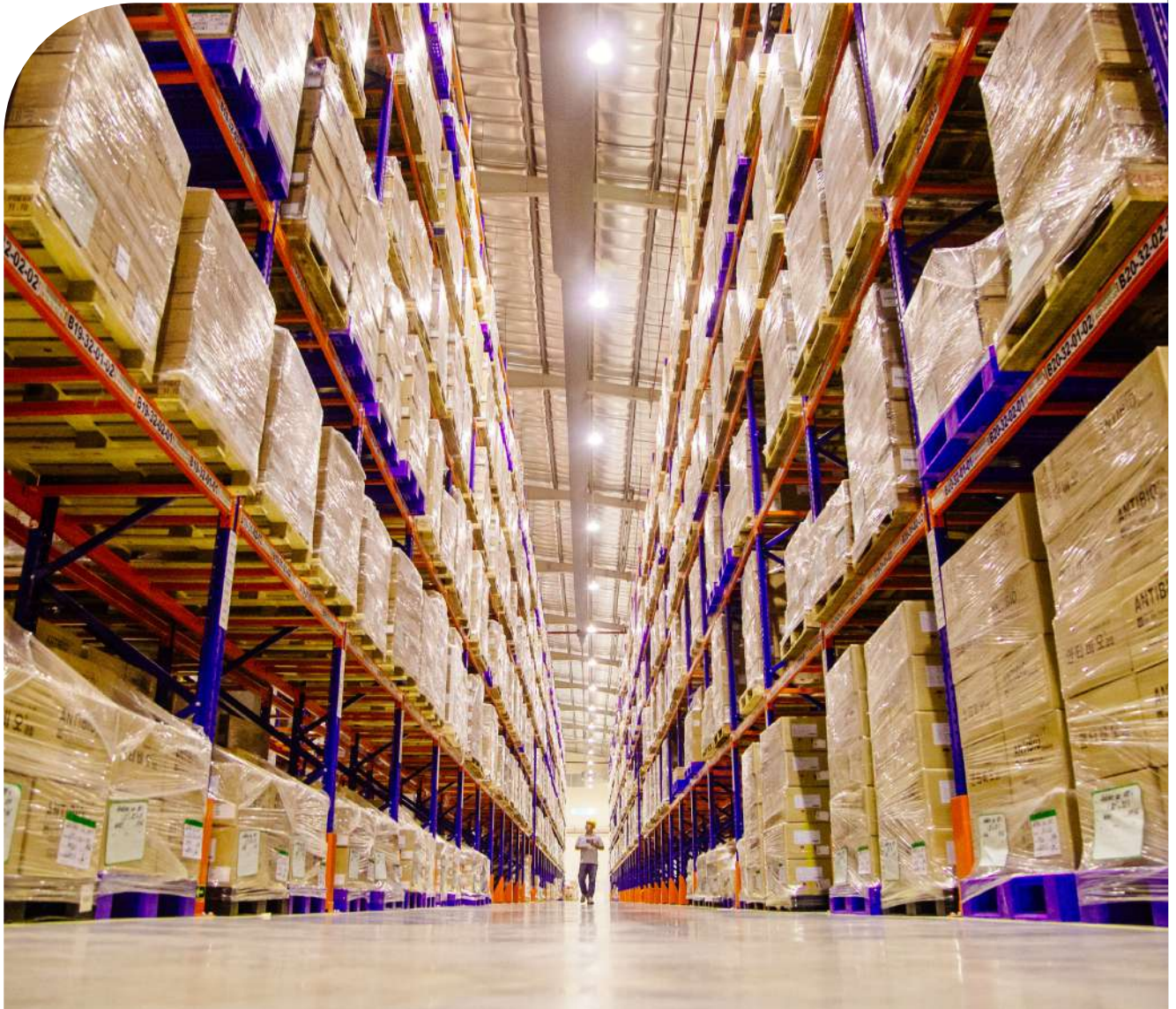
To improve access to affordable drugs, ZP Therapeutics actively drives the inclusion of medicines and treatments for reimbursement. Our team works closely with the healthcare authorities to get medicines and treatments into the national reimbursement list and the hospital level (subnational) medicine list. Inclusion into the national reimbursement system and hospital drug list allows the general public to access the medicines with minimal to zero out-of-pocket expenses. This greatly improves access and adherence, which in turn improves treatment outcomes. **In 2023, our efforts resulted in 3 healthcare products getting in the national reimbursement system of our markets.**

In addition, ZP Therapeutics strives to maintain treatments and medicines in the national reimbursement system via tenders and value-based pricing to keep them within government budgets, ensuring that treatments are available in a sustainable manner. All existing tenders were renewed to ensure sustainability in providing medication supply to patients.

SUPPLY CHAIN RESILIENCE

At its core, Zuellig Pharma's strategy for ensuring access revolves around elevating supply chain resilience, guaranteeing an uninterrupted flow of critical medicines and healthcare services to the communities we serve. Our commitment to seamless healthcare delivery is underscored by aligning our Business Continuity Planning (BCP) with the **ISO 22301:2019 BCMS framework**. This is a meticulously calculated precision that harmonises every operational facet with the highest global standards.

Enhanced by a comprehensive Vulnerability Assessment Analysis, which explores **61 scenarios** with foresight, this exemplifies Zuellig Pharma's proactive stance in fortifying resilience. By ensuring the robustness of our BCP, we not only strengthen our ability to respond to disruptions but also enhance our capacity to deliver essential medical supplies efficiently. This strategic alignment reaffirms our commitment to international best practices, reflecting Zuellig Pharma's unwavering dedication to advancing healthcare accessibility and resilience for the communities we serve.



★ OUR PERFORMANCE

→ PATIENT ACCESS & AFFORDABILITY

	2021	2022	2023
Number of patients served through patient access and affordability programmes	2.8 million	378,488	378,488
Total value of free treatment options dispensed through our affordability programmes	USD\$101 million	USD\$94.2 million	USD\$165 million
Total value of discounted medication and redemption offers provided through our affordability programmes	USD\$6.9 million	USD\$39.5 million	USD\$35.6 million



ACCESS TO INNOVATION

As a cornerstone of our mission to *make healthcare more accessible*, ensuring access to healthcare innovation reflects the dynamic interplay between ground-breaking medical advancements and the imperative to ensure these innovations reach and benefit diverse communities. By navigating regulatory landscapes and commercial channels adeptly, we aim to expedite the availability of cutting-edge healthcare solutions. Through these concerted efforts across multiple dimensions, Zuellig Pharma envisions a future where healthcare innovation is not just a privilege but a universally accessible catalyst for improved health outcomes.

MANAGEMENT APPROACH

REGISTRATION AND COMMERCIALISATION OF NEW PRODUCTS AND TREATMENTS

With increasing competition looking to capture more of Asia's low- and middle-income markets, there is increasing attention on how registration and distribution of healthcare enables access and availability. Leveraging our expertise in the industry, Zuellig Pharma plays a key role in supporting pharmaceutical companies in product development, while also increasing consumer access to these products by facilitating product availability in the market.

Our efforts with pharmaceutical regulatory authorities have allowed for successful breakthroughs in registration timelines to accelerate access to life-saving treatments. These were made 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 Regulatory Affairs (RA) team plays a pivotal role in expanding access to medicines and registering new indications previously unavailable in the market. This collaboration supports doctors' applications for medicines lacking commercial approval, facilitating their importation via special approval from local authorities. This accelerated access ensures patients receive necessary therapies that might otherwise be unavailable to them. **In 2023, the RA team successfully registered 42 new products and an additional 14 new indications previously not registered for existing medicines/products, including vaccines.** Our goal is to pave the way for early access to innovative healthcare while providing full regulatory life cycle management.

Building on our commitment to expanding access, our RA team has achieved significant milestones in securing inclusion of vital treatments into national formularies. For instance, in August 2023, we successfully advocated for the inclusion of Ixekizumab for psoriasis treatment in the Malaysian National Medicines Formulary. This milestone enables patients to access fully subsidised treatment, **benefiting an estimated 23,970 patients in Malaysia who previously lacked access to this essential therapy.** Similarly, in Thailand, our efforts led to the listing of Baricitinib for rheumatoid arthritis treatment in the Civil Servant Medical Benefit Scheme in July 2023. This listing expands treatment options for patients, ensuring broader access to much-needed therapies.

The RA team successfully registered

42 new products

and an additional 14 new indications



CLINICAL REACH

Zuellig Pharma's Clinical Reach is at the forefront of advancing healthcare innovation by providing cutting-edge clinical trial supply chain management and logistics services. With a global depot network across 16 markets and an expansive market outreach extending to **over 55 markets**, our impact has been pivotal. We have been instrumental in supporting over **5,500 clinical trials globally** displaying our adaptability to various scales and complexities, spanning Phase I through Phase IV.

Clinical trial supply chain management plays an increasingly important role in providing better patient and investigator experiences, flexibility for complex trials, and comprehensive suites of solutions. Clinical Reach's suite of services offers specialised cold chain management, ensuring the integrity and safety of clinical drugs and products throughout the supply chain. Our commitment to excellence also extends to clinical sourcing, where we offer a flexible and best sourcing practice for comparator, ancillaries, devices, and equipment on local and global scale. Leveraging on central, local, and hybrid depot strategic approach ensures a tailored response to the unique

demands of each clinical trial. Our secondary packaging and relabelling add a layer of precision and compliance to the clinical supply process. Moreover, navigating increasingly complex regulatory compliance standards is paramount in facilitating seamless trials. By ensuring safe and timely clinical product supply to research sites and patients, we contribute to the overall success and efficiency of clinical trials. Zuellig Pharma's extensive experience and skills in actively mitigating risks associated with clinical trials ensures that needs for clinical trials are met while complying with both local and international regulations. We prioritise responsible and sustainable disposal as reflected in our ethical practices for local returns & destruction.

Our steadfast commitment to excellence lies in delivering robust clinical supply chain solutions and facilitating the development and delivery of ground-breaking treatments to enhance global health outcomes. Rooted in our belief in making healthcare more accessible, we strive to contribute to the advancement of global healthcare outcomes.



Zuellig Pharma Korea's Clinical Reach: Leading in Post-Covid Trends

In June 2023, Zuellig Pharma Korea's Clinical Reach business was featured in an article by Korean healthcare news site, Medipana. Our Senior Business Development Manager, Mr. Kyungwoon Kim and Business Development Associate Manager, Ms. Ye Eun Noh shared valuable insights on key industry trends, particularly in a post-Covid era.

Clinical trials are a crucial step in the long and complex process of developing new drugs, requiring a wide range of capabilities including high-level quality control, compliance with strong guidelines from regulatory authorities, and readiness to respond to potential risks. As clinical trials become more complex, Zuellig Pharma's 100-year legacy and expertise establish us a trusted and reliable partner in the region.

Our Clinical Reach business in Korea has grown by more than 20% annually in recent years and is poised to double its growth within five years.

[Read the full article here](#)



There is a growing demand from clients for Zuellig Pharma to participate in their studies from an early stage. This reflects how clinical trial logistics management is a critical element contributing to the success of clinical trials. As we respond to changing trends and regulations, Zuellig Pharma Korea is confident in remaining an industry leader that provides stability to our clients.



MR. KYUNGWOON KIM

SENIOR BUSINESS DEVELOPMENT MANAGER,
ZUELLIG PHARMA KOREA, CLINICAL REACH



Zuellig Pharma Taiwan hosts successful GMP Training & Clinical Supply Workshop

In August 2023, Zuellig Pharma Taiwan partnered with the Taiwan Clinical Research Association (TCRA) to host a GMP Training & Clinical Supply Workshop, bringing together close to 200 participants from 50 clinical trial manufacturers.

The session commenced with a presentation by Ms. Jenny Hsu, Quality Assurance Director at Zuellig Pharma Taiwan, who shared key updates on the regulations concerning Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) for clinical trial drugs. She also discussed best practices for the classification and labelling of trial drugs, along with insights on cold-chain transportation, recycling, and destruction management. Ms. Liang Weifang from the Taiwan Food and Drug Administration of the Ministry of Health and Welfare further enriched the discussion with insights from GCP (Good Clinical Practice) inspections, shedding light on common areas of improvement in clinical trial drug management.

In addition, attendees were invited to visit Zuellig Pharma's Distribution Centre in Taoyuan to gain first-hand insights into how Zuellig Pharma employs advanced cold chain technology to facilitate clinical trial operations. Attendees had the opportunity to explore our cold storage facilities, featuring temperature ranges from 2-8°C to -80°C, reinforcing their understanding of our commitment to maintaining the integrity of clinical trial supplies.



We are grateful for this platform provided by TCRA to bring together like-minded professionals in the industry as we collectively promote the development of clinical trials. We hope that Zuellig Pharma, with its deep-rooted 35-year history in Taiwan, can leverage this platform in our mission to make healthcare more accessible.



MR. VINCENT SHYU

GENERAL MANAGER OF ZUELLIG PHARMA TAIWAN,
CLINICAL REACH

DIGITAL SOLUTIONS

Zuellig Pharma's digital solutions play a pivotal role in empowering healthcare professionals by streamlining processes, enhancing efficiency, and improving patient care. Our comprehensive digital innovations break data silos, creating a connected healthcare ecosystem that fosters seamless communication, efficient data management, and insightful analytics. By providing healthcare providers with the tools, they need to make informed decisions, our solutions optimise service delivery and drive advancements in medical practices.

The integration of digital solutions not only enhances the overall effectiveness of healthcare delivery but also contributes to the accessibility of quality healthcare services. Our platforms enable healthcare professionals to connect and engage with patients, particularly in situations where physical consultations may not be feasible. This accessibility and flexibility ensure effective communication and care delivery even in challenging circumstances.

In 2023, over **65,000 healthcare professionals** utilised our digital solutions, facilitating networking and collaboration among professionals in the healthcare industry.



Introducing eZRx: Revolutionising Healthcare Product Procurement



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.

eZRx has been recognised for its capabilities to boost efficiency, productivity, and transparency:



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.



2022 Elastic Excellence Awards Cause Award

Recognising use cases addressing social and humanitarian challenges for the betterment of the world.



Empowering Patient Care: The Role of PatientCare+

patientcare⁺

PatientCare+ facilitates pharmaceutical companies in providing comprehensive patient support, including care calls, drug consultations, disease education, and medication compliance assistance. Serving as an end-to-end platform for patient care, PatientCare+ enhances digital healthcare solutions for rare diseases, immuno-oncology, and chronic conditions. It offers a range of features to improve patient outcomes, including omnichannel onboarding and engagement, centralised data insights for enhanced experiences, and a flexible platform for accessing additional healthcare services.



Empowering Cambodian Mothers: Introducing Mommy+

mommy⁺

Zuellig Pharma introduced Mommy+, Cambodia's pioneering mobile app for expectant mothers, in May 2023. This innovative platform, designed to 'Empower Mothers and Enrich Lives', offers a range of features including a weekly pregnancy tracker, informative articles, and videos, all available in both English and Khmer.

The launch event saw **over 200 attendees**, including Cambodian mothers and their families, engaging with the app and discovering how it can enhance their pregnancy journey. Mommy+ represents Zuellig Pharma's commitment to supporting Cambodian mothers with comprehensive and accessible digital resources for a healthier pregnancy experience.

We reached
more than
95,396
HCPs through our
digital engagement
programmes in
2023.

We leverage our robust suite of ZP Therapeutics multi-channel engagement (MCE) digital solutions to deliver training and education programmes and disseminate the latest scientific updates to HCPs. **In 2023, our digital engagement initiatives experienced significant growth, reaching approximately 54,520 HCPs. Similarly, our engagement and education programmes reached around 95,396 HCPs in 2023.**

For more information on how we empower healthcare professionals, please refer to page 53.



Digital First HCP Engagement

ZP Therapeutics collaborates with healthcare industry partners to commercialise and market their products in Asia, emphasising best-in-class customer experience through state-of-the-art digital solutions. Among our offerings, we have successfully introduced Veeva CRM and Veeva Vault across 13 markets.

Veeva CRM aligns all customer-facing resources and interactions to deliver personalised and coordinated experiences across channels. Simultaneously, Veeva Vault efficiently manages regulated documents, ensuring compliance with legal and regulatory requirements throughout the product development and commercialisation process. This integrated approach enhances workflow efficiency and provides deeper insights from data, enabling our field force to deliver exceptional customer experiences while maintaining regulatory compliance seamlessly.



 **OUR PERFORMANCE**

	2021	2022	2023
Number of new healthcare products registered	-	70	42
Number of healthcare professionals reached through our engagement and education programmes	58,806	72,414	95,396
Number of healthcare professionals reached through our digital engagement initiatives	32,294	35,499	54,520



EQUITABLE HEALTHCARE SYSTEMS

Over the past decade, significant advancements in healthcare technologies have ushered in transformative improvements, enhancing the overall quality and delivery of care. However, amidst these commendable strides, a sobering reality emerges—innovation, at times, has inadvertently widened existing gaps in healthcare access and equity across diverse markets. This nuanced challenge underscores the necessity for Zuellig Pharma to steadfastly address and contribute to fostering equitable healthcare access.

MANAGEMENT APPROACH

PUBLIC POLICY

Public policy directly impacts the health outcomes of the communities Zuellig Pharma serves. Key to our approach are engagements with governments and related health stakeholders. These partnerships enable us to build a healthier future for communities through healthcare reform, digitalisation of healthcare, healthcare financing and support, disease management, and the use of data analytics to guide policy.

We leverage 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 and regulatory developments relevant to Zuellig Pharma. This includes participating in local trade associations or government collaborations in the markets where we operate. We also provide training to the relevant staff. **In 2023, over 70 employees were trained on government affairs through cross-functional working sessions and capability building workshop.**



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 collectively leverage each other's strengths and offer a unified response to crises, such as the recent pandemic. The unified response should be centred 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 2023, we continued our key role as an immunisation partner in making vaccines accessible to patients, including latest COVID-19 vaccines. Specifically in Thailand, we worked with the Department of Disease Control to distribute COVID-19 vaccine donations from Germany, Australia and South Korea, and the Thai Red Cross Society on HPV vaccines. We collaborated with Pharmacy Council of Thailand, National Health Security Office, and several vaccine companies to enable pharmacy-based vaccination, which includes product knowledge training to equip pharmacists with vaccine administration.

Zuellig Pharma Singapore was recognised for our outstanding contributions to fight against COVID-19 in Singapore, namely two categories; the **President's Certificate of Commendation (COVID-19)**, three of our employees received the Public Service Medal (COVID-19). Zuellig Pharma Taiwan received the prestigious **National Biotechnology and Medical Care Quality Award (Silver)** for developing the only ultra-low cold chain integrated solution designed for COVID-19 vaccine distribution in Taiwan. Most notably, we received two awards at the **2023 Asia-Pacific Vaccine Excellence Awards** for **Best Vaccine Supplier Award: Last Mile Implementation** and our business division, ZP Therapeutics for **Best Vaccine Partner of the Year**.

We worked actively as part of the EU ASEAN Business Council (EUABC), US ASEAN Business Council (USABC), and local trade associations to drive policy discussions through events, white papers, and direct engagement with Governments.

Alongside other healthcare and pharmaceutical companies, we ran a series of health roadshows and delved into our key topic, "Building Robust Supply Chain Frameworks through Technology and Partnerships". Our Managing Directors in Philippines, Indonesia, Malaysia, and Thailand contributed ideas on the role Zuellig Pharma can play in creating efficient and transparent distribution network whilst ensuring patient safety, and how we can help empower healthcare providers with access to information, treatment, and advice of innovative medicines.

Our commercialisation division, ZP Therapeutics, conducted our first Regional Regulatory Affairs Summit where we brought together regulatory agencies, regulatory and safety organisations and the pharmaceutical industry and discussed on the importance of parallel review and e-labelling to improve access of healthcare to patients. For more information on the summit, refer to page 52.

Our VP of Quality Assurance, Mr. Brett Marshall represented Zuellig Pharma to conduct Product Identification Training with ASEAN Customs officials in Davao, organised by EUABC, where we highlighted the use of eZTracker and how we identify counterfeits for medicines. Additionally, Mr. Marshall participated as a speaker during National Consciousness Week Against Counterfeit Medicines (NCWACM), organised by the Philippines FDA. Plans are underway to work with EUABC on running country-specific workshops to combat illicit trade for medicines in 2024.

In Taiwan, we conducted a policy forum in collaboration with Taiwan Digital Health Industry Development Association (TAIDHA) and shared telemedicine practices in Asian countries (Japan, Singapore, and Hong Kong).

Overall, through these platforms, we reached close to **900 stakeholders** and contributed to policy discussions that help shape digital health regulations, healthcare financing framework, immunisation policies, quality, and regulatory harmonisation standards.

PUBLIC-PRIVATE PARTNERSHIPS

Public-private partnerships are vital in ensuring equitable healthcare access as they leverage the strengths of both sectors to address complex healthcare challenges. Zuellig Pharma, as a healthcare service provider, plays a pivotal role by collaborating with public entities, sharing expertise, and contributing resources. This collaboration fosters innovation, enhances distribution networks, and facilitates the delivery of healthcare solutions to underserved populations, ultimately bridging gaps, and promoting inclusivity in healthcare access.

Along with other representatives from both the public and private sector, our CEO, John Graham participated in a closed-door forum organised by The Italian Chamber of Commerce in Singapore in partnership with Farmindustria, the Antenna of Confindustria in Singapore and the Embassy of Italy in Singapore on healthcare collaboration between Singapore and Italy.

Various thought-provoking topics were discussed during the session, including potential synergies between Italy and Singapore's pharmaceutical industries, key government initiatives like Healthier SG, the pioneering role of Health Sciences Authority in accelerating regulatory approvals through cross-border collaboration, public-private partnerships, and the life sciences investment environment.

As a leading healthcare solutions company in Asia, Zuellig Pharma's work with governments, statutory boards and industry associations plays a critical role in making high-quality healthcare products more accessible to the region's populations, and we were heartened by the opportunity to strengthen cross-sector collaboration between Italy and Singapore.

Our CEO, John Graham was also invited to speak at the **IFC Global Private Health Conference 2023**. Organised by the International Finance Corporation (IFC), a member of the World Bank group, 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 were shared with the attending delegates.

Discussions like these are critical in shaping our approach to strengthening our healthcare systems in the coming years, to build resilience and enhance our preparedness for the next unprecedented and unanticipated healthcare crisis, whenever it might happen. Establishing strategic partnerships now between the private and public sectors will be instrumental in managing emerging healthcare challenges.



Regulatory Affairs Summit

In November of 2023, Zuellig Pharma and EU-ASEAN Business Council held a Regulatory Affairs Summit in Singapore to delve deeper into current issues faced in the regulatory landscape both locally and internationally across WHO, EMA and USFDA.

This summit brought together participants from regulatory agencies, regulatory and safety organisations, as well as professionals within the pharmaceutical industry who deal with regulatory affairs and safety issues within ASEAN territories.

The opening addresses were delivered by Zuellig Pharma CEO Mr. John A. Graham and EU-ABC Executive Director Mr. Chris Humphrey. Following this, expert panellists from regulatory bodies within the ASEAN territories and subject matter experts from the pharmaceutical industry shared

their valuable insights through two informative forums. This significant event played a crucial role in connecting policy influencers, government representatives, and regulatory affairs professionals across various ASEAN territories, fostering collaboration, dialogue, and a shared commitment to advancing healthcare standards.

The first forum, "Parallel Review and Mutual Recognition between ASEAN and the EU/US", saw the panellists acknowledging how parallel review or mutual recognition can improve patient access to safe and effective treatments, while promoting regulatory process efficiency and resource optimisation. The second, "E-Labeling Readiness and the Status in ASEAN" sparked discussions on advancing technological solutions to improve efficiency, reduce costs, and contribute to a more sustainable and patient-centric ecosystem.

EMPOWERING HEALTHCARE PROFESSIONALS

Healthcare professionals (HCPs) such as pharmacists and pharmacy employees, serve as the front line of defence for their communities, particularly in regions where healthcare systems are overburdened. Zuellig Pharma is committed to enhancing their abilities to serve their local communities through comprehensive trainings, conferences and enhancing medical education. We do this in full compliance with established industry rules of engagement and observe all applicable laws and regulations.

With the easing of pandemic travel restrictions, our teams across different markets actively engaged with local health authorities, medical associations, advisory boards, scientific experts, and key opinion leaders. These engagements have facilitated discussions aimed at exploring new or improved treatment options and clinical practices, ultimately enhancing health outcomes for patients. Throughout 2023, we hosted multiple regional disease awareness days and annual conferences, featuring prominent international and regional speakers across Asia, fostering dynamic discussions on various therapeutic areas and facilitating networking among healthcare professionals.



Southeast Asia Immunology Summit

In July 2023, the 2023 Southeast Asia Immunology Summit was successfully held in Kuala Lumpur, Malaysia. **The event was attended by 160 participants from four markets (Indonesia, Malaysia, Philippines, and Thailand), featuring 24 distinguished global and regional speakers who delivered eight sessions covering the Immunology portfolio.**

This summit, inaugurated in 2022, marked the second instalment of a scientific exchange among global and regional experts in dermatology and rheumatology. It focused on treating conditions such as psoriasis, atopic dermatitis, rheumatoid arthritis, psoriatic arthritis, and axial spondylarthritis, emphasising a multidisciplinary approach to improving immunology care.

Throughout the day, physical engagement and networking opportunities fostered connections among healthcare professionals, Key Opinion Leaders, and ZP Therapeutics representatives. These interactions facilitated collaboration and knowledge sharing across Dermatologists and Rheumatologists, shaping the future of patient care in our region.

Feedback from participants indicated that the Summit exceeded expectations, with delegates expressing keen interest in continuing to attend high-quality educational forums. Consequently, this event will be an annual occurrence, serving as a platform for ongoing scientific updates, guideline revisions, and shared experiences that further ZP Therapeutics' partnership in advancing the field of immunology.





ASEAN MRI Workshop 2023

The ASEAN MRI Workshop 2023, organised by the ZP Therapeutics Immunology team, successfully took place on March 5th and 6th in Bangkok, Thailand. **This inaugural ASEAN-focused MRI workshop spanned two intensive and interactive half-days, drawing 60 delegates from four countries: Indonesia, Malaysia, the Philippines, and Thailand.** The event received high post-event survey ratings across various areas, highlighting its effectiveness.

The workshop contributed to advancing education on the diagnosis and management of axial spondyloarthritis (axSpA). Participants gained insights into fundamental magnetic resonance imaging (MRI) principles, learned to interpret MRI results, and recognised pathological findings in axial structures relevant to spondyloarthropathy patients. Predominantly attended by rheumatologists and radiologists, delegates expressed gratitude for the programme and expressed a desire to share their newfound knowledge with peers and trainees.

Moving forward, ZP Therapeutics remains committed to collaborating with medical societies in each market to introduce further education programmes of this calibre, aiming to enhance participants' knowledge and capabilities in the field.



Asian Diabetes Xchange Summit 2023



In May 2023, ZP Therapeutics delivered a highly impactful and successful second Asian Diabetes Xchange (ADX) Summit held in Kuala Lumpur, Malaysia. **The ADX Summit expanded its reach in 2023, engaging over 600 healthcare professional participants with 208 attending in person and 427 virtually from 8 markets, namely Malaysia, Thailand, Philippines, Indonesia, Vietnam, Taiwan, Hong Kong, and Singapore.**

The summit convened five International Experts and four Regional Speakers in Endocrinology and Diabetes, who shared their expertise and strategies in the management of Type 2 Diabetes. Through robust scientific evidence and discussions on emerging trends, the summit aimed to empower healthcare providers to help more patients with Type 2 diabetes achieve their treatment goals and receive patient-centric care. This event reinforces our unwavering commitment in strengthening ZP Therapeutics' footprint and partnership in diabetes care across Asia.



Southeast Asia Oncology Summit

ZP Therapeutics organised the second Southeast Asia Oncology Summit from August 4 to 6 2023, bringing together leading Medical and Surgical Oncologists from the region and around the globe. The conference theme “Advancing Cancer Care. Inspiring Hope.” underscored our collective mission to deepen our understanding of cancer, explore innovative treatments, and make significant progress in improving outcomes for cancer patients worldwide.

The panel of **4 global and 12 regional experts** who convened to discuss the management of breast cancer, non-small cell lung cancer (NSCLC) and gastric cancer, covering topics on innovation and access. The summit featured informative presentations, clinical case sharing and robust discussions. **Attended by over 250 participants from Malaysia, Thailand, Indonesia, Myanmar, and the Philippines**, both online and in-person, the event fostered lively interaction and networking among healthcare professionals, key opinion leaders (KOLs), and ZPT representatives throughout the three days.



Asian Osteoporosis Summit 2023



Held in March 2023, the inaugural Asian Osteoporosis Summit (AOS) was organised by ZP Therapeutics. Themed “Journey to Healthier Bone”, the summit addressed osteoporosis (OP) as a pressing chronic disease requiring urgent attention in Asia.

With experts from Spain, Hong Kong, Malaysia, the Philippines, and Thailand, the AOS 2023 was the region’s largest industry-sponsored medical conference dedicated to OP. The focus was on improving diagnosis and implementing effective management practices to enhance patient outcomes and reduce burden of OP in Asia.

The hybrid conference brought together specialists from various fields managing OP, including endocrinologists, orthopaedic surgeons, neurosurgeons, rheumatologists, and pharmacists. The theme, “Journey to Healthier Bone,” highlighted OP as a journey, emphasising the importance of awareness, early diagnosis, and appropriate treatment.

AOS 2023 garnered significant interest, prompting discussions to make it an annual two-day event. ZP Therapeutics aims to make healthcare more accessible, and events like AOS play a crucial role in raising awareness of unmet needs in diagnosing and managing OP. Moreover, it provided a platform for healthcare professionals to share valuable insights on available treatments for OP.



COMMUNITY EMPOWERMENT

At Zuellig Pharma, we recognise that true sustainability goes beyond our immediate business relationships and involves fostering meaningful connections with the communities we serve. Through our ambition to improve health outcomes and provide better access to healthcare in Asia, we are committed to empowering our communities through active engagement, grounded in the belief that by involving and collaborating with local communities, we can create lasting positive impacts that extend far beyond our operational footprint. The communities that we engage with include targeted patient groups, local populations, communities of healthcare service providers via virtual modes, as well as our own employees and their families.

MANAGEMENT APPROACH

PUBLIC HEALTH AND PATIENT EDUCATION

Effectively engaging patients in their care is essential to enabling better health outcomes. Preventative care must complement disease management, supporting healthier lifestyle choices and better self-management of chronic illnesses. This includes increasing disease awareness and patient adherence, ensuring a holistic approach to healthcare that focuses on both prevention and treatment. By prioritising patient education and empowerment, we aim to improve public health and foster a proactive approach to wellness.

To promote patient education as a first step towards mitigating health risks and reducing the burden of diseases, our ZP Therapeutics team launched **9 health awareness campaigns across therapeutic areas in 13 markets in 2023**. One of them is in Type 2 Diabetes Mellitus (T2DM) which has a high prevalence across Southeast Asia. For World Diabetes Day 2023, ZP Therapeutics has conducted ZPT World Diabetes Day Rally Activation across 10 markets. **More than 934 participations across the market, and over 600 touch points with HCPs was achieved**. During the event, the ZP Therapeutics team activated different campaigns to collaborate with HCPs in respective countries to increase the awareness of Type 2 Diabetes Mellitus.

The team also conducted activities for World Cancer Day, World Axial Spondylo-arthritis Day, Migraine Awareness Month, Iron Deficiency Day, Antimicrobial Awareness Week, World Sepsis Day as well as International Women's Day. For Breast Cancer Awareness Month, ZP Therapeutics conducted "Colour me Pink" Campaign, encouraging staff to participate by wearing or carrying something pink to create awareness for breast cancer - the most common cancer. At ZP Therapeutics, we are strongly committed to advancing cancer care and inspiring hope to the countless individuals and families affected by cancer. We unite with other individuals, businesses, and communities to raise awareness and show support for our breast cancer patients, reminding them that they are not alone. **In 2023, we organised 143 disease awareness programmes that reached around 907,832 patients and 4,972 of our employees.**

We reached around
907,832
patients through our
disease awareness
programmes
in 2023.

HEALTH
EDUCATION

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 2023, we served 22,562 patients through our patient adherence and disease management programmes.**

In 2023, we facilitated
15 end-to-end
mass vaccination
programmes, reaching
5.8 million
individuals



Consumer-centric vaccine education has also been key focus. Vaccination is a way to help people protect themselves and their communities. This was more pertinent than ever 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.

Drawing from our extensive experience in running mass vaccination programmes, Zuellig Pharma has been instrumental in supporting institutions and communities in administering comprehensive end-to-end programmes. **In 2023 alone, we facilitated 15 end-to-end mass vaccination programmes, reaching over 5.8 million individuals. Additionally, over 8,123 of our own employees had access to these vaccination initiatives.** Our end-to-end programmes encompass a range of services, including website registration and ordering, product delivery, vaccine administration, and data analysis for evaluating effectiveness. Through patient care solutions and supply chain expertise, we bridge gaps in access and education, while ensuring vaccine integrity, safeguarding their potency, and preserving efficacy right up to the last mile.

LOCAL COMMUNITY ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

Our teams across various markets actively engage in local community initiatives, forming an integral part of Zuellig Pharma's corporate social responsibility (CSR) programme. These initiatives are conducted in collaboration with local non-profit organisations or government agencies, strategically focusing on areas that align with our overarching goal of enhancing health outcomes for communities across Asia. Our CSR efforts are concentrated in three key focus areas:

- Healthcare Access and Education
- Environmental Sustainability
- Education and Skills Development

By prioritising these areas, we aim to maximise our positive impact on society while upholding our commitment to corporate citizenship and sustainable development. Through collaborative partnerships and targeted initiatives, we strive to create lasting change and contribute to the wellbeing of the communities we serve. Our CSR initiatives also provide meaningful opportunities for our employees to take part in volunteering and give back to their local communities.



"Happy kids with Zuellig Pharma" (Korea)



In December 2023, the Zuellig Pharma Korea team organised its inaugural "Happy Kids with Zuellig Pharma" event, an engaging and educational programme for 5 to 7-year-old children from the Summer Hill Daycare Centre in Namyangju, Gyeonggi Province, to learn about the safe use of medicines.

An in-house pharmacist from ZP Therapeutics took the lead in facilitating a fun and interactive lesson on the responsible purchase, usage, storage, and disposal of drugs for the participants. The children were also equipped with educational materials to share and learn with their parents at home.

Aligned with Zuellig Pharma's mission of making healthcare more accessible and the Improving Health Outcomes pillar in our Sustainability framework, this CSR initiative represents our ongoing commitment to addressing the serious issue of harmful or illegal drug distribution in Korea. It also aims to educate children about the associated risks. The idea for this programme arose from the Sustainability Innovation Awards organised by the Korea team, which provided a platform for colleagues to submit their creative ideas to enhance Zuellig Pharma's sustainability efforts. If you wish to learn more about our Sustainability Innovation Awards, please refer to page 104.

As we strive towards building a healthier future for Asia, Zuellig Pharma will continue to partner with various like-minded organisations to spearhead better healthcare accessibility for the communities we serve.



"Smile Amplifier – Give Back to the Community" (Cambodia)

The Zuellig Pharma Cambodia team participated in "Smile Amplifier – Give Back to the Community", a CSR initiative for employees to volunteer and make a positive impact on vulnerable children who are struggling with healthcare and education.

Led by the ZP Therapeutics Consumer Healthcare and HR teams, **over 30 employees joined forces to make a positive impact on 150 vulnerable children** from Coconut School, a local primary school in a remote area of Cambodia. The school is known for its innovative tuition programme "Trash To Tuition," providing free education, shelter, and healthcare to children in remote communities. ZP Therapeutics Business Lead (CHC) Mr. Lorn Chheang Orn opened the event, setting the stage for Product Managers Mr. Khim Sophin and Ms. Chhuyhoung L. to lead training sessions on body hygiene and dengue prevention and awareness. The session concluded with the generous distribution of school and hygiene supplies, including tumblers, bags, books, umbrellas, and toothbrushes, all donated by our dedicated colleagues.



We believe that our CSR activities are an important way for us to make a positive impact to the community, show care and foster a culture of giving back while building a strong and sustainable business. We are committed to continuing our efforts to support the community and promote social responsibility, and we look forward to sharing our progress in the future.



MR. JAN RASK CHRISTENSEN

MANAGING DIRECTOR OF ZUELLIG PHARMA
CAMBODIA & MYANMAR





Zuellig Pharma Thailand's CSR Initiative: Preserving Biodiversity

As part of their Mid-Year Meeting, Zuellig Pharma Thailand gathered 70 leaders for strategic planning and cross-functional alignment. A highlight of the event was the CSR activity focused on environmental preservation and biodiversity. The team collaborated to construct two artificial salt licks within Khao Yai National Park, exemplifying our commitment to sustainable conservation efforts. These salt licks are strategically designed to contribute to a self-sustaining ecosystem, providing essential nutrients for wildlife, notably elephants and gaurs, to meet their dietary needs.



To learn more about our other environmental preservation efforts, please refer to page 131.

Partnership with Action4Diabetes (A4D)



Type 1 Diabetes is an incurable condition which could be fatal if left untreated. Action4Diabetes (A4D) was set up in 2016 to transform the lives of young people living with Type 1 Diabetes (T1D) in Southeast Asia. The charity provides essential medicines and medical supplies through their Clinic Support Programme, as well as the right T1D education through their HelloType1 platform and T1D family camps. Zuellig Pharma has been a corporate sponsor of A4D since 2017. Through our partnership, we have found different ways to make a meaningful difference to the lives of patients and their families.

Over the years, we continued to support our dedicated long-term charity partner, A4D, through virtual fundraiser events. In 2021, we organised the **"Give It Your 100"** fundraiser event which was organised in celebration of the 100th year since the discovery of insulin. Nearly **1,300 employees** from Zuellig Pharma and clients actively participated in daily exercises of their choice – including soccer, badminton, swimming, cycling, among many others, and logged their distance and hours spent through these activities. In 2022, we organised the **ZP "Step Up" Challenge** to commemorate World Diabetes Day. Close to **2,300 employees** and clients participated in this event, coming together to achieve the fun raising target by collectively completing more than 5,000 steps a day through activities like walking, running, stair climbing.

Both events were jointly organised together with A4D as part of our Sustainability Month activities to commemorate our Improving Health Outcomes pillar. As our employees strive daily to live by our mission of making healthcare more accessible, we planned the activities as a reminder that it is just as crucial

for them to pay attention to their own physical and mental wellbeing. It is only by keeping ourselves healthy that we can build a healthier future for the communities we serve in the long-term.

In total, our fundraiser events were successful in raising over USD\$174,000, which can cover an entire year of treatment for over 340 young people living Type 1 Diabetes.



Zuellig Pharma's unwavering support has been instrumental in our mission to transform the lives of young people living with Type 1 Diabetes in Southeast Asia. Their commitment to our cause, as evidenced by their generous contribution and active participation in our fundraising events, has made a significant impact on the lives of those we serve. We are deeply grateful for their partnership and look forward to continuing our collaboration to improve health outcomes for individuals with T1D. Thank you, Zuellig Pharma, for your dedication and support.



MR. JERRY GORE

CO-FOUNDER,
ACTION4DIABETES



OUR PERFORMANCE

	2021	2022	2023
Number of health awareness campaigns launched	10	8	9
Number of patients reached through disease awareness programmes	507,495	1 million	907,832
Number of patients served through patient adherence programmes	23,249	29,182	11,101
Number of end-to-end mass vaccination programmes facilitated by Zuellig Pharma	12	146	15
Number of people vaccinated through end-to-end mass vaccination programmes facilitated by Zuellig Pharma	19.3 million	64.3 million	5.8 million

NURTURING TALENT



**TALENT
DEVELOPMENT &
ENGAGEMENT**



**DIVERSITY,
EQUITY &
INCLUSION**



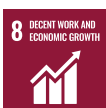
**WORKPLACE
HEALTH, SAFETY
& WELLBEING**



**LABOUR
PRACTICES AND
HUMAN RIGHTS**



**CONTRIBUTING TO
THE SUSTAINABLE
DEVELOPMENT
GOALS (SDGS)**



NURTURING TALENT



2023 HIGHLIGHTS

Women representing **48%** of our workforce and 51% of our middle to senior management and professionals

51% of successors to critical positions held by female employees

Unadjusted gender pay gap contained at

0.61%

between men and women (lower than the global average uncontrolled gender pay gap at 17%)



467,451 training hours

dispensed to our employees, 31 hours on average per employee, an increase of 2.6 hours from 2022.

100%

adherence to HSSE checklists across all markets



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 a talent, everyone has potential to be unlocked, and everyone owns their career. To support our employees to fulfil own career aspiration, we focus on offering 'career lattice' and 'career pathways' during end-to-end talent life cycle management and create the best employee experience.

CAROL XU

CHIEF PEOPLE OFFICER

NURTURING TALENT PILLAR LEAD





TALENT DEVELOPMENT AND ENGAGEMENT

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

Zuellig Pharma is dedicated to fostering a culture of continuous growth and development among its employees, recognising that a highly skilled workforce is instrumental in achieving our mission of making healthcare more accessible. By implementing an end-to-end talent life cycle management framework, we strategically attract and retain top talents, ensuring we are well-positioned to tackle evolving challenges in the healthcare industry.

Our focus on talent development underscores our commitment to our employees' professional growth and enhances our appeal as an employer-of-choice to top-tier talent.

By investing in our workforce and promoting a supportive culture of innovation and high performance, we enhance the overall resilience and effectiveness of our services.

MANAGEMENT APPROACH

TALENT ATTRACTION AND RETENTION

As of 31 December 2023, our workforce comprises **12,291 staff across our 18 markets**. Our workforce is made up of direct hires, as well as a pool of contract staff, non-guaranteed hours employees and third-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. Third-party personnel are individuals who are sub-contracted through third-party agencies and are typically engaged to support additional workload or cover for staff who go on long leave.



Please refer to Notes on Performance Data for the full breakdown of employees by gender and region.

Our approach is guided by a comprehensive talent framework which is supported by robust tools and processes in talent identification, development, and retention.

OUR TALENT FRAMEWORK



Integral to Zuellig Pharma's recruitment strategy is the development and promotion of a strong employer brand rooted in our company values and mission of making healthcare more accessible.

Across our markets, we collaborate with universities to engage and recruit promising individuals through internship initiatives, mentoring, and graduate programmes. For example, Zuellig Pharma Korea has formalised an Internship MOU with Dongguk University Graduate School, enabling us to impart professional knowledge and contribute to the development of human resources, as well as the broader community and industry.



University Collaboration for Talent Development

In 2023, Zuellig Pharma Indonesia conducted a series of initiatives to foster meaningful connections with universities and student communities, to enhance our employer branding.

One of them was the **APL Internship Programme**, which welcomed **234 interns from prestigious institutions** across the country. 41 interns were selected from BINUS University and President University for regular internships, while 193 students from Universitas Indonesia (UI), UGM Universitas Gadjah Mada (UGM), Institut Teknologi Bandung (ITB), and Pancasila University participated in the Apothecary Internship Programme.

REGULAR INTERNSHIP PROGRAMME	APOTHECARY INTERNSHIP PROGRAMME
<ul style="list-style-type: none"> Over 6 months Hands-on learning experience Exposure to industry experts and projects 	<ul style="list-style-type: none"> Comprehensive two-week programme focuses on learning business processes, regulatory operations and affairs and quality assurance

To raise awareness about Zuellig Pharma's business, we also organised webinars and participated in university career fairs which provided valuable insights and networking opportunities to the students. Additionally, the company hosted warehouse tours, welcoming 113 students from six universities to visit its National Distribution Centre, Jakarta Distribution Centre, Bandung branch, and Yogyakarta branch, offering first-hand experience into the company's operations and culture.

Thanks to these efforts, our Management Trainee (MT) recruitment drive drew **11,816 applications from over 95 universities**, both local and international. From this candidate pool, we selected eight as our cohort of Management Trainees from 6 distinguished universities, adding a dynamic and promising dimension to Zuellig Pharma Indonesia.

NEW HIRES AND TURNOVER BY GENDER AND AGE GROUP IN 2023

	NEW HIRE		TURNOVER	
	NUMBER	RATE	NUMBER	RATE
MALE	1,067	8.68%	1,194	9.71%
FEMALE	1,323	10.8%	1,401	11.4%

	NEW HIRE		TURNOVER	
	NUMBER	RATE	NUMBER	RATE
UNDER 30 YEARS OLD	984	8.01%	723	5.88%
30-50 YEARS OLD	1,289	10.5%	1,590	12.9%
OVER 50 YEARS OLD	117	0.95%	282	2.29%

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

EMPLOYEE BENEFITS

We offer fair and competitive compensation to attract, motivate, and retain talent. With a compensation philosophy based on meritocracy, the Organisation Compensation Committee oversees our employment practices and ensures that they guarantee fairness and competitiveness. Additionally, comprehensive benefits, including insurance, healthcare, and leave entitlements, are extended to all full-time employees, with each market incorporating remote work and flexi-time arrangements for relevant teams.



EMPLOYEE ENGAGEMENT

At Zuellig Pharma, we believe that employees' performance and growth stem from engagement and fulfilment in their work. Many of our employees are driven by a belief in our mission. To further fuel this sense of purpose and enhance employee engagement, we strive to better understand the key factors motivating loyalty within our workforce. We have consistently implemented diverse initiatives across all markets, tailored to country-specific employee engagement strategies, including town halls, recognition programmes, employee engagement surveys, workshops, and communication platforms.

Since 2021, Zuellig Pharma has engaged Gallup, an independent research-based consulting firm, to conduct

our annual Employee Engagement Survey (EES) using standardised metrics to measure progress and identify areas for improvement. **In 2023, 96% of eligible participants, equivalent to 9,764 employees, participated in the EES.** The consistent high rate of survey participation reflects trust in Zuellig Pharma's responsiveness to feedback and its ability to take effective action based on the received input. We maintained an elevated **engagement score of 3.96** out of 5. Notably, 8 markets have demonstrated enhanced employee engagement, with the largest improvement observed in Myanmar and Thailand based on local market data. Encouraged by these results, we are motivated to continue driving positive organisational change that fosters employee satisfaction and engagement.



Engaging Employees on Sustainability

After three successful runs since 2020, Zuellig Pharma has rebranded our Sustainability Month activities into Sustainability Weeks, ensuring continuous engagement with our colleagues on sustainability-related matters throughout the year. These campaign events bring together our colleagues and partners virtually, focusing on our four key sustainability pillars: Improving Health Outcomes, Nurturing Talent, Respecting the Environment, and Setting the Highest Standards of Integrity. The weeks featured engaging activities such as webinars, contests, pledges, and more, all designed to heighten employee awareness and engagement with each pillar.



~390

attended our **6th DEI Inspire webinar** to learn about compassion and why it matters in the workplace.

The **"Meet My Workspace" campaign** saw an overwhelming level of engagement where employees shared how they transformed their personal workspaces into psychologically safe spaces.



~290

employees attended our **"Work Smart, Work Easy" webinar** which introduced productivity practices and real-life examples, empowering them with actionable steps to improve their work and personal lives.

The **"Fit for Life!" campaign** achieved remarkable success as colleagues enthusiastically shared their workout routines and wholesome meal choices.



~150

participants attended the **Integrity Week Launch webinar** where our leaders shed light on how Quality plays a pivotal role in our journey to become a world-class healthcare solutions company.

3 TEAMS

collaborated in our first ever **Ops-QA-Tech Mindmeld Hackathon** to generate ideas that will address high priority topics.

42 PAIRS OF CONTESTANTS

from various departments across the region took part in the **Integrity Hero Quiz Tournament**.



~500

employees attended our **"Preparing for Climate Change" webinar** which shared insights about the physical and psychological effects of climate change, how to combat climate change on both a personal and organisational level.

2,000 TREES

(equivalent to a forest) planted around the world in partnership with EcoMatcher.



Zuellig Pharma Malaysia Hosts 'Little Leaders at Work' Event for Employees' Children

The Zuellig Pharma team over in Malaysia organised a "Little Leaders at Work" event in August 2023, providing an opportunity for **40 of our employees' children** to explore their parents' workplace. The inaugural event was aimed at giving the children a glimpse into the working world and raising awareness about what their parents do at work daily.

It was an exciting day for the kids, filled with memorable activities such as an interactive session with a clown who entertained the children with games, magic tricks, and an abundance of colourful balloons. There were also face painters who skilfully transformed children's faces into works of art.

The highlight of the day was a tour of our Secondary Repackaging and Distribution Centre warehouses, where the children witnessed how goods are packed and sorted. They had a blast sticking labels on boxes and getting up close and personal with a forklift.

Overall, it was an unforgettable event for both children and parents alike, and we look forward to organising more "Little Leaders at Work" sessions in the future.



[Click here to watch the highlights of the event](#)



Introducing ZP Bravo!: Celebrating Excellence and Fostering Engagement

ZP BRAVO

In 2023, we proudly introduced "ZP Bravo!", our latest Rewards and Recognition Programme. Acknowledgment is a vital component of cultivating a positive work environment, and this innovative programme serves as a platform to appreciate and celebrate the significant contributions of each of our employees. The mobile-friendly platform empowers employees to recognise their colleagues by expressing gratitude for embodying our Core Values, acknowledging their efforts, celebrating achievements or milestones, and even sharing personal messages to commemorate important moments, whether personal or professional. We firmly believe that nurturing a culture of acknowledgment is crucial for enhancing job satisfaction, elevating employee engagement, and bolstering retention rates. By actively encouraging our employees to express appreciation, we aspire to cultivate a more engaged and motivated workforce, ultimately leading to heightened productivity and an overall enhancement in the quality of our work.



TRAINING AND DEVELOPMENT

Acknowledging the importance of building a sustainable talent pipeline, we conduct an annual 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. It includes conducting development dialogues with employees to develop a shared career plan, assessing their current competencies, and tracking progress.

All employees in the company received a performance and career development review in 2023.

We completed our job grading exercise in 2023, 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.

Back in 2022, we had initiated an enterprise-wide job evaluation process, laying the foundation for transparent

and equitable compensation and rewards strategies. This initiative also facilitated improvements in job design, promoting skill variety, increased autonomy, and meaningful goals, all aimed at enhancing employee development and satisfaction. Building on this groundwork, we started Career Pathways in Q4 2023, which will offer a structured trajectory for professional growth and advancement within Zuellig Pharma. The pathways will outline interconnected roles, skill development opportunities, and career milestones, ensuring employees have a clear roadmap for their professional development. 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 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 programme. 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 Programme 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 transfers 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 continued to scale up to more markets in 2023.

With "Personal Growth" as one of our core values, we encourage and provide opportunities for employees to pursue learning and growth at all stages of their careers. Besides in-house training programmes for skills development, including functional skills as well as general management skills like coaching and team collaboration, we have more than 150 courses available on our automated Learning Platform LMS for our teams to be able to take their professional development into their own hands. They include 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 2023, our employees undertook a total of **467,451 hours** of training. This represented an average of **31.1 training hours per employee**, an increase of **2.6 hours from 2022**.

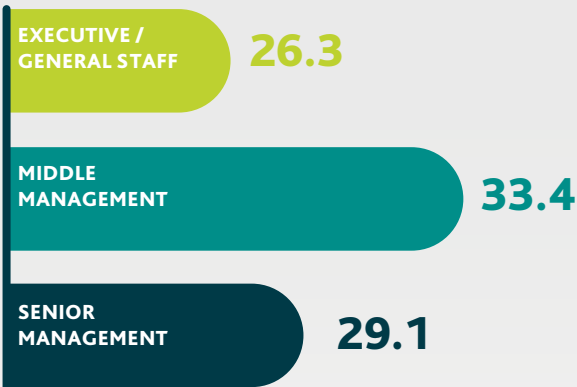


● AVERAGE TRAINING HOURS IN 2023

BY GENDER



BY EMPLOYEE CATEGORY



ZP NextGen Leader Management Training Programme

Zuellig Pharma Philippines proudly welcomed a new cohort of aspiring professionals into our esteemed ZP NextGen Leader Management Training Programme in 2023. This rigorous 2-year initiative, launched in 2020, embodies our commitment to nurturing talent and fostering the next generation of leaders within our organisation. By providing tailored development opportunities, we not only enhance our brand reputation as an employer of choice but also cultivate a robust talent pipeline equipped with the essential business acumen, technical expertise, and interpersonal skills needed to drive our company forward.

Over 24 months, 10 Management Trainees will undergo a comprehensive curriculum, featuring intensive job rotations across key business functions and hands-on projects designed to sharpen their abilities and broaden their perspectives. Guided by dedicated mentors and seasoned leaders, they will embark on a journey of personal and professional growth, paving the way for both short-term career progression and long-term success within Zuellig Pharma.



To drive the ongoing transformation at Zuellig Pharma, our leaders must possess the right mindset and capabilities. A key focus area is cultivating an Outward Mindset, emphasising awareness of group goals over individual interests. To implement this, a successful pilot programme by SEAsia Leadavation Center Co., Ltd (SEAC) was conducted with the leadership team in August 2022. Positive feedback prompted the decision to extend the Outward Mindset programme to other senior management members, ensuring consistency in language and behaviour throughout the organisation. In 2023 we began expanding the programme to the next level to enhance internal capability and prepare for deeper integration within the organisation in 2024.

In Q1 2023, we officially launched a company-wide framework for People Management programmes, aimed at enhancing competencies and establishing a common language for people management within Zuellig Pharma. Throughout 2023, five new programmes were introduced to managers, with a focus on building hiring skills, enabling managers to identify and recruit the best talent as Zuellig Pharma continues to grow.



Best Companies to Work For in Asia 2023

The HR Asia Best Companies to Work for in Asia Awards is an awards recognition programme for organisations that have been identified by their employees as one of Asia's employers of choice ascertaining the best employers to work for. The award is targeted at companies across Asia and recognises companies with the best HR practices and high levels of employee engagement and excellent workplace cultures.

In 2023, PT Anugerah Pharmindo Lestari (APL) and Zuellig Pharma Cambodia received the "HR Asia-Best Companies to Work for in Asia" Awards. For APL, this would be the **sixth consecutive year** that we have been recognised for this award, reflecting our continuous efforts to create a conducive and inclusive work environment where every employee feels valued and motivated. This prestigious accolade highlights our unwavering dedication to fostering an exceptional workplace environment. Our commitment to our exceptional team members truly makes us stand out as one of Asia's employers of choice. This achievement reflects our dedication to maintaining the highest standards of HR practices, employee engagement, and workplace culture. Together, we are shaping a brighter future fuelled by passion, collaboration, and endless possibilities.



★ OUR PERFORMANCE

	2021	2022	2023
Total number of employees	12,433	12,399	12,291
Number of female employees	5,863	6,527	5,841
Number of male employees	6,570	5,872	6,450
Total number of permanent employees	11,824	11,775	11,519
Number of permanent employees (Female)	5,578	6,185	5,441
Number of permanent employees (Male)	6,246	5,590	6,079
Total number of temporary employees	559	527	554
Number of temporary employees (Female)	241	321	249
Number of temporary employees (Male)	318	206	304
Total number of non-guaranteed hours employees	-	50	80
Number of non-guaranteed hours employees (Female)	-	16	65
Number of non-guaranteed hours employees (Male)	-	34	15
Total number of 3rd party personnel	50	47	138
Number of 3rd party personnel (Female)	44	5	86
Number of 3rd party personnel (Male)	6	42	52
New Hires and Turnover (by Gender)			
Number of new hires (Female)	1,277	1,404	1,323
New hire rate (Female)	10%	11%	11%
Number of new hires (Male)	1,266	1,226	1,067
New hire rate (Male)	10%	10%	9%
Number of turnovers (Female)	1,124	853	1,401
Turnover rate (Female)	9%	7%	11%
Number of turnovers (Male)	1,231	1,093	1,194
Turnover rate (Male)	10%	9%	10%

★ OUR PERFORMANCE

	2021	2022	2023
New Hires and Turnover (by Age Group)			
Number of new hires (Under 30 years old)	1,110	1,106	984
New hire rate (Under 30 years old)	9%	9%	8%
Number of new hires (30-50 years old)	1,316	1,383	1,289
New hire rate (30-50 years old)	11%	11%	11%
Number of new hires (Over 50 years old)	117	141	117
New hire rate (Over 50 years old)	1%	1%	1%
Number of turnovers (Under 30 years old)	823	703	723
Turnover rate (Under 30 years old)	7%	6%	6%
Number of turnovers (30-50 years old)	1,292	1,135	1,590
Turnover rate (30-50 years old)	10%	9%	13%
Number of turnovers (Over 50 years old)	240	108	282
Turnover rate (Over 50 years old)	2%	1%	2%
Training and Development			
Total hours of training	364,000	351,461	467,451
Average hours of training per employee	29.3	28.3	31.1
Average hours of training (By Gender)			
Average hours of training (Female)	30	28.9	33.7
Average hours of training (Male)	28.4	27.9	31.8
Average hours of training (By Employee Category)			
Average hours of training (Executive/General Staff)	23.7	25.9	26.3
Average hours of training (Middle Management)	33.2	47.9	33.4
Average hours of training (Senior Management)	26.1	25.4	29.1
→ EMPLOYEE ENGAGEMENT			
Participation Rate in Employee Engagement Survey (EES)	96%	95%	96%
Engagement Score for Employee Engagement Survey (EES)	3.88	3.94	3.96



DIVERSITY, EQUITY AND INCLUSION

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

Zuellig Pharma is committed to championing diversity and inclusion, and creating a workplace that empowers individuals to achieve their full potential regardless of age, gender, ethnicity, religion, ability, wellness, socioeconomic background, and sexual orientation. With a strong presence across 18 markets in Asia, Zuellig Pharma naturally reflects a high level of diversity. Embracing this diversity not only aligns with our dedication to inclusivity but also strategically positions us to cater to diverse demands across our varied markets.

We aim to cultivate an inclusive environment that embraces diverse backgrounds, experiences, and perspectives. We recognise that diversity fosters innovation and creativity, equipping us with a wider array of insights to tackle business challenges effectively. Prioritising diversity not only enriches our workforce but also builds a strong employer brand, attracting top talent and advancing our commitment to an inclusive workplace.

MANAGEMENT APPROACH

In 2021, we undertook a Diversity, Equity, and Inclusion (DEI) assessment to assess our current DEI practices. This evaluation informed the establishment of our **DEI Core Committee, featuring 6 pillars**, each led by a senior management member.

We recognise that the landscape of Diversity, Equity, and Inclusion (DEI) is continuously evolving, and it is our responsibility to remain informed and proactive. In 2023, Zuellig Pharma collaborated with Catalyse, the corporate advisory, consulting, and training arm of AWARE (Association of Women for Action and Research), to conduct a comprehensive review of our existing DEI programmes and policies. This engagement encompassed an assessment of Zuellig Pharma's current stage of maturity regarding DEI, with a focus on identifying opportunities to enhance and refine our initiatives. The outcomes and recommendations from this assessment will be presented to the Executive Management Team for discussion and concurrence on next steps.

Zuellig Pharma is dedicated to fostering an inclusive work environment built on trust, mutual respect while eliminating all forms of discrimination and harassment. All employees are required to adhere to our Anti-discrimination & Anti-harassment policy and Human Rights & Labour Practices policy. These policies not only prohibit discrimination and harassment but also advocate for DEI. These policies ensure that all individuals are treated with respect and dignity and have equal opportunities for hiring, promotion, and advancement. **In 2023, 98.8% of our employees completed anti-discrimination and harassment training.**





Spotlighting Excellence: Zuellig Pharma Colleagues Shine in LinkedIn Series

In 2023, we initiated a LinkedIn series showcasing the outstanding efforts of our Zuellig Pharma colleagues who epitomise our core values and consistently surpass expectations in advancing our mission in *making healthcare more accessible*. Recognising the achievements of our employees not only celebrates their dedication and contributions but also serves as a powerful testament to the diverse talent and inclusive culture within Zuellig Pharma.

Through this series, we aim to foster a sense of belonging and inspiration while amplifying diverse voices and experiences.

To learn the stories of our colleagues, please click on the links below:



Learn about **Mr. Ronald Tarun**, Regional Operations Senior Manager, as he shares about his exciting role, his proudest moments with Zuellig Pharma, what he enjoys about working here, and his words of advice.

[Click here](#)



Learn about **Ms. Ryuu SangA**, Head of Strategic Partnerships & Business Development at Zuellig Pharma Korea, as she shares about the sense of duty and pride that she feels as part of an organisation that plays an important role in the healthcare value chain.

[Click here](#)



Learn about **Mr. Su Guojie**, Head of Product Management Services, as he shares about his proudest moments thus far, what he enjoys most about working at Zuellig Pharma and the words of advice he has for his peers.

[Click here](#)



Learn about **Ms. Saw Wen Ng**, Client Services Manager, Malaysia, as she shares about overcoming challenges and achieving remarkable growth both personally and professionally throughout her 4-year journey with Zuellig Pharma.

[Click here](#)



Warehouse Admin **Mr. Masjain Faisal Muharam** from Indonesia and Trade Representative **Ms. Sharmen Fei Bustonera** from the Philippines share about how they found their passion within their roles at Zuellig Pharma.

[Click here](#)



EQUAL OPPORTUNITY EMPLOYMENT

We believe in fostering an inclusive work environment by ensuring equitable employment and compensation practices based on merit, regardless of factors such as race, gender, age, social class, religion, sexual orientation, political views, or disability. Our commitment to fairness extends to all employees, including the Executive Management Team. We reject discrimination and bias, emphasising meritocracy to create an equal-opportunity workplace. We regularly review and update internal salary ranges based on the latest market data to maintain competitiveness and equity across regions. These initiatives promote a workplace where everyone, regardless of background, can thrive based on their skills and contributions.

Since 2016, Zuellig Pharma has maintained a **multilingual company Speak Up programme** that encourages personnel to report any issues or concerns through confidential channels, without fear of retaliation. Our Speak-Up channels are communicated through various channels, including LMS training materials, onboarding compliance training, office posters, and local reminders. This programme serves to enhance workplace transparency and harmony, reaffirming our commitment to the Code of Conduct and employee wellbeing. There were 5 incidents of harassment or discrimination reported in 2023 and all of them have been investigated, resolved, and closed.

GENDER PARITY

Zuellig Pharma has made significant strides in overall gender diversity, **surpassing a 50% female representation in our middle management**. The proportion of women in senior management has also grown. Our ongoing initiatives aim to support the professional growth of female talent through mentorship and development opportunities.

Zuellig Pharma maintains an **average unadjusted gender pay gap of 0.61%** between men and women for equivalent roles and skillsets, compared to the **global average of 17%***. We aim to contain this well below the global average, by conducting market-level analyses annually across the organisation, with identified gaps promptly addressed and reviewed.

* Global gender pay gap 2023, Statista

WOMEN
REPRESENTING
48%
of our workforce and
51%
of our middle to senior
management and
professionals



● **PERCENTAGE BY GENDER PER EMPLOYEE CATEGORY**

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

	2022		2022		
	MALE	FEMALE	< 30 YEARS OLD	30-50 YEARS OLD	> 50 YEARS OLD
SENIOR MANAGEMENT	61.8%	38.2%	-	55.6%	44.4%
MIDDLE MANAGEMENT	48.2%	51.8%	7.4%	79.3%	13.3%
EXECUTIVE/ GENERAL STAFF	54.1%	45.9%	23.1%	67.5%	9.4%

Note: For the above social indicators, we have chosen to exclude 270 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.

As part of our efforts to promote gender parity and create an inclusive environment where employees can balance their work and family responsibilities, we have announced our Paternity Leave benefits for our Corporate and Singapore offices, offering fathers of newborn children a total of 4 weeks of leave, effective for children born on or after January 1, 2024. This progressive step ensures that all qualifying male employees, regardless of nationality, can fully participate in the early stages of parenthood and support their families. We encourage open discussions between employees and their managers to plan and utilise this leave effectively, reflecting our commitment to supporting the diverse needs of our workforce.

51%
of successors to critical positions held by female employees





Celebrating Women at Zuellig Pharma

At Zuellig Pharma, we are committed to promoting values of equity in healthcare, ensuring equal access to quality healthcare for all. Our diverse team of women are valued and supported in their growth and development within the industry.

In celebration of International Women’s Day 2023, nine ZP Therapeutics leaders shared their thoughts on the theme #EmbraceEquity.



Bringing equity to the forefront is crucial for creating an impartial world. Regardless of gender, an individual's strengths and skills should be honed to bring out their best to serve the community - be it at work, at home, in their local community, or as citizens of the world. Heading the Regional Regulatory team gives me the opportunity to ensure that effective and safe medicines for women are made accessible, and I am proud that ZP Therapeutics gives its people the possibility to forge ahead and make their mark, regardless of gender.



MS. FAZLIN AZURA AZLAN
DIRECTOR, REGIONAL REGULATORY AFFAIRS
ZP THERAPEUTICS

[Click here to see the full video](#)

Meanwhile, employees across our regional offices also engaged in a variety of activities, including penning notes of appreciation, giveaways, fitness classes, workshops, and talks on topics such as women’s health and personal branding. Together, we stand in solidarity with all women, working towards gender equality and an equal world.



Zuellig Pharma Celebrates Pride: Embracing Diversity and Inclusion



Diversity, Equity & Inclusion are essential components of a thriving workplace at Zuellig Pharma. Our differences make us stronger, more creative, and more innovative, to better contribute to the wellbeing of the communities we serve. With LGBTQ+ Allyship as one of the six core pillars led by Zuellig Pharma’s DEI committee since 2021, we have taken the opportunity to better engage our LGBTQ+ colleagues and allies in meaningful interactions to understand their aspirations and challenges, tackling topics such as microaggressions and HR support systems.

In 2023, Zuellig Pharma Taiwan took proactive steps to foster a more inclusive and gender-friendly working environment by organising a gender education course. This course aimed to educate colleagues about gender characteristics, sexual orientation, and gender identity, drawing participation from over 150 individuals. Building on this initiative, the team continued its progress towards LGBTQ+ equality by introducing a 6-week paid adoption leave for same-sex couples, further affirming its commitment to supporting diverse family structures.

We are proud to stand alongside our LGBTQ+ colleagues, friends, and allies, having created a workplace where everyone feels safe, empowered, and celebrated. It is a reminder of the ongoing journey that we are on, as we recommit to an inclusive workplace, strive for greater understanding and empathy, and continue the conversation around LGBTQ+ inclusion and acceptance.

Commenting on Zuellig Pharma’s commitment, CEO Mr. John A. Graham said: *“At Zuellig Pharma, we embrace diversity, equity and inclusion as fundamental values. We believe that by fostering an environment where everyone feels welcome and respected as they are, we unlock the true potential of the organisation and empower individuals to bring their whole selves to work.”*

★ OUR PERFORMANCE

→ DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	2021	2022	2023
Women in the workforce	47%	53%	48%
Percentage by Gender per Employee Category			
Senior Management (Female)	38.2%	40%	38.2%
Senior Management (Male)	61.8%	60%	61.8%
Middle Management (Female)	51.8%	51.2%	51.8%
Middle Management (Male)	48.2%	48.8%	48.2%
Executive/General Staff (Female)	45.4%	46.4%	45.9%
Executive/General Staff (Male)	54.6%	53.6%	54.1%
Percentage by Age Group per Employee Category			
Senior Management (Under 30 years old)	7.5%	0.5%	0%
Senior Management (30-50 years old)	55.5%	59.5%	55.6%
Senior Management (Above 50 years old)	37%	50%	44.4%
Middle Management (Under 30 years old)	15.6%	4.8%	7.4%
Middle Management (30-50 years old)	75.5%	82.3%	79.3%
Middle Management (Above 50 years old)	8.9%	12.9%	13.3%
Executive/General Staff (Under 30 years old)	31.3%	23.6%	23.1%
Executive/General Staff (30-50 years old)	60.9%	67.2%	67.5%
Executive/General Staff (Above 50 years old)	7.8%	9.2%	9.4%

→ GENDER PARITY

	2021	2022	2023
Average unadjusted gender pay gap	-	0.16%	0.61%
Percentage of successors to critical positions held by female employees	-	-	51%

→ ANTI-DISCRIMINATION AND ANTI-HARASSMENT

	2021	2022	2023
Percentage of employees who completed anti-discrimination and harassment training	99.4%	99.5%	98.8%
Incidents of harassment or discrimination reported	-	7	5



WORKPLACE HEALTH, SAFETY AND WELLBEING

GRI 3-3, 2-25, 2-26, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Ensuring the health, safety, and wellbeing of all individuals involved in Zuellig Pharma's operations is of paramount importance and a core aspect of our sustainability commitment. We prioritise implementing and enforcing a comprehensive suite of health, safety, and wellbeing practices to minimise risks to life and prevent potential non-compliance with health and safety regulations. This ensures the safety of our people as well as the continuity of our operations. Through the implementation of robust Health and Safety Management Systems, proactive hazard identification, and a comprehensive approach to employee wellbeing, our goal is to provide a zero-harm workplace that enables our people to flourish and work with peace of mind.

MANAGEMENT APPROACH

HEALTH AND SAFETY MANAGEMENT SYSTEMS

Our Regional Health, Safety, Security, and Environment (HSSE) Policy underscores Zuellig Pharma's commitment to ensuring a safe and healthy work environment for all stakeholders. This commitment applies to our employees, contract personnel, clients, visitors, and others engaged in our operations. Each employee is expected to uphold these standards and contribute to creating a safe workplace for themselves and others.

The team of HSSE leads across all markets drive the implementation of our Health, Safety, Security and Environment (HSSE) system of policies and guidelines and ensure that we comply with local prevailing statutory health and safety regulations in each market. We developed and implemented a set of 44 mandatory regional HSSE requirements across all markets, aligning us with global industry standards like ISO45001:2018, while reflecting our dedication to surpassing regulatory standards. **We maintained 100% adherence to HSSE checklists across all markets in 2023.**

In our pursuit of HSSE excellence, we have proactively embarked on the journey to achieve ISO 45001:2018 Occupational Health and Safety Management Systems and ISO 14001:2015 Environmental Management Systems certifications.

Our phased roadmap towards ISO45001:2018 certification for all our sites is progressing well. Six of our Distribution Centres in the Philippines, Singapore, Hong Kong, Indonesia, and Taiwan have already obtained certification. **We are on track to realising our target of achieving ISO 45001:2018 certification across all market distribution networks by 2025.**





Pursuing Excellence: Advancing Safety Culture Through Leading Indicators

As part of our comprehensive safety management approach, we have implemented leading and lagging indicators, including the use of HSSE scorecards. These indicators are instrumental in tracking and measuring incidents such as Lost Time Incidents, First Aid Cases, and Near Miss Cases. Our commitment extends to conducting thorough investigations into all reported incidents, irrespective of severity or whether the affected party is injured or refuses medical treatment.

Moreover, our safety initiatives encompass monthly HSSE committee meetings held across all markets, contributing to the positive development of an HSSE culture. These committees play a pivotal role as a bridge, directly connecting workers to the company's safety culture. They facilitate open dialogues between employees and supervisors, providing a platform to openly discuss safety concerns and propose collective solutions.

These safety groups, with their emphasis on leading and lagging indicators, serve as invaluable opportunities to share diverse perspectives on hazards and safety. They not only offer key insights to management but also contribute to the unity and alignment of the organisation toward achieving safety goals collaboratively.

By the end of 2024, our aim is to establish a robust safety culture across all markets, ensuring the wellbeing of our staff and the standardisation of safety practices through the proactive use of leading indicators.

● ADDRESSING HEALTH AND SAFETY IMPACTS IN THE SUPPLY CHAIN

Zuellig Pharma places an equal emphasis on health, safety, and wellbeing across our entire supply chain, extending our commitment to contractors and third-party personnel involved in operations beyond our direct control. We hold our service providers to the highest standards of business conduct, particularly regarding the health and safety of their workers, as outlined in our Supplier Code of Conduct.

Our expectations for suppliers include the implementation of robust programmes to manage and maintain all production processes in compliance with safety standards and regulations. This encompasses various elements of health and safety practices, including employee protection from workplace hazards, access to hazard information, and the establishment of process safety protocols. Additionally, suppliers are required to develop contingency plans to address emergency situations promptly and effectively.

Through these measures, we aim to ensure that subcontracted drivers, warehouse temporary labourers, and other outsourced workers are afforded the same level of protection and care as our direct employees. By working collaboratively with our suppliers and holding them accountable to stringent health and safety standards, we mitigate the risk of significant negative impacts on the wellbeing of third-party personnel involved in our operations.



HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

We conduct meticulous Environment Aspect and Impact Analyses alongside Health & Safety Risk Assessments (HIRA) and Failure Mode and Effect Analysis (FMEA) across all our markets. These analyses, tailored for each unique process, prioritise rigorous reviews with process owners. This ensures that work activities are conducted with paramount safety, and risks are systematically reduced to as low as reasonably practicable (ALARP).

Guided by stringent regional standards, our internal Health and Safety auditors conduct regular assessments, ensuring a comprehensive evaluation every three years or when local regulations undergo changes, whichever is more frequent. Simultaneously, we actively engage in Vulnerability Assessment Analysis (VAA), specifically designed for Crisis Management. This comprehensive approach addresses significant changes in work processes, design, the introduction of new machinery, substances, or incidents resulting from hazard exposure.

Actively updating and developing preventative actions, we promptly implement targeted risk control measures, including engineering controls, administrative controls, and personal protective equipment. Regular reviews and updates of the risk assessment, along with Environment Aspect and Impact Analyses and VAA, are essential. This ensures their continued relevance and effectiveness in hazard control. Aligned with local regulatory requirements, regional HSSE standards, and our overarching goal of zero harm, our approach seamlessly integrates hazard identification, risk assessment, FMEA, Environment Aspect and Impact Analyses, and VAA for comprehensive Crisis Management.

Zuellig Pharma has also implemented stringent regional HSSE reporting protocols, to ensure the timely reporting of all incidents within the workplace, regardless of their magnitude. Each reported incident or near miss undergoes a thorough investigation aimed at identifying its root cause, with the aim of preventing the recurrence or incidence of workplace incidents. This investigative process enables us to prescribe control and preventive measures in accordance with the hierarchy of controls.

We take pride in nurturing an open reporting structure, cultivating an environment where employees can confidently report work-related hazards and hazardous situations without fear of reprisals. This fosters a comprehensive understanding of potential risks and hazards, empowering us to take prompt corrective actions.

In facilitating a culture of continuous improvement, monthly Health and Safety Reports for the workplace are diligently compiled and shared with all HSSE leads. This practice serves as a conduit for disseminating best practices and insights, contributing to the collective enhancement of our safety protocols.

In 2023, our commitment to safety manifested through the documentation and reporting of 10 incidents of work-related injuries. These incidents were promptly addressed by These incidents, primarily stemming from slips, trips, and falls within our warehouse premises and mishaps related to the operation of Material Handling Equipment (MHE), have prompted a comprehensive review of our safety protocols. In response, our dedicated HSSE team implemented Corrective and Preventive Actions (CAPA) including regular inspections to identify and mitigate hazards, the provision of specialised equipment to alleviate strain during handling tasks, and the introduction of specialised training sessions for affected employees focusing on safe MHE operation. This comprehensive approach aimed to prevent recurrence and mitigate the risk of similar incidents in the future, ensuring the continued protection of our workforce against workplace hazards.

We maintained our track record of zero fatalities in 2023.

	2020	2021	2022	2023
Fatality	0	0	0	0
High consequence work related injury	0	0	0	0
Recordable work related injury	6	10	8	10
Lost-time Injury Frequency Rate (LTIFR)	0.42	0.34	0.29	0.31



HSSE Ambassador Programme

In 2023, Zuellig Pharma launched the HSSE Ambassador Programme in Malaysia, representing a significant stride in reinforcing our commitment to health, safety, security, and environmental (HSSE) awareness. This successful launch serves as a prelude to the programme's expansion across our diverse markets, with the full implementation anticipated by the end of 2024.

The programme is designed to empower dedicated individuals within our organisation, enabling them to act as advocates for HSSE awareness. These ambassadors assume a pivotal role in disseminating best practices, cultivating a safety-conscious culture, and actively engaging employees in HSSE initiatives. We plan to expand this programme to other markets and establish a network of well-informed and passionate individuals who champion health and safety throughout the organisation.

This initiative seamlessly aligns with our broader efforts, encompassing regional HSSE audits, the ongoing development of the Vulnerable Assessment Analysis (VAA) for crisis management, and collaborative HSSE inspections involving stakeholders from Facilities, Engineering, and



Operations. Together, these initiatives underscore Zuellig Pharma's holistic approach to ensuring a safe and healthy work environment. Importantly, this aligns with the hazard identification, risk assessment, and incident investigation, emphasising our commitment to ongoing excellence and dedication across all facets of our operations.

TRAINING ON HEALTH AND SAFETY

Equally critical is our unwavering commitment to workforce development through extensive training programmes. This not only ensures that employees possess the necessary skills and mental preparedness for health and safety scenarios, but also cultivate a profound awareness of safety protocols, fostering a secure work environment while minimising at-risk behaviours.

All employees undergo annual workplace health and safety training, with a concerted effort to include on-site third-party workers. Our training programme covers the following:

GLOBAL HARMONISED SYSTEM (GHS) FAMILIARISATION TRAINING

Our commitment begins with GHS Familiarisation Training, emphasising a standardised understanding of chemical hazards. This equips our workforce with the necessary knowledge to navigate the Globally Harmonised System of Classification and Labelling of Chemicals, establishing a workplace environment where chemical safety takes precedence.

HSSE COMPETENCY TRAINING FOR HSSE LEADS:

Acknowledging the pivotal role of our Health, Safety, Security, and Environment (HSSE) leaders, we have introduced a specialised training initiative. This programme focuses on developing specific competencies essential for the effective management of health, safety, and environmental responsibilities, ensuring our leaders are adept at fostering a robust safety culture.

IMPLEMENTATION OF EMERGENCY PREPAREDNESS AND RESPONSE PLANS TRAINING

Preparing our workforce for unforeseen circumstances is crucial. We provide training on the swift and effective execution of emergency preparedness and response plans, ensuring our employees are well-prepared to navigate and manage emergencies with precision and confidence.

GLOBALLY HARMONISED SYSTEM AND DANGEROUS GOODS (GHS AND DG) TRAINING

Aiming for comprehensive knowledge, our training curriculum includes sessions on the Globally Harmonised System and Dangerous Goods. This training enhances employees' understanding of chemical hazards and instils safe handling practices, contributing to a workplace culture that prioritises safety in chemical management.

HSSE PERFORMANCE TRAINING

Our focus on excellence extends to empowering our workforce to actively contribute to maintaining high standards in health, safety, security, and environmental performance. HSSE Performance Training instils a sense of responsibility and accountability, fostering a collective commitment to excellence in every aspect of our operations.

HSSE INCIDENT MANAGEMENT

Recognising the importance of effective incident management, our training covers the skills required to respond adeptly to health, safety, security, and environmental incidents. By equipping our employees with these skills, we minimise risks and mitigate the impact of incidents on the workplace.

Our comprehensive approach to health and safety training ensures that all individuals involved in Zuellig Pharma's operations are well-informed about potential hazards and are aware of the appropriate response in emergencies. Regular training updates keep employees abreast of the latest health and safety information and regulations. We regularly assess the training's effectiveness, making necessary adjustments to enhance its overall impact.



Regional HSSE Week 2023: Fostering a culture of Transformational HSSE Leadership

The Regional HSSE Week unfolded with a compelling opening by Mr. Brett Marshall, VP of QA & HSSE at Zuellig Pharma. He underscored the importance of maintaining pristine shop floors and exteriors for operational excellence, emphasising HSSE as vital for protecting every member of the organisation. Building on this, Mr. Tim Withrington, VP of Technical Operations, reiterated the fundamental principle that everyone has the inherent right to return home each day to their family, alive and injury-free, underscoring the organisation's dedication to safety.

Mr. Andi Umbricht, VP of Operations, emphasised the role of clean shop floors for business success, echoing the importance of a safe and tidy environment in protecting all employees. Providing a strategic perspective, Mr. Shamsir Ali, the Regional HSSE Manager, delved into HSSE Objectives, Targets, Governance, and Strategic Roadmap, elucidating Zuellig Pharma's commitment to HSSE excellence.

The event also featured industry insights by distinguished guests. Mr. Madu Lokan, Executive Director of TAPA Asia, shared perspectives on Security Leadership, highlighting its pivotal role. Mr. Frederic Gomer from B2G Consulting discussed Sustainability Leadership, emphasising the integration of sustainability practices. Ms. Nurul Asshekin Chair Le-Masson from IOSH Singapore provided valuable insights on Safety Leadership, contributing to fostering a culture prioritising health, safety, security, and environmental excellence.

The week's activities included a GEMBA walk-through conducted with management engagement at the market level. Additionally, a Townhall event focused on leadership further underscored the commitment to HSSE practices, creating a collaborative environment for fostering a culture of safety and sustainability throughout the organisation.

EMPLOYEE WELLBEING

We regularly review our employee benefits to align with market standards, surpassing statutory regulations by implementing specific company benefit plans. Across our markets, we offer company health plans to facilitate access to medical services and promote holistic employee wellbeing. We are dedicated to enhancing our coverage in markets that may currently lag industry norms. This ensures that our employees benefit from baseline protection for Term Life and Personal accident, enabling them to afford adequate healthcare services for their overall wellbeing.

Our holistic approach to health, safety and wellbeing extends beyond physical safety to encompass comprehensive employee wellbeing programmes addressing both the physical and mental health aspects of our workforce. This strategic focus seeks to foster a harmonious work-life balance, contributing to a thriving workplace culture.

Employee Assistance Programmes (EAPs) are put in place to provide employees with confidential and professional assistance. EAPs support employees in addressing personal or work-related challenges confidentially, through services such as counselling and mental health resources. By fostering a positive workplace culture, EAPs contribute to employee wellbeing and resilience, building a more productive and engaged work environment at Zuellig Pharma. EAPs are currently implemented in five markets, including Singapore, Hong Kong, Australia, China, and India, and Zuellig Pharma is actively exploring expansion of EAPs to additional markets.

We prioritise comprehensive activities focused on ergonomics and training to promote proper posture at work and ensure a conducive occupational environment. For example, in Zuellig Pharma Vietnam, our internal training programme ensures all newcomers receive essential knowledge to excel in their roles, with monthly sessions focusing on key topics such as posture and safe lifting techniques. Annual refresh training sessions, conducted by external experts, reinforce best practices for all Zuellig Pharma Vietnam staff. As a result, employees across our operations and office teams maintain efficient work habits. Additionally, we conduct periodic monitoring of the work environment to address ergonomic factors, with a particular focus on psychological aspects for warehouse and office employees. Similarly, our HSSE team at PT Anugerah Pharmindo Lestari (APL) also conducted training on 'Ergonomics and Occupational Disease'.



Promoting Mental Wellness: Zuellig Pharma's Mental Health Wellness Carnival

Zuellig Pharma Malaysia held a Mental Health Wellness Carnival, a day dedicated to fostering wellbeing, to encourage employees to prioritise mental health and invest time in self-care.

The carnival featured four key booths focusing on mental health: Mental Health Screening, Conflict Management, Personality Profiling, and Mindfulness. A total of 80 employees participated in the mental health screening exercise voluntarily. Notably, 33 employees visited the mental health screening booth for a physical one-to-one consultation with a therapist. Each booth offered engaging activities for staff to participate in, providing valuable insights into self-discovery, conflict resolution, and mindfulness techniques for navigating stressful situations.

Zuellig Pharma recognises the importance of not only prioritising professional growth but also mental wellbeing. We encourage our people to gain a better understanding of themselves and acquire practical strategies to enhance mental resilience.





Nurturing Talent Week



Our Nurturing Talent Week from 3 to 7 July 2023 centred around the theme of “A Safe Space for You”.

The highlight of the week was our sixth Diversity, Equity & Inclusion (DEI) Inspire Webinar, which saw approximately 390 employees across the region come together to learn about compassion and why it matters in the workplace. Our CEO Mr. John A. Graham, the CEO of Calm Collective Asia Ms. Sabrina Ooi and Regional Sustainability Lead Mr. Raam Prasath, who moderated the session, shared inspiring insights on how to lead with compassion and tips to actively practice it in our daily lives.

Additionally, our “Meet My Workspace” campaign on Yammer encouraged colleagues to share pictures of their personal workspaces and how they transformed them into safe and comfortable spaces for themselves. The activity saw an overwhelming level of engagement, shining a light on these authentic stories.



Cultivating a compassionate workplace amidst times of change starts from the top. Through our close collaboration with ZP, it is clear that the leadership and key stakeholders truly care for their people.



MS. SABRINA OOI
CEO OF CALM COLLECTIVE ASIA



Improving Health Outcomes Week



In October 2023, Zuellig Pharma celebrated Improving Health Outcomes Week, engaging employees in activities focused on cultivating healthier habits and a mindset geared towards balance, productivity, and meaningful relationships both at work and at home.

Over 290 employees across the region participated in the "Work Smart, Work Easy" webinar held on the week. The webinar was led by Ms. Jan Lehman, a globally recognised productivity expert, international speaker, and best-selling author. Ms. Lehman shared proven productivity practices and real-life examples, empowering attendees with actionable steps to enhance both their professional and personal lives.

The "Fit for Life!" internal employee engagement campaign also achieved remarkable success, with colleagues enthusiastically sharing their workout routines and wholesome meal choices, underscoring their commitment to embracing healthier lifestyles. The week-long initiative reflects Zuellig Pharma's dedication to the holistic wellbeing of our workforce and the promotion of health.



What impressed me the most in working on the webinar was the genuine concern the event planners had for those attending the training. Taking the time to collect metrics directly from the participants before and after the event was brilliant. It showed their determination to make sure the training was customised and met the needs of the participants and that leadership could see the value of the investment as well.



MS. JAN LEHMAN
CTC PRODUCTIVITY

TRADE UNION REPRESENTATION

We take pride in our longstanding tradition of fostering constructive dialogue with employee representatives, actively supporting the freedom of individuals to join trade unions or other employee representative bodies. At Zuellig Pharma, we practise non-discrimination based on employee membership or association with these bodies. In instances where issues arise, our approach is to engage in constructive discussions to address and resolve concerns.

★ OUR PERFORMANCE

→ **HEALTH AND SAFETY MANAGEMENT SYSTEMS**

	2021	2022	2023
Adherence to HSSE checklists across markets	100%	100%	100%
Markets that are ISO 45001 certified	3	3	5

→ **HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION**

	2020	2021	2022	2023
Fatality	0	0	0	0
High consequence work-related injury	0	0	0	0
Recordable work-related injury	6	10	8	10
Lost-time Injury Frequency Rate (LTIFR)	0.42	0.34	0.29	0.31



LABOUR PRACTICES AND HUMAN RIGHTS

GRI 3-3, 2-25, 2-26, 407-1, 408-1, 409-1

Upholding labour and human rights stand at the core of Zuellig Pharma's commitment to sustainable and ethical business practices. By actively championing labour and human rights in our operations and supply chain, we aim to achieve positive outcomes across the economy, environment, and people. Prioritising fair labour practices directly contributes to a positive societal impact, promoting workforce wellbeing and engagement.

Transparency is a cornerstone of our approach, where we openly acknowledge the potential negative impacts of our activities or business relationships. We strive to report on both positive and potential negative impacts, further underscoring our dedication to actively reducing and mitigating adverse effects. Zuellig Pharma aspires to lead the charge in driving labour and human rights standards in Asia, moving beyond compliance to actively enhance worker wellbeing, foster equitable practices and play a transformative role in influencing positive industry practices.

MANAGEMENT APPROACH

WORKING CONDITIONS

Ensuring optimal working conditions is fundamental to Zuellig Pharma's commitment to a harmonious and equitable workplace. We ensure the provision of written employment agreements, granting our employees the security and transparency essential to a stable professional relationship. Adhering to national laws, we guarantee that employee working hours are reasonable and comply with legal standards, whether working on-site or telecommuting. Recognising the importance of work-life balance, every employee is entitled to at least one day off every seven days, and our holiday and leave policies align with local laws and agreements. Our commitment extends beyond legal compliance – we ensure that all staff members have access to essential facilities and conditions such as rest breaks, toilets, rest areas, and potable water. By prioritising optimal working conditions, we create an environment where employees feel valued, supported, and motivated, contributing to a positive and productive workplace culture. Our positions concerning working conditions are highlighted in our Labour and Human Rights Policy, as well as our Regional HSSE Policy.

We focus on making jobs inherently rewarding and workplaces physically and psychologically safe for our employees. We seek to engage our employees to understand their perspectives on this aspect. Some of these engagement initiatives include company townhalls, recognition programmes, employee engagement surveys, workshops, and communication platforms. Our annual Employee Engagement Survey (EES) helps us to seek continuous feedback from our employees



to effect positive and inspiring organisational change. The EES has seen a consistent level of participation from our employees, a testament to the trust they have in the company to take actions from the results. Please refer to page 66 for more details on our employee engagement initiatives.

Besides initiatives, 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.

Zuellig Pharma offers 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 flexitime arrangement built into their own HR processes for applicable teams. As part of our commitment to ensuring ideal working conditions for 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.

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 talent, 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 several 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 wellbeing.

Importantly, we also prioritise maintaining a safe and healthy work environment free from hazards, risks, and unsafe working conditions that could harm employees' physical or mental wellbeing. Please see the section on Workplace Health, Safety and Wellbeing on page 79 for more information on our approach.



RIGHT TO COLLECTIVE BARGAINING

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. **As of 2023, 63% of employees, where applicable, are covered by collective bargaining agreements, ensuring mutually agreed terms.**

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. 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.

As part of our Supplier Sustainability Assessment process conducted via questionnaires on the IntegrityNext (INX) platform, we also assess our suppliers on whether they respect the right of employees to collective bargaining and join trade unions. Suppliers who are assessed to be at risk of violating such rights are flagged for follow-up by local procurement teams. For more details on the Supplier Sustainability Assessment, please see page 145.

As of 2023,
63% of employees,
 where applicable, are covered
 by collective bargaining
 agreements, ensuring
 mutually agreed terms.

MINIMUM WAGE

In line with legal regulations and local living wages, Zuellig Pharma ensures that all employees and contractors receive compensation meeting or exceeding the applicable local minimum wage. This principle extends to our supply chain. As articulated in our Supplier Code of Conduct, suppliers are expected to provide their employees with equitable compensation and benefits. This encompasses adherence to minimum wage regulations, fair compensation for overtime hours, and the provision of other legally mandated benefits.

PREVENTING FORCED/ CHILD LABOUR AND MODERN SLAVERY

Zuellig Pharma stands against and prohibits any form of child exploitation, ensuring that employment is not offered to children and youths before they complete their compulsory education. This principle extends throughout our organisation, with an expectation that our partners and suppliers adhere to the same standard.

Zuellig Pharma supports the use of legitimate workplace learning programmes that comply with all laws and regulations, provided that these laws and regulations are aligned with international standards. We ensure proper management of student workers through effective maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. In any case, appropriate support and training will be provided to all student workers.

Zuellig Pharma does not tolerate any form of forced labour, including debt bondage, indentured labour, or involuntary prison, nor any involvement in human trafficking in its business activities. This includes transporting, harbouring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services. We do not unreasonably restrict workers' freedom of movement throughout company-provided facilities nor unreasonably restrict workers' entering or exiting company-provided facilities.

Acknowledging the collaborative nature of human rights protection, we actively engage with stakeholders, with a particular emphasis on suppliers. Our Supplier Code of Conduct serves as a guide, aiding suppliers in aligning with our principles, which is supported by Zuellig Pharma's [Labour, Health, And Safety Policy & Environmental Commitment document](#) that has been specifically crafted for our suppliers. For more information on audit exercises and supplier assessments carried out by Zuellig Pharma regarding labour practices and human rights, please refer to the section on Labour Practices & Human Rights in the Supply Chain on page 148.

We maintain a zero-tolerance stance against any form of human rights abuse, employing stringent governance, grievance, and remediation mechanisms to ensure compliance with our principles. We have established confidential Speak Up channels for third parties to report issues. All reported matters are handled confidentially, in line with our practice of conducting thorough investigations and comply with law enforcement authorities when necessary.

98.8%
of employees
received training on
our Labour and Human
Rights in 2023



Zuellig Pharma's Risk Committee receives periodic reports from management regarding efforts to monitor and control any major risks. The Risk Committee's responsibilities also include ensuring compliance with laws and regulations and reviewing complaints received from the Speak Up Hotline. The Risk Committee reports to the Board periodically of any recommendations or issues that arise. It is the ultimate responsibility of the Chief Executive Officer and senior management to assess and manage any exposure to risks associated with human and labour rights. Should Zuellig Pharma identify any risks in human or labour rights, it will take necessary action to prevent its occurrence to the greatest extent possible. If prevention is not feasible, Zuellig Pharma shall leverage its internal and external business networks to mitigate such risks.

As part of our annual diversity training, **98.8% of employees also received training on our Labour and Human Rights Policy in 2023**. The figure does not include consultants that Zuellig Pharma engages as they are considered exempt from undergoing this training. Our Labour and Human Rights Policy and training covers key human rights-related areas:

- **Diversity and Inclusion**
- **Harassment and Abuse**
- **Working Conditions**
- **Fair wages/compensation**
- **Child labour**
- **Forced/bonder labour**
- **Freedom of association/collective bargaining**
- **Employee Health and safety**

The purpose of Zuellig Pharma's Labour & Human Rights policy and training is to ensure that all employees understand and uphold fundamental principles of fairness, dignity, and respect in the workplace. This policy outlines our commitment to promoting labour rights, preventing discrimination, harassment, and exploitation, as well as upholding human rights standards throughout our operations. Through comprehensive training, employees are equipped with the knowledge and tools necessary to recognise, address, and prevent violations of labour and human rights, fostering a workplace culture that values inclusivity, equality, and ethical conduct. Ultimately, this initiative ensures that Zuellig Pharma operates in alignment with international standards and best practices, promoting a safe, supportive, and equitable working environment for all.



OUR PERFORMANCE



LABOUR PRACTICES & HUMAN RIGHTS

	2021	2022	2023
Percentage of employees covered by collective bargaining agreements, in markets where applicable	28%	57%	63%
Percentage of employees who received training on our Labour and Humans Rights Policy	99.4%	99.5%	98.8%

RESPECTING THE ENVIRONMENT



**CLIMATE
CHANGE
MITIGATION**



**CLIMATE
GOVERNANCE**



**CIRCULAR
WASTE
MANAGEMENT**



**ENVIRONMENT
PRESERVATION**



**CONTRIBUTING TO
THE SUSTAINABLE
DEVELOPMENT
GOALS (SDGS)**



RESPECTING THE ENVIRONMENT



Climate change has a direct impact on our ability to make healthcare more accessible. We must think about our business in a sustainable manner and ask ourselves how we can operate today in a way that does not 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.

2023 HIGHLIGHTS

38%

reduction

in GHG emissions across our operations and value chain



24%

reduction in waste going to landfill in the span of 2 years, on track with our 100% target by 2030

More than

57%

of our electricity comes from renewable sources



6 electric trucks and bikes pilot programmes initiated





CLIMATE CHANGE MITIGATION

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

Climate change adversely impacts health in several ways, including by increasing exposure to frequent extreme weather events and hindering access to the most basic health requirements. As the climate crisis escalates, so too will its impacts on the health and wellbeing of millions of people. While no one is spared from climate-related health threats and impacts, those in the East Asia and Pacific region – where we primarily operate – are especially vulnerable due to increased exposure to climate change. The extent to which current and future generations are impacted by the climate change will depend on the choices we make today.

We are cognisant that our operations have a direct impact on the environment, primarily through the GHG emissions that we generate from the operation of our facilities and fleets. Reducing our environmental impact is therefore an important part of our mission to ensure the health and wellbeing of communities across Asia. We recognise that we have an ethical responsibility to do our part in mitigating climate change and to this end are committed to reducing our GHG emissions in line with what is needed to limit global temperature rise to 1.5°C while bringing our suppliers and clients along with us on this journey.

MANAGEMENT APPROACH

ROADMAP TOWARDS 2030 CARBON NEUTRALITY

Testament to our resolve is our public commitment to be carbon neutral by 2030 for our own operations. While offsets might be necessary to achieve this target, our primary focus remains on reducing our GHG emissions. To hold ourselves accountable, we have set ambitious Science-Based targets (SBTs) for our Scope 1, 2, and 3 emissions aligned with a 1.5°C scenario. Our targets were validated by the Science-Based Target initiative (SBTi) in 2022.

As part of efforts to identify areas of opportunities for emission reductions, we have made significant strides in enhancing our understanding of our carbon footprint. Our approach to emission reductions revolves around our decarbonisation plan built across our own operations and supply chain. While we have identified several emission reduction projects to reduce our emissions in the next few years, we will continue to look for 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.

GHG EMISSIONS REDUCTION TARGETS

ABSOLUTE SCOPE 1 & 2 GHG EMISSIONS

42% reduction by 2030

from a 2021 base year

ABSOLUTE SCOPE 3 GHG EMISSIONS¹

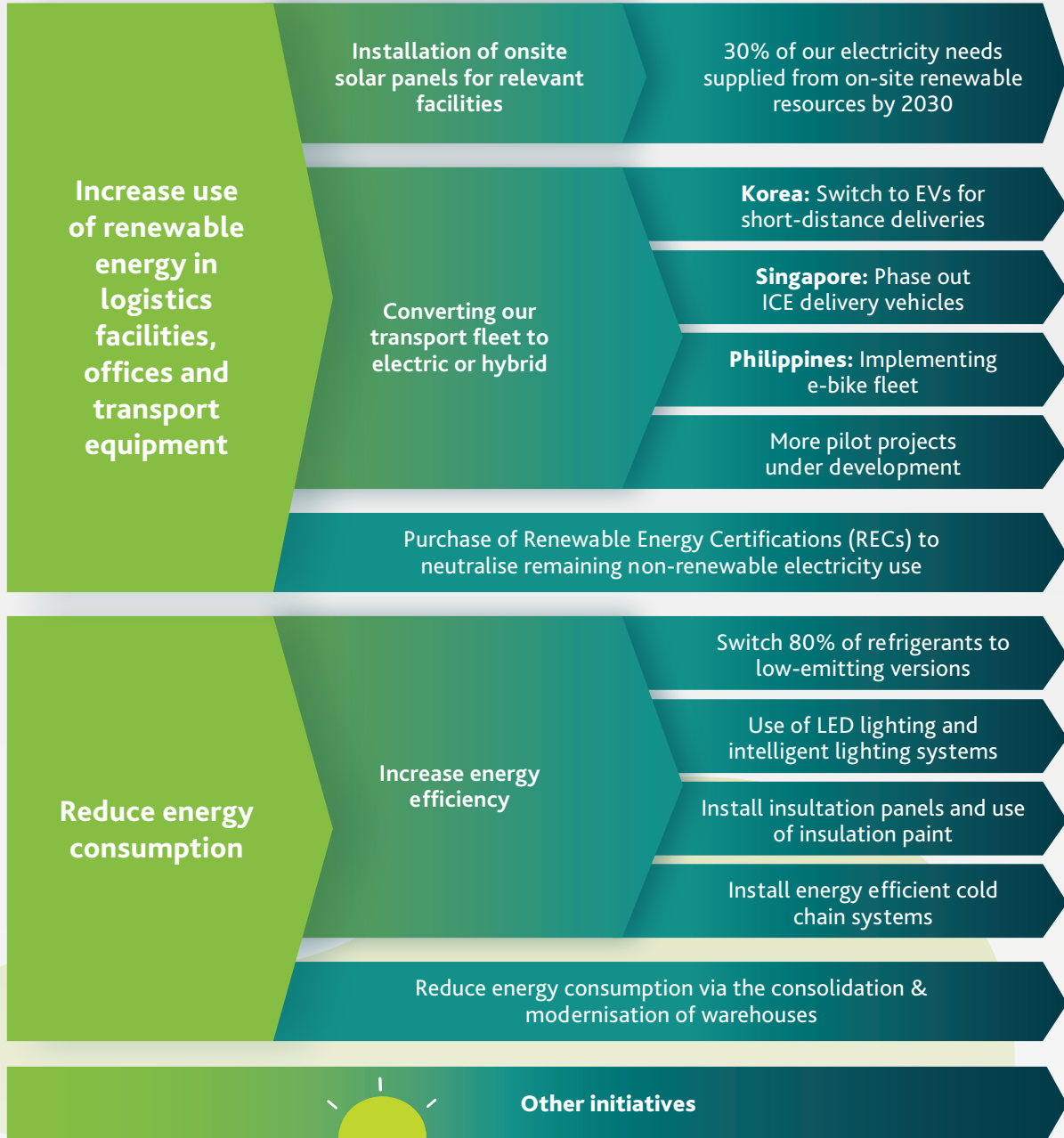
25% reduction by 2030

from a 2021 base year

¹ 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.

Our total GHG emissions in 2023 was 285,822 tCO₂e, a 38% like-for-like reduction from 2021 levels. **The latest review of our GHG emissions has shown that Zuellig Pharma is ahead of our GHG emissions target.**

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



GREEN DELIVERY SOLUTIONS

As a last mile distributor, GHG emissions from transportation represent a significant portion of our total emissions. As such, a vital component of our emission reduction efforts is directed towards greening our fleet. Some of these initiatives include driver training and monitoring, switching to biofuels, upgrading our fleet to newer and more efficient vehicles, insulating trucks using the latest technologies, aerodynamic improvements, piloting electric vehicles, and continually improving routes and asset utilisation rates.

Last-mile deliveries account for a large part of our GHG emissions. Our approach to reducing GHG emissions from last-mile deliveries is focused on load optimisation. Where possible, we consolidate orders from customers to maximise the capacity of each delivery ensuring that the fewest numbers of vehicles are used while maximising the number of deliveries. To do so, we use a blended model of contracted, owned, and brokered trucks, giving us the flexibility to select the optimal transportation solution for each customer.

To enable us to operate more efficiently, we deployed our Transport Management System (TMS) to provide our drivers (both employees and suppliers) with a way to easily track products, documents and cash collections as well as identify the best routes to take to optimise deliveries. By providing visibility across all logistics operations, intelligent tracking, and route optimisation, TMS helps us improve cost efficiency while also reducing our GHG emissions.

In our ongoing commitment to transitioning away from combustion vehicles, we are focusing on launching a constellation of electric vehicle (EV) pilots under various

parameters, models, ownership systems, and settings. This approach allows us to establish robust and tried-and-tested proof points on what works best in the current landscape. Notable highlights include partnering with clients like Johnson & Johnson (J&J) in the Philippines to pilot e-bikes for delivery services.

To date, we have initiated 6 EV pilot programmes across the Philippines, Korea, Indonesia, Malaysia, and Vietnam. We have made further commitments in selected markets to move towards greener transport fleets. For example, in Korea, our goal is to transition to electric vehicles for all short-distance deliveries by 2030.



As Zuellig Pharma-owned trucks only account for a small portion of our distribution network, we have similarly extended our green fleet initiatives across our supply chain. We include mandatory fleet renewal requirements in contracts for our third-party logistics suppliers in selected markets to ensure deliveries are handled by vehicles updated with recent technological developments in terms of emission reductions.

GREEN LOGISTICS SOLUTIONS

In August 2023, Zuellig Pharma announced that it entered into an agreement with global biopharma company GSK, to help set up its **first vaccine distribution hub in the region**. The vaccine distribution hub will be headquartered in Singapore, serving 13 markets in Asia-Pacific (APAC).

Under the partnership, Zuellig Pharma Singapore will provide GSK with warehousing and distribution services in cold-chain management for its vaccines. The vaccine hub will

also leverage Zuellig Pharma's expertise in blockchain technology for China, one of GSK's largest APAC markets. The use of eZTracker, Zuellig Pharma's end-to-end blockchain solution, will enhance the resiliency of GSK's supply chain to enable greater traceability of its vaccines. This allows for better product visibility to address the growing challenge of counterfeit healthcare products in Asia. To learn more about our eZTracker solution, please refer to page 157.

Furthermore, the distribution hub will **prioritise eco-friendly sea transport, significantly reducing carbon emissions by at least 30%** compared to air transport. This commitment to green logistics underscores Zuellig Pharma and GSK's shared dedication to environmental stewardship and sustainable business practices.

With rigorous temperature control measures in place, the vaccine distribution hub not only prioritises sustainability but also safeguards the efficacy of vaccines throughout the supply chain. This collaborative effort represents a significant step towards a greener, more resilient healthcare ecosystem in the Asia-Pacific region.



To help get ahead of disease and deliver real human health impact we need to look broadly and deeply at the interconnections of climate, nature, and health.

At GSK we are committed to a net zero, nature positive, healthier planet, and together with Zuellig Pharma our Vaccines RDC significantly reduces our supply chain CO₂ footprint and further strengthens our supply chain across Asia.

This partnership also reflects our shared goal of advancing global health, with a target to positively influence the wellbeing of 2.5 billion individuals by 2030.



MR. MARK MELLOR

HEAD OF LOGISTICS PROCUREMENT
APAC & ISC, GSK

MANAGING OUR ENERGY CONSUMPTION

The majority of our energy consumed comes from electricity use in our distribution centres. To optimise energy consumption in our facilities, we have implemented Energy Management Systems in our distribution centres in Indonesia, Malaysia, Cambodia, Hong Kong, Singapore, Taiwan, Thailand, Vietnam, and Philippines.

We continually work with landlords to minimise energy consumptions in the buildings that we occupy and similarly implement energy efficiency strategies in any new infrastructure plans we develop. Over the past few years, we have implemented several energy efficiency initiatives including LED lighting and intelligent lighting systems in distribution centres across all our markets as well as new air conditioning and insulation systems in selected markets.

Our latest efforts involve the installation of frequency inverters to improve the energy efficiency of cold chain systems. While implementation has initially focused on Hong Kong and Korea where we are opening new cold chain facilities, we eventually plan to roll out this initiative across the region. Our landlord for our warehouses in Hong Kong, Goodman Westlink, provides innovative features that deliver energy efficiency, enhanced performance, and improved wellbeing of our customers. We adopt the latest sustainable practices and solutions including green building construction, solar power, and an efficient water management system to achieve a low-carbon footprint. Goodman Westlink also achieved the LEED (Leadership in Energy and Environmental Design) Gold certification for energy savings, water efficiency, and design and build initiative.

In addition to efforts to manage and reduce our energy consumption, we have also been looking into increasing renewable energy usage across our facilities and fleet through the installation of rooftop solar panels and introduction of electric or hybrid vehicles. Our investment in renewable energy will help to **mitigate 22% of our generator fuel consumption**.

Equipping our warehouses with solar panels is one of the quickest and more straightforward methods of reducing carbon emissions while at the same time being increasingly self-sufficient. Not only are carbon emissions decreased but our cost also becomes more stable. In Thailand for instance, our emissions are expected to decrease by 568 tCO₂ per year. In 2023, we continued to **progressively roll out our rooftop solar initiative to 5 countries, generating 10,158,906 kWh of renewable electricity to power our operations. This is equivalent to 10% of our total electricity consumption.**

We complement our renewable energy initiatives by investing in offsite renewable energy projects through the purchase of Renewable Energy Certificates (RECs). Any RECs that we purchased are certified by the I-REC Standard² or the TIGR Registry³.

Our efforts in energy efficient measures similarly extend to our IT systems. 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 solution is 93% more energy efficient and up to 98% more carbon efficient.** Microsoft also has a target to achieve 100% renewable energy by 2025 which directly contributes to emission reductions in our Scope 3 inventory. As of 2023, a total of 600 servers have been migrated or created on Microsoft Azure data centres. **This accounts for 42% of our servers that have migrated to cloud solutions, up from 23% in 2022.**

10,158,906 kWh
of renewable electricity
was generated to power our
operations through rooftop solar
initiatives in 2023



Zuellig Pharma Cambodia's Successful Energy Saving Initiative

Zuellig Pharma Cambodia's Phnom Penh office embarked on a seven-month journey from June to December 2023 to cut down electricity consumption in line with the goal of energy saving and maintain a low electricity expense. Through concerted efforts focused on behavioural changes, such as turning off lights when leaving a room, unplugging electronics when not in use, or turning off/reducing the use of air conditioning in non-essential areas, the office made significant progress, achieving an **average decrease of 5.14% every month**. With the excellent results achieved, we expect to maintain the momentum of energy-saving efforts for the future.



Partnering for Sustainable Energy Transition



Zuellig Pharma Thailand and GreenYellow Asia, the trusted energy partner of private companies in achieving their energy transition goals, have signed a Solar Power Purchase Agreement (Solar PPA) with an installed capacity of up to 1.6 MWp. This strategic collaboration enables Zuellig Pharma to harness clean and sustainable energy to power our operations in Thailand. By embracing renewable energy solutions, we are taking significant strides towards achieving our 2030 sustainability targets, aimed at reducing both direct and indirect greenhouse gas (GHG) emissions across our operations.

² 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.

³ 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.



Partnership with ACEN Renewable Energy Solutions

Towards the end of 2023, Zuellig Pharma signed a new strategic partnership with ACEN Renewable Energy Solutions to supply 100% renewable energy to power two major distribution centres in the Philippines — the Santa Rosa Distribution Centre and Canlubang Distribution Centre.

With the shift to 100% renewable energy from ACEN, the Santa Rosa and Canlubang Distribution Centres will **reduce their combined carbon dioxide emissions by 10,600 tons each year, equivalent to the amount of CO₂ absorbed by 92,739 trees in their lifetime (approximately 30 years).**

Renewable energy sources, such as wind, solar, and hydropower, are key in the fight against climate change, producing electricity without contributing to GHG emissions. Zuellig Pharma's Santa Rosa site had earlier been certified as a Leadership in Energy and Environmental Design (LEED) facility with its use of renewable energy to support the requirements of its operations.

This partnership falls under the Retail Competition and Open Access (RCOA) programme, a government initiative allowing high power-consuming end-users to choose their electricity suppliers. RCOA provides businesses such as Zuellig Pharma the opportunity to opt for renewable energy supply, solidifying their commitment to sustainability.

"ACEN is thrilled to join forces with Zuellig Pharma, a company that shares our robust commitment to sustainability. We are proud to support Zuellig Pharma by powering their operations with clean, renewable energy."

Miguel de Jesus
Chief Operating Officer,
ACEN's Philippines Operations
and Head of the Commercial
Operations Group



Successful Cloud Migration: Zuellig Pharma's APL IT Team



In 2023, Zuellig Pharma's APL IT team embarked on a major project to migrate all infrastructure from the IBM Cloud to the regional Azure Cloud. Through collaborative discussions and brainstorming sessions with various internal stakeholders, including Zuellig Pharma's Technology Team and APL ExCom Members, the solution was designed to enable APL to leverage the regional Azure Cloud infrastructure and initiate the integration processes for Systems Applications and Products (SAP) across APL and Zuellig Pharma, resolving persistent service reliability issues previously faced. **The migration resulted in substantial cost savings, amounting to 3.8 times less than the previous year's subscription fees, while also achieving an approximately 30% enhancement in system performance.**



I would like to commend the various teams for their collaborative efforts and hard work in making this cloud migration project a success. First of all, the APL IT team, as well as the supporting ZP Technology team (Ms. Maricar Maniego, Mr. Michael Uchi and Mr. Sasikumar Jaganathan), for the many hours put in overnight and over the weekends. Next, we have the APL users who were involved in the migration and validation testing. And of course, the APL Execom who is always fully supportive and encouraging of the project team. A big thank you to all who were involved!



MR. RENDY ADIWIJAYA
HEAD OF IT, APL

INTERNAL CARBON PRICING

Internal carbon pricing is a strategic approach adopted by Zuellig Pharma to internalise the cost of carbon emissions into our decision-making processes. Using an internal carbon price not only mitigates future financial risks of carbon tax but also supports the achievement of our environmental goals by strengthening the business case for investing capital in lower-carbon activities.

Through an internal analysis of best practices by peers and clients, we identified key factors such as the foreseeable implementation of carbon taxes across our markets, the actual costs of decarbonisation projects, and the costs of alternatives such as renewable energy certificates. Based on this analysis, we have determined that a carbon

pricing bracket ranging between 30 and 80 USD would be ideal for Zuellig Pharma, taking into account market-specific considerations and the types of decarbonisation projects involved. This carbon pricing framework has been thoroughly reviewed and discussed with upper management and is now being integrated into our investment decision-making tools.

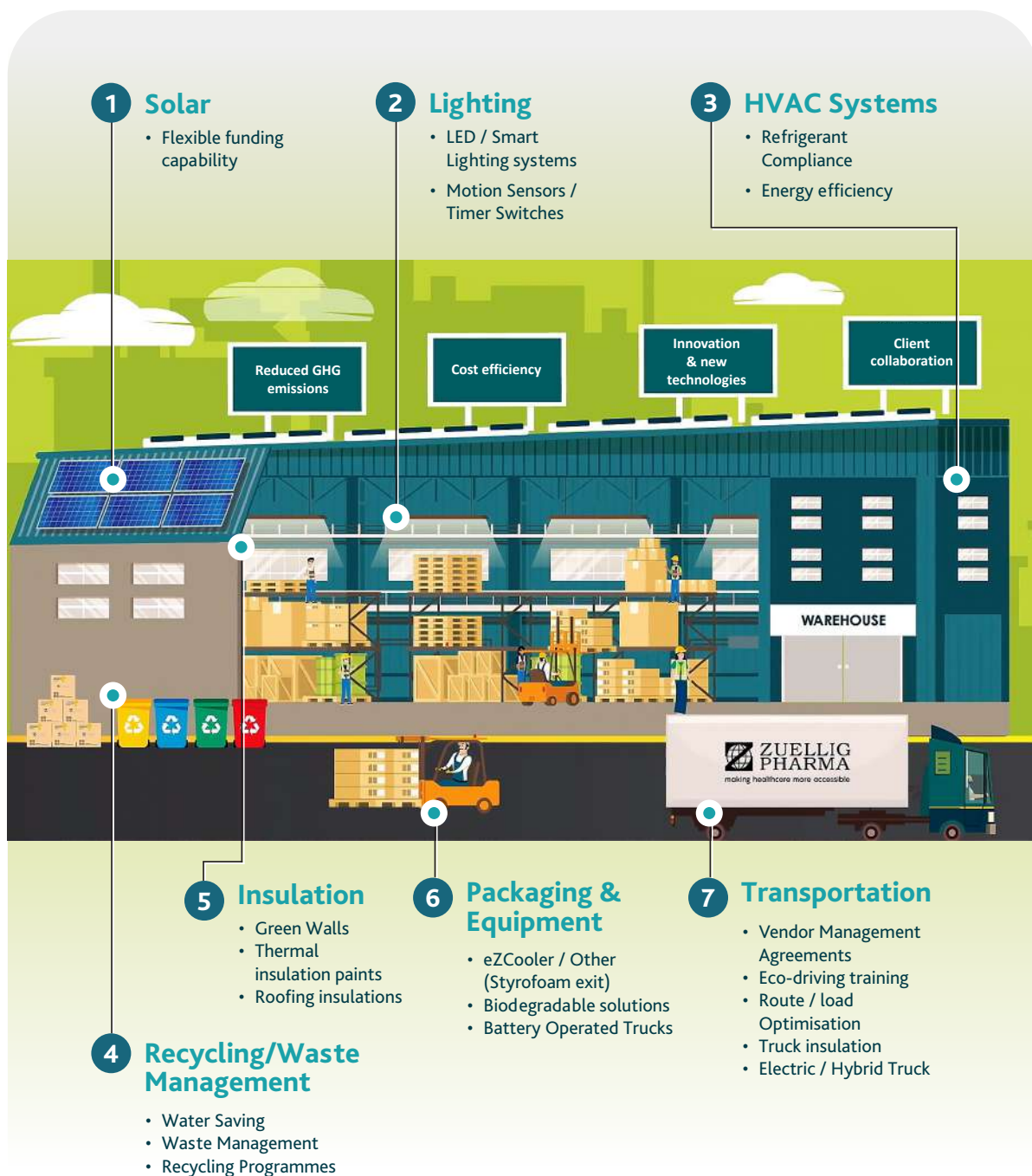
By implementing internal carbon pricing, Zuellig Pharma aims to incentivise investments in carbon reduction initiatives, encourage the adoption of sustainable practices, and ultimately contribute to our commitment to mitigating climate change and building a more sustainable future.



DECARBONISATION PROJECTS

In 2023, we launched Greenovate to raise employee awareness of environmental actions and accelerate initiatives that can contribute to mitigating climate change. The goal of the internal incubator programme is to finance green technologies which are either not available across Asia or are struggling to reach optimal scale, boost their development, develop proofs-of-concepts, and create a

stepping stone for their roll-out across markets. Initiatives are piloted in select markets and assessed on impact, scalability, and relevance to each unique 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.



CLIMATE CHANGE EDUCATION

At Zuellig Pharma, we recognise the critical role that employees play in mitigating climate change and promoting sustainability. As stewards of our environment, it is essential that our team members are engaged and educated on climate-related issues to drive meaningful change within our organisation and beyond. Through dedicated initiatives and ongoing education programmes, we are committed to empowering our employees with the knowledge and tools they need to reduce our environmental footprint, adopt sustainable practices, and contribute to a greener future.

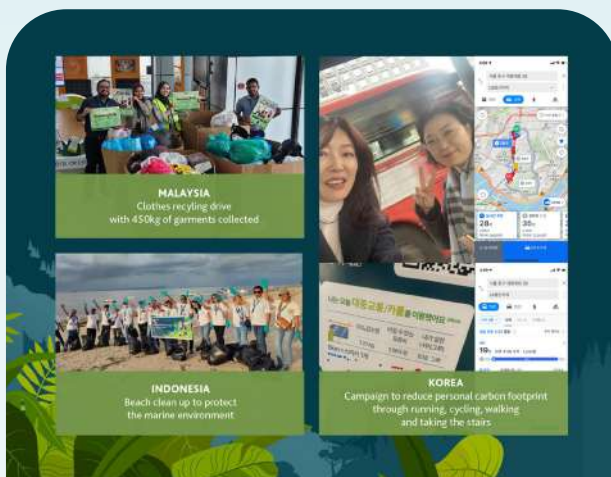


Respecting the Environment Week

Zuellig Pharma marked our Respecting the Environment Week, with activities centred around instilling environmental stewardship in employees' daily work and personal habits. The theme "Climate Emotions" highlighted Zuellig Pharma's commitment towards caring for the wellbeing of employees amid the challenges posed by climate change.

The highlight of the week was our "Preparing for Climate Change" webinar featuring a keynote address by climate expert and former Senior Editor with NASA, Ms. Laura Tenenbaum, and an array of speakers from Zuellig Pharma's leadership team including Group CEO Mr. John A. Graham, Head of Corporate Affairs Mr. Jean-Gaetan Guillemaud and Head of Value Management Office Mr. Adrian Wong. Sharing insights about global climate change trends, the physical and psychological effects of climate change, how to combat climate change on both a personal and organisational level, as well as Zuellig Pharma's sustainability journey and achievements, the speakers inspired participants to continue playing their part in building a healthier future for Asia.

Local initiatives were spearheaded in key markets such as Indonesia, Malaysia, and Korea, including a clothes recycling drive, a campaign to encourage a greener lifestyle and a beach clean-up, as well as a special video put together to showcase our numerous decarbonisation efforts across the region. To round off the activities, **Zuellig Pharma partnered with EcoMatcher | Certified B Corp to plant 2,000 trees** in various locations around the world. EcoMatcher, renowned for their meticulous selection of foundations and NGOs worldwide, will ensure the transparent and responsible planting of these trees.



I am honoured to have participated in Zuellig Pharma's Respecting the Environment Week where we had the opportunity to discuss the psychological impacts of climate change, as well as individual responsibility and our collective response.



MS. LAURA TENENBAUM
CLIMATE EXPERT AND
FORMER SENIOR EDITOR WITH NASA



ESG 101 Climate Training

In late 2023, our ESG Leads across our major markets underwent training to develop fundamental ESG knowledge. The training covered the evolution of sustainability in business, the business case for ESG, and key ESG terms and frameworks relevant to Zuellig Pharma. The session focused on the basics of Greenhouse Gas Accounting, including Scope 1, 2, and 3 emissions, company targets, and performance opportunities. The ESG Leads gave positive feedback, with an overall rating of 4.7 out of 5. Future sessions are planned for ongoing capability development.



Participating in the training was enlightening and empowering. It equipped me with essential knowledge and tools to drive impactful sustainability initiatives at Zuellig Pharma, fostering a brighter, greener future for our organisation and communities.



MR. MARK LIM

ENVIRONMENT, SAFETY & HEALTH (EHS) MANAGER & ESG LEAD (SINGAPORE)



Zuellig Pharma Korea's Sustainability Innovation Awards

For the second year running, Zuellig Pharma Korea hosted its Sustainability Innovation Awards. This provides a platform for our talented employees to share their creative ideas on enhancing Zuellig Pharma's sustainability efforts.

Over 70 ideas were contributed, and 10 finalists presented their creative ideas to colleagues, senior management, and the Sustainability Committee. All employees were invited to vote to determine the five winners with the most outstanding ideas. The winning ideas are carefully reviewed by management as Zuellig Pharma strives to implement them into our business operations.



This initiative and the ideas that were generated not only demonstrate our commitment to our communities and the planet but also our innovative spirit. The winners' ideas, as well as the other finalists' ideas, will be carefully reviewed as we strive to implement them in our business operations.



DR. MARC FRANK

ZUELLIG PHARMA KOREA PRESIDENT



INDUSTRY COLLABORATION AND ADVOCACY

Emissions from our network of third-party logistics providers contributes to almost half of our total emissions and represents our primary environmental impact. While this presents challenges in terms reducing our emissions as these activities fall outside of our direct control, we recognise that addressing our suppliers' emissions is fundamental to accelerating climate action at the industry level.

We are in a unique position to influence our suppliers' policies and behaviours and joined the Sustainable Procurement Pledge in 2022, an organisation dedicated to driving awareness and knowledge on responsible sourcing practices. Zuellig Pharma also has expectations of our suppliers to commit to climate change mitigation, which is outlined in our [Labour Health, and Safety Policy & Environmental Commitments](#).

At Zuellig Pharma, we recognise that collaboration and advocacy are integral to driving sustainable change. As part of our commitment to fostering positive environmental and societal impact, we actively engage in industry collaborations and advocacy efforts.



Driving Sustainable Development in Indonesia: B20 Sustainability 4.0 Awards

The Indonesia Sustainability 4.0 Network stands as a testament to the collaborative efforts driving sustainable development in Indonesia. Emerging from the success of the B20 Sustainability Awards in 2022, organised by SwissCham Indonesia and co-organised by EuroCham Indonesia and KADIN Indonesia, this pioneering initiative unites corporate giants and small enterprises under a common goal: to spearhead sustainable development aligned with the United Nations' Sustainable Development Goals (SDGs). With an unwavering commitment from all stakeholders, the network fosters a dynamic platform where expertise and resources converge to forge innovative solutions.

At the heart of this endeavour lies a steadfast focus on critical SDGs, including empowering women leaders in sustainability, improving access to clean water, advancing clean energy transition/net zero, and promoting the reduction and/or reuse of plastic. APL proudly participates in this initiative under the leadership of Mr. Christophe Piganiol, President Director of PT Anugerah Pharmindo Lestari and Head of the Sustainability & Innovation Working Group at Swiss Chamber of Commerce Indonesia. Through our involvement, we aim to drive hundreds of communities and SMEs in Indonesia to achieve higher impact in sustainability.

The recent pre-launch event of the Indonesia Sustainability 4.0 Network showcased the vital role of sustainability across all company sizes. Virtual workshops and insightful panels emphasised the importance of collaborative community efforts in strengthening the impact of sustainable practices. In his opening remarks, Mr. Christophe Piganiol highlighted the significance of championing SMEs as sustainability drivers and harnessing the power of community collaboration for positive change. Together, we pave the way for a resilient, responsible, and progressive future in Indonesia.



One significant avenue of our advocacy is through our membership in the EU-ASEAN Business Council Sustainability Committee. In this role, we work alongside esteemed partners to advocate for changes in policies, rules, and regulations. By championing new environmental and societal standards and practices, we aim to create a regulatory environment that benefits not only our organisation but also the communities we serve. Furthermore, through our participation in the Sustainability Committee of the US-ASEAN Business Council, we extend our advocacy efforts to engage with new sustainability stakeholders across Asia. Through strategic collaborations and dialogue, we seek to encourage the implementation of sustainability regulations and practices that promote long-term environmental and societal wellbeing.

By leveraging our partnerships and advocating for sustainable policies and practices, we remain committed to driving positive change and creating a more sustainable future for all.



Driving Change Through Collaboration in Taiwan

In 2022, Taiwan unveiled its roadmap, "Taiwan's Pathway to Net-Zero Emissions in 2050," marking a significant stride towards achieving its ambitious "2050 Net-Zero Emissions" goal. This comprehensive plan signals a pivotal shift in environmental policy, with the Environment Ministry's transformation emphasising the nation's commitment to sustainability. Taiwan aims to foster a circular economy and reduce waste through the introduction of a new "Resource Recycling Law" spanning various industries. Zuellig Pharma is actively engaged in supporting these initiatives, and in 2023 representatives from Zuellig Pharma Taiwan were invited to share our best practices in circular recycling as a distributor. This collaborative approach, involving industry stakeholders and government bodies, demonstrates our commitment to environmental advocacy and sustainable practices in the regions where we operate.



Across our diverse markets, Zuellig Pharma is deeply committed to addressing climate change through industry leadership and advocacy initiatives. In Malaysia, we actively participate in the Business Council for Sustainable Development, spearheading a pioneering medical waste recycling programme aimed at tackling 260 tons of waste annually. In Taiwan, we are proud members of the Low Carbon Initiative, collaborating on the transfer of green technology from the EU to promote sustainable practices in the region. Meanwhile, in the Philippines, Zuellig Pharma plays an active role in industry associations such as the PCAPI (Pollution Control Association of the Philippines Inc.) and ASPPI (Association of Safety Practitioners of the Philippines Inc.), demonstrating our commitment to advancing environmental protection and safety standards. These engagements underscore our dedication to driving positive change and fostering sustainability across our markets, as we continue to advocate for impactful solutions to combat climate change.



Championing Sustainability



Zuellig Pharma Taiwan was awarded the prestigious Golden Award of ESG Logistical Sustainability from the Global Logistics & Commerce Council of Taiwan, ICLEI - Local Governments for Sustainability, and Taiwan branch of SOLE - The International Society of Logistics. Presented by Taiwan's Vice Premier, Mr. Cheng Wentsan, this award recognises our steadfast commitment to sustainability and distinguishes us among 50 leading companies in the logistics sector in Taiwan.

As we continue our journey towards carbon neutrality by 2030, Zuellig Pharma Taiwan remains dedicated to exploring innovative initiatives such as e-trucks and reusable logistic boxes, further bolstering the sustainability of our operations.

For more information on the associations and initiatives that Zuellig Pharma participates in please refer to page 31 of this report.

OUR PERFORMANCE

ENERGY CONSUMPTION IN 2023

ENERGY CONSUMPTION (MJ)	2020	2021	2022	2023
Fuel consumption	25,480,746	28,245,732	26,058,153	27,025,114
Electricity consumption from non-renewable sources	307,033,233	294,978,724	222,168,243	163,537,476
Electricity consumption from renewable sources	9,229,373	16,125,972	136,210,980	220,429,005
Total energy consumption	316,262,606	339,350,428	384,437,375	410,991,594
Energy intensity (MJ/piece)	0.149	0.145	0.152	0.143

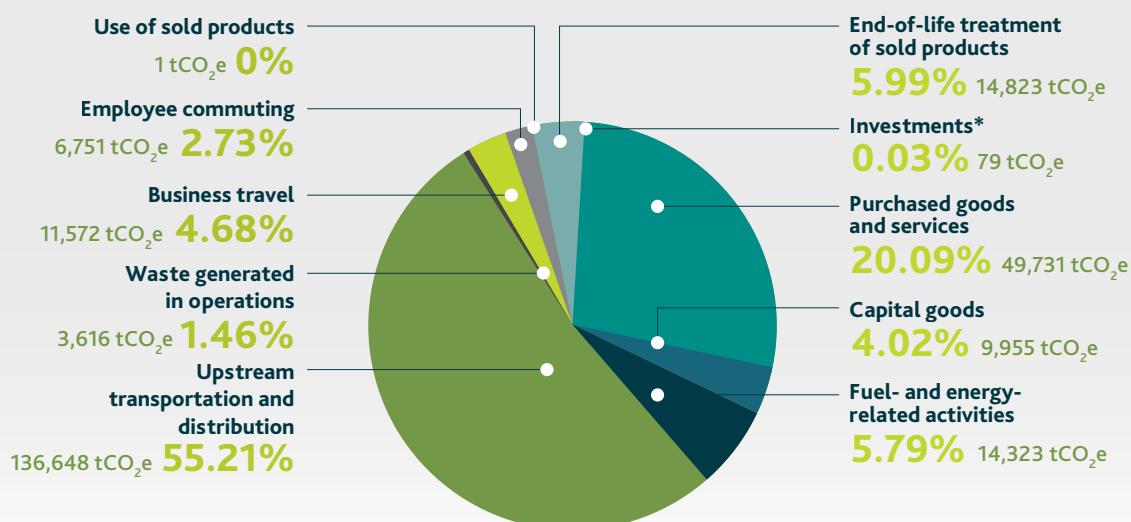
Note: The conversion factor for litres to MJ for fuels was obtained from the GHG Protocol Emission Factors for Cross Sector Tools (Stationary Combustion tab).

SCOPE 1, 2 AND 3 EMISSIONS IN 2023

GHG EMISSIONS (tCO ₂ e)	2020	2021	2022	2023
Scope 1 emissions	9,551	12,032	10,891	10,640
Scope 2: Location-Based	54,061	50,320	60,742	55,479
Scope 2: Market-Based	51,255	49,477	35,683	27,683
Scope 3	341,689	389,602	262,705	247,499
Total emissions*	402,495	451,111	309,279	285,822
GHG emission intensity (tCO ₂ e/piece)	0.0000265	0.0000262	0.0000185	0.0000134

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

BREAKDOWN OF SCOPE 3 EMISSIONS IN 2023



* Zuellig Pharma includes emissions related to companies where we hold minority interests in our Scope 3 Investment category.



CLIMATE GOVERNANCE

Climate change exerts significant strains on health systems, simultaneously increasing demand for healthcare services while also impairing the ability of healthcare providers to respond. Extreme weather events worsened by climate change poses significant risks to surrounding infrastructure, supply chains, and the public which can lead to lowered healthcare quality and accessibility. This can make it harder for patients to access healthcare and worsen patient outcomes, especially for vulnerable persons and those living in highly exposed locations.

Zuellig Pharma is acutely aware that climate-related risks and opportunities possess the potential to significantly impact our business and compromise the reliability of our supply chain. To ensure that we can continue to serve and benefit the communities in the regions where we operate, we seek to ensure that our operations are resilient to climate change and increase our ability to prepare for and recover from climate impacts, especially in vulnerable locations. Zuellig Pharma welcomes the TCFD recommendations and seeks to align our disclosures accordingly in order to better understand and manage our climate-related risks and opportunities. Through proactive climate governance, we are dedicated to navigating these challenges, safeguarding our operations, and maintaining the unwavering commitment to delivering healthcare services to the communities that depend on us.

MANAGEMENT APPROACH

TCFD DISCLOSURE

Recognising that addressing climate change is crucial to ensure our business remains sustainable, we have taken the first step towards implementing the TCFD recommendations, with our 2023 Sustainability Report serving as our first report aligned with the recommendations. Nonetheless, we are cognisant that TCFD is a journey and are committed to continue strengthening our disclosure on climate-related risks and opportunities in the future. We will soon be working towards the next phase for TCFD which is the quantitative climate scenario analysis.

● GOVERNANCE

To drive sustainability throughout the organisation, Zuellig Pharma has put a strong governance structure in place with our Board of Directors, CEO and EMT steering our sustainability agenda, and supported by our newly developed ESG Committee. For more information on Zuellig Pharma's sustainability governance please refer to page 23.



● STRATEGY

We have worked with our global insurance partner, Generali, to carry out 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.

Generali has been actively involved in risk assessments of Zuellig Pharma's assets to assess and enhance climate change resilience. The purpose of these assessments is to evaluate the exposure of these facilities to climate-related risks and implement measures that mitigate potential damages. By understanding the specific climate-related challenges each facility faces, Generali can tailor insurance coverage and risk management strategies to ensure that facilities are well prepared for climate change impacts. This proactive approach not only safeguards Zuellig Pharma's assets but also aligns with our broader sustainability goals of building climate resilience and contributing to climate change adaptation efforts across our supply chain. These assessments are a crucial component in fostering sustainable and climate-resilient operations within the pharmaceutical distribution network.

In 2023, Generali identified and assessed a total 6 locations in two of our markets, Philippines and Thailand. We are currently working on implementing measures based on recommendations from Generali. One of the key aspects of Generali's risk assessment is identifying the Natural Catastrophe hazards associated with the assessed locations and to work together with Zuellig Pharma in drawing up appropriate mitigation plans. Their assessments found that Zuellig Pharma has robust response plans in place and regular drills are carried out to test and evaluate these plans.



Windstorm assessment in the Philippines

In the Philippines, Generali carried out windstorm studies and analysis of the roof system for the warehouse located in Cebu. The assessment determined that the roofing was structurally sound despite being damaged during Typhoon Odette (Rai) in 2021 and the site has a robust emergency response plan in place, demonstrated by the short turnaround time to resume operations. The team from Generali noted that during that period, the entire area of Cebu was severely affected, and availability of new roofing materials was scarce but despite all the challenges, the facility managed to resume operations.

ZPC Philippines is also planning to reinforce all existing roll-up doors of all its warehouses against windstorms and Generali will be reviewing the structural plan regarding these additional reinforcement support structures. To further enhance the reliability of its sprinkler system, ZPC Philippines is also studying the feasibility of installing seismic bracing for the sprinkler pipelines, especially at locations which are prone to earthquakes.



Generali has recently carried out a natural hazard assessment of the majority of assets in the Zuellig Pharma portfolio. This was to evaluate flood, windstorm, and earthquake perils for current risk exposure. Facilities are classified using Generali's Cat Net System into high, medium, or low risk locations. Risk mitigation and improvement actions are then prioritised and undertaken accordingly.

100%
of our markets that have been identified to be in earthquake, flood or typhoon zones have implemented protection 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. For example, addressing the sprinklers and fire pump to mitigate any fire risk that may result from a climate hazard. The work on the 3-year multi-country risk improvement programmes continued in 2023.

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.

Our Distribution Centres are audited against Generali's rigorous property loss prevention standards and recognised with risk management excellence awards. We have made strong progress over the years, with more than three-fold increase in awards since 2015, 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.

To complement the work previously undertaken by FM Global, we worked with an external consultant to carry out a qualitative climate scenario analysis in 2023 to further strengthen our understanding of our climate-related risks and opportunities. The assessment was based on scenarios developed by the Network for Greening the Financial System (NGFS) and covered the short- (to 2030), medium- (2030-2040), and long-term (2040-2050) periods. NGFS scenarios aim to provide the public and private sector players with an analysis of the financial risks associated with climate change. The following scenarios were used in the assessment:

ORDERLY

Net Zero 2050 is an ambitious scenario that limits global warming to 1.5 °C. This scenario assumes that climate policies are introduced immediately and becomes progressively more stringent, reaching net zero CO₂ emissions around 2050. This pathway assumes smooth physical changes in climate over time and that policies and technological actions are adopted in a coordinated and timely manner.

DISORDERLY

Action that is late, disruptive, sudden and/or unanticipated. The introduction of new climate policies is delayed and divergent across countries and sectors, with varied implementations and effectiveness, lack of coordination and alignment with global policies. Annual emissions do not decrease until 2030 and strong policies are then needed to limit warming to below 2°C.

HOT HOUSE WORLD

Assuming current policies are preserved but there is limited action, and no new policies are introduced, leading to a hot house world with significant global warming. This results in a strong increase in physical climate impacts and an estimated rise in global temperature of 3-5°C.

Throughout this assessment, internal stakeholders across business functions including Health, Safety, Security and Environment (HSSE), procurement, sustainability, and risk management were engaged to identify the risks and opportunities most relevant to Zuellig Pharma's business. The results of the assessment are summarised in the table on the following pages.

TRANSITIONS RISKS

+ INCREASING CLIENT PRESSURE

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			

VERY LOW
LOW
MEDIUM
HIGH
VERY HIGH

RISK DESCRIPTION

Many of Zuellig Pharma's key clients have established ambitious scope 3 climate targets. As a supplier to these clients, the ability to be agile and proactive in responding to changing regulations and criteria requested by clients is becoming increasingly important.

- RISK DRIVERS**
- Changing customer behaviour
 - Enhanced regulations and policies
 - Mandates on products and services

- POTENTIAL IMPACTS**
- Loss of clients due to failure to meet sustainability demands
 - Increased costs to meet sustainability demands

RESPONSES

- **Work towards reducing transport-related emissions**
Zuellig Pharma is working towards reducing our emissions from transport by greening our fleets and helping our logistics partners to do the same. See page 97 for more information.
- **Invest in R&D to accelerate efforts to develop viable alternatives**
Zuellig Pharma actively invests in R&D to drive sustainability across our operations. Examples include our eZCooler packaging solution and solar powered vehicles. Please refer to page 125 for more information.
- **Keep abreast of emerging regulations across markets**
We closely monitor evolving dynamics within the market. We actively participate in industrial forums and liaise with regulators to exchange of knowledge, stay abreast of industry trends, and strengthen collaborative efforts. For more information, please refer to pages 105 and 126.
- **Set targets to reduce emissions**
For more information on our targets and progress, please refer to page 95-96.
- **Develop low-carbon service offerings**
Our initiatives also contribute to emission reductions for our customers.

TRANSITIONS RISKS

+ EMISSIONS MANDATES ON TRANSPORT AND PACKAGING

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			



RISK DESCRIPTION

To achieve net-zero by 2050, mandates and regulations may target emissions from high-intensity services like transport and packaging. Many countries have already set electric vehicle (EV) adoption targets and plan to phase out ICE vehicles. Similarly, companies face increasing pressure to eliminate single-use packaging, with some countries already enacting bans on single-use plastics.

RISK DRIVERS

- Mandates on products and services

POTENTIAL IMPACTS

- Loss of clients due to failure to comply with mandates
- Increased costs to ensure compliance with mandates

RESPONSES

- **Work towards reducing transport-related emissions**
Zuellig Pharma is working towards reducing our emissions from transport by greening our fleets and helping our logistics partners to do the same. See page 97 for more information.
- **Reduce packaging waste**
We prioritise the reuse and recycling of waste as well as reducing waste generation at the source. For more information, please see page 125.
- **Invest in R&D to accelerate efforts to develop viable alternatives**
Zuellig Pharma actively invests in R&D to drive sustainability across our operations. Examples include our eZCooler packaging solution and solar powered vehicles. Please refer to page 125 for more information.
- **Keep abreast of emerging regulations across markets**
We actively participate in industrial forums and liaise with regulators. For more information, please refer to pages 105 and 126.

TRANSITIONS RISKS

+ GREENWASHING

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			



RISK DESCRIPTION

With increasing scrutiny of sustainability claims, greenwashing carries increasing reputational, regulatory and litigation risks. Regions like Europe and Australia have already started to release regulations on green claims. As climate change actions ramp-up, similar regulations may extend to the APAC region.

RISK DRIVERS

- Enhanced reporting obligations
- Pressure to disclose ESG performance
- Overcommitting and/or not delivering on current commitments

POTENTIAL IMPACTS

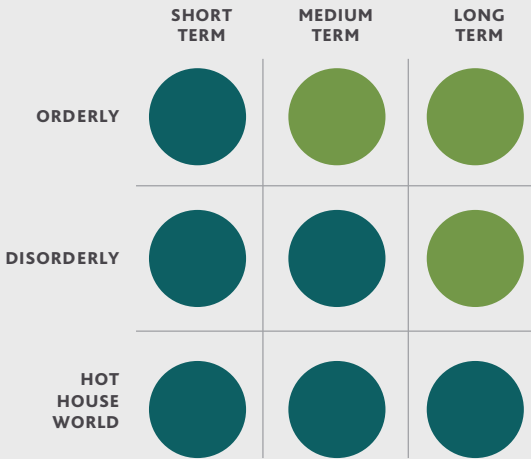
- Litigation and financial penalties due if Zuellig Pharma fails to meet green claims
- Loss of clients due to accusations of greenwashing and reputational damage

RESPONSES

- **Set targets and monitor progress aligned to best practice framework**
Zuellig Pharma has committed to near-term SBTs and is on track to achieve it. For more information on our targets and progress, please refer to pages 95-96.
- **Work towards improving emissions reporting**
Zuellig Pharma is currently exploring software solutions to enhance our emission data management and reporting.
- **Externally validate climate data**
We externally assure our key sustainability disclosures. Please refer to page 177 for our external assurance statement.
- **Disclose against well established disclosure frameworks**
We report on our climate-related performance annually against frameworks including GRI, CDP, and more recently TCFD, and are committed to continually improving our disclosures.
- **Keep abreast of emerging guidance and regulations across markets**
We actively participate in industrial forums and liaise with regulators. For more information, please refer to pages 105 and 126.
- **Continually update targets to ensure they remain ambitious and relevant**
We are committed to regularly assessing our targets, ensuring our leading position in climate targets and performance.

TRANSITIONS RISKS

+ CARBON PRICE



RISK DESCRIPTION

Countries are increasingly adopting carbon taxes and emission trading schemes, focusing on high-emission sectors or facilities that emit a significant GHG emissions (> 25,000 tCO₂e). While these stipulations do not generally apply to Zuellig Pharma, cascading effects from carbon taxes such as rising energy costs and eventual expansion to other sectors and/or facilities can impact the company.

RISK DRIVERS

- Carbon pricing mechanisms

POTENTIAL IMPACTS

- Increased costs from carbon tax
- Increased costs to implement mitigation and adaptation measures

RESPONSES

- **Work towards reducing emissions**
Zuellig Pharma has committed to near-term SBTs and is on track to achieve it. For more information on our targets and progress, please refer to page 10.
- **Keep abreast of emerging regulations across markets**
We actively participate in industrial forums and liaise with regulators. For more information, please refer to pages 105 and 126.
- **Improve energy efficiency**
We implement a number of initiatives to improve the energy efficiency of our buildings and fleets. Please see page 98 for more information.
- **Electrification of vehicles**
Zuellig Pharma is currently piloting EVs in selected markets. Please refer to page 97 for more information.

TRANSITIONS RISKS

+ ENVIRONMENTAL POLICY

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			



RISK DESCRIPTION

With a number of standards and frameworks already on the horizon, there will be a need to continue to meet evolving reporting regulations and bear the costs of maintaining internal capabilities for example upskilling and hiring expertise.

RISK DRIVERS

- Emerging regulations and policies
- Financial penalties and/or reputational damage due to delayed response to environmental policies

POTENTIAL IMPACTS

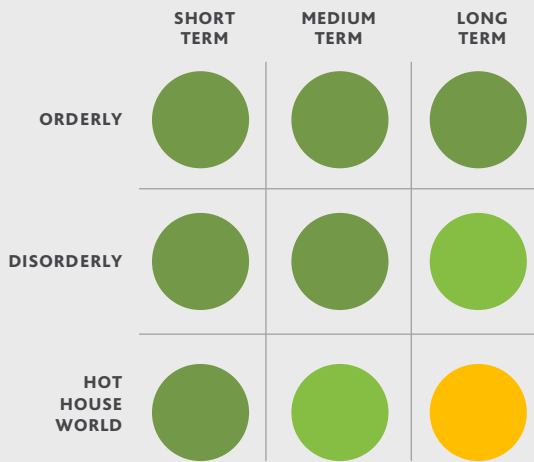
- Increased operating and capital costs to ensure compliance with environmental policies
- Financial penalties due to failure to comply with reporting requirements
- Loss of clients if Zuellig Pharma fails to meet regulations

RESPONSES

- **Fulfill reporting requirements on a voluntary basis**
We report on our climate-related performance annually against frameworks including GRI, CDP, and more recently TCFD, and are committed to continually improving our disclosures.
- **Continually upskill and improve internal capabilities**
We conducted an ESG workshop for employees in 2023 to introducing corporate sustainability and GHG accounting.
- **Keep abreast of emerging regulations across markets**
We actively participate in industrial forums and liaise with regulators. For more information, please refer to pages 105 and 126.

PHYSICAL RISKS

+ COST OF RISING TEMPERATURES ON COOLING



RISK DESCRIPTION

Rising temperatures will require an increasing amount of cooling in warehouses and vehicles to maintain temperatures needed to ensure the quality and safety of inventory. The increase in temperatures could also lead to an increase in the spread of diseases, putting additional pressure on healthcare providers to meet the growing demand for services and products.

RISK DRIVERS

- Increased global temperatures
- Cooling requirements for products

POTENTIAL IMPACTS

- Increased costs to meet growing cooling demands
- Increased costs to upgrade warehouses, vehicles, and/or packaging
- Loss of products
- Loss of clients due to decreased service quality and reputational damage

RESPONSES

- **Improve insulation in warehouses, vehicles, and/or packaging**
Zuellig Pharma has put in place a number of initiatives to improve energy efficiency across our facilities and fleet. For more information, please refer to page 98.
- **Invest in R&D to accelerate efforts to develop viable solutions**
We continually invest in new cold chain solutions as part of efforts to increase coverage and access in rural and remote areas. One such solution is our eZCooler packaging solution for temperature sensitive products. For more information, please refer to page 125.
- **Increase the use of renewable energy to meet growing energy demands**
Besides energy efficiency measures, we also seek to increase our uptake of RE to offset our energy consumption. Please refer to page 99 for more information.

PHYSICAL RISKS

+ FLOODING IMPACTS ON ASSETS AND DISTRIBUTION NETWORKS

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			



RISK DESCRIPTION

A number of our locations in Asia are prone to floods due heavy rain during the monsoon season. Floods can result in damage to both assets and inventory as well as disrupt business by damaging infrastructure (such as roads) and impeding accessibility.

- RISK DRIVERS**
- Changing weather patterns

- POTENTIAL IMPACTS**
- Increased indirect operating costs to repair damage
 - Increased insurance costs
 - Increase in capital costs to upgrade warehouses
 - Business disruptions from damage to infrastructure and supply chains

RESPONSES

- **Build flood barriers and drainage systems**
To mitigate flooding events in high-risk locations, we install bund walls and flood barriers, and carry out regular maintenance of stormwater drains and pits.
- **Relocate assets more inland and/or to higher elevations**
We regularly assess and update our mitigation and adaptation plans including the need for relocation.

PHYSICAL RISKS

+ STORMS AND EXTREME WEATHER EVENTS

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			



RISK DESCRIPTION

Storms pose a risk to Zuellig Pharma as it can damage the exterior of warehouses and distribution centres. As the effects of climate change worsens, storm events are expected to become increasingly frequent and severe. This damage can also extend to infrastructure, causing disruption and the inability to access roads which are vital to Zuellig Pharma's service delivery.

- RISK DRIVERS**
- Changing weather patterns

- POTENTIAL IMPACTS**
- Increased indirect operating costs to repair damage
 - Increased insurance costs
 - Increase in capital costs to upgrade warehouses
 - Business disruptions from damage to infrastructure and supply chains

RESPONSES

- **Reinforce the exterior of warehouses**
Zuellig Pharma is currently in the process of reinforcing the roof perimeter and corner areas of the MDI National Distribution Centre to protect against typhoons and windstorms.

PHYSICAL RISKS

+ RISING SEA LEVELS

	SHORT TERM	MEDIUM TERM	LONG TERM
ORDERLY			
DISORDERLY			
HOT HOUSE WORLD			



RISK DESCRIPTION

Sea level rise poses risk of permanent flooding and stranded assets. While sea level rise itself is not a significant risk for Zuellig Pharma, sea level rise in conjunction with increasingly frequent and severe storm surges and extreme rainfall events can increase the risk of coastal floods in many markets where we operate.

RISK DRIVERS

- Changing weather patterns

POTENTIAL IMPACTS

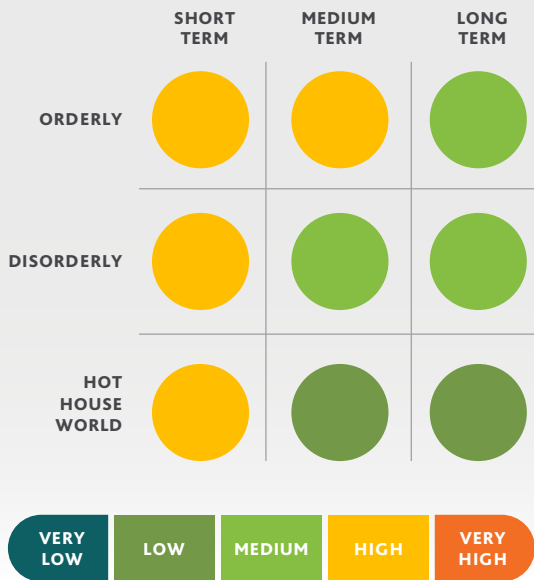
- Increased operating costs to repair damage
- Increased insurance costs
- Increase in capital costs to upgrade warehouses
- Loss of capital from stranded assets

RESPONSES

- **Build flood barriers and drainage systems**
To mitigate flooding events in high-risk locations, we install bund walls and flood barriers and carry out regular maintenance of stormwater drains and pits.
- **Relocate assets more inland and/or to higher elevations**
We regularly assess and update our mitigation and adaptation plans including the need for relocation.

OPPORTUNITIES

+ CLIENT ATTRACTION AND RETENTION

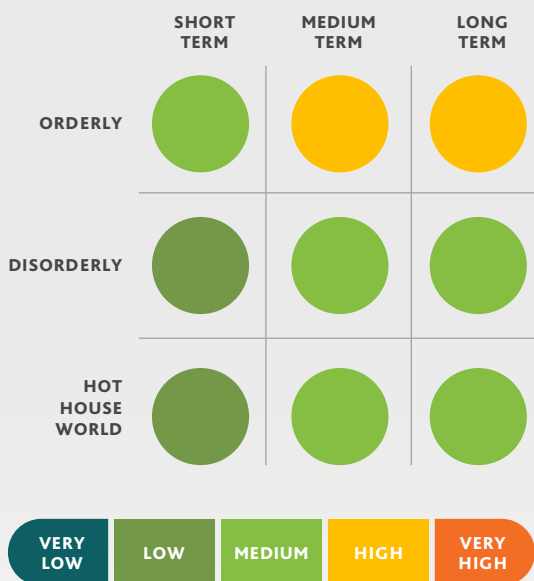


OPPORTUNITY DESCRIPTION

As a transport service provider, Zuellig Pharma can directly impact clients' abilities to achieve their scope 3 emission reduction targets. Demonstrating the ability to become a sustainable and low-carbon supplier presents a good opportunity for us to retain and attract clients and contracts.

- POTENTIAL IMPACTS**
- Greater client retention and attraction
 - Cost savings from mitigation measures which contribute to reduce energy consumption
 - Increased resilience against potential impacts of future carbon taxes

+ MORE EFFICIENT FLEETS



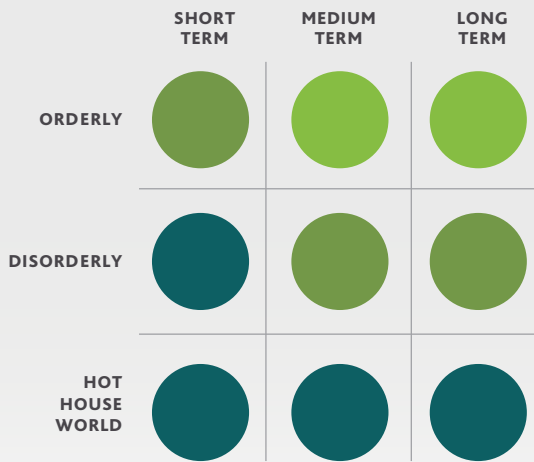
OPPORTUNITY DESCRIPTION

With a significant percentage of Zuellig Pharma's total emissions coming from our fleets, there is a good opportunity to save on cost and reduce our GHG emissions by increasing the efficiency of our trucks and deliveries through initiatives such as passive packaging and load and route optimisation. While we recognise that EVs can also have a significant impact on our emissions, this is difficult and costly to procure to many of our markets.

- POTENTIAL IMPACTS**
- Cost savings from reduced fuel consumption
 - Improved the delivery times
 - Increased resilience against potential impacts of future carbon taxes

OPPORTUNITIES

+ SWITCH TO RENEWABLE ENERGY

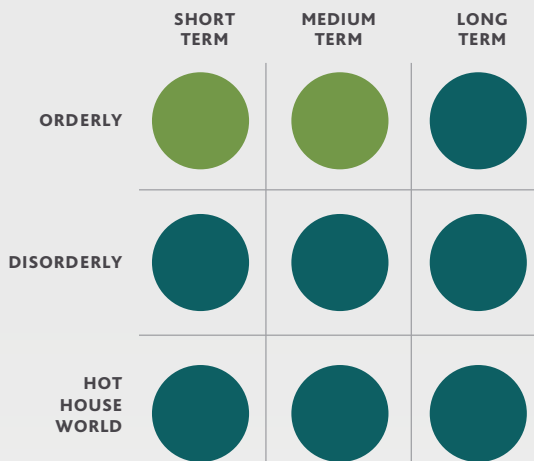


OPPORTUNITY DESCRIPTION

As climate regulations tighten and RE becomes more readily available, RE prices will likely decrease while fossil fuel prices increase. Switching to RE can therefore generate cost savings while also reducing emissions.

- POTENTIAL IMPACTS**
- Cost savings from lower energy prices
 - Accelerated achievement of RE targets

+ MORE EFFICIENT WAREHOUSES



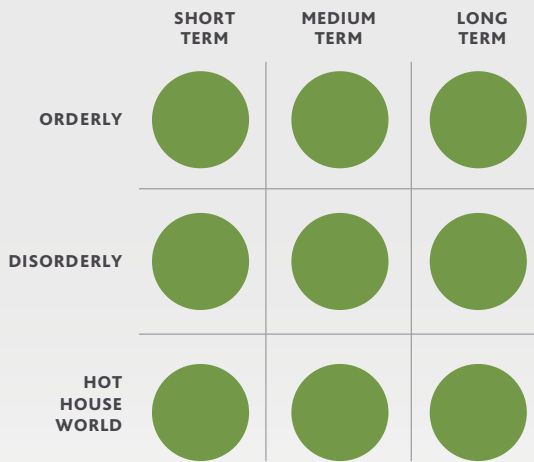
OPPORTUNITY DESCRIPTION

To enhance energy efficiency in buildings, an increasing number of companies are turning to AI and smart Building Management System (BMS) technology. Some markets have piloted 'dark warehouses,' requiring only ~5% of conventional manpower. However, opportunities to convert existing warehouses remain limited.

- POTENTIAL IMPACTS**
- Cost savings from reduced energy consumption
 - Cost savings from reduced manpower

OPPORTUNITIES

+ EMPLOYEE ATTRACTION AND RETENTION



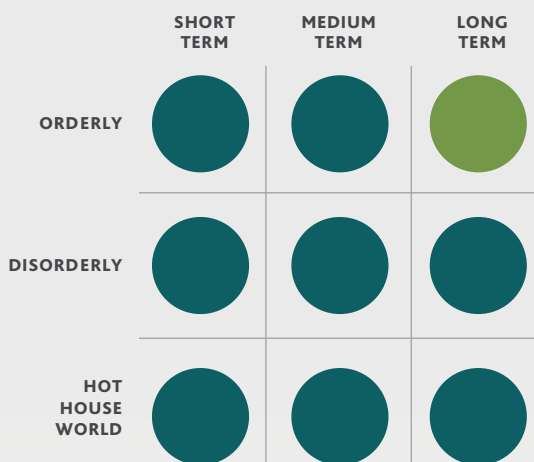
OPPORTUNITY DESCRIPTION

With climate awareness growing among the general public and employees, companies leading the way in the transition a low-carbon economy have the advantage of being able to stand out in the market, attract new talent, and build much needed internal capacity within the growing and emerging field of sustainability.

POTENTIAL IMPACTS

- Greater talent retention and attraction
- Cost savings from reduced recruitment and training expenses

+ ALTERNATIVE FUELS



OPPORTUNITY DESCRIPTION

Switching to lower emissions sources of energy such as biofuels across our warehouses, distribution centres and fleets can reduce our emissions. Reduced reliance on fossil fuel also helps mitigate against any potential carbon tax and generate potential cost savings as alternative fuels becoming more readily available and consequently cheaper.

POTENTIAL IMPACTS

- Cost savings from lower fuel prices
- Increased resilience against potential impacts of future carbon taxes



Environmental Responsibility and Strategic Scenario Anticipation

Going beyond healthcare, Zuellig Pharma's commitment to building a sustainable future extends to environmental stewardship. We position ourselves as trailblazers in sustainability by integrating comprehensive Vulnerability Assessment Analysis in line with ISO 22301:2019 BCMS principles for climate governance into our assessments. This approach not only fortifies facilities against a spectrum of climate-related threats but also showcases Zuellig Pharma's dedication to operational sustainability and resilience in navigating the complex and dynamic landscape of climate challenges.

Our Vulnerability Assessment Analysis spans 61 meticulously crafted scenarios, encompassing disruptions from man-made and natural disasters to cybersecurity threats. Zuellig Pharma's adaptability, foresight, and commitment to navigating a diverse array of challenges underscores its pivotal role as a pioneer in healthcare sustainability. This integrated approach reflects our commitment to climate governance and environmental risk mitigation, aligning our operations with responsible practices that contribute to a resilient and sustainable future.

● RISK MANAGEMENT

Zuellig Pharma conducts the identification, analysis, and evaluation of all risks, including those related to climate, in accordance with the Zuellig Pharma Group Enterprise Risk Management (ERM) framework. This process is aligned to the ISO 31000 Risk Management standard. The risk identification process involves a comprehensive management team workshop to ensure the consideration of both external and internal factors that influence the business. Risks are analysed to discern root causes and consequences, then assessed using a rating scale based on the likelihood of occurrence and impact on the business's objectives. As part of our continuous improvement work, the ERM framework will be rolled out to all major markets that we operate in. This ensures that each of our markets will be able to define their top risks which will then feed into the Zuellig Pharma Group ERM process.

Following evaluation, decisions on whether further action is required to manage specific risks are made, guided by the business's risk appetite, which is defined through discussions at the annual risk workshop. Action plans are prioritised based on importance, assigned clear ownership, and have specified deadlines for completion. Risk aggregation is performed at the Zuellig Pharma Group level, facilitated by the Group CFO, while the Board maintains vigilant oversight of risk management within the business. This systematic approach ensures a robust and proactive response to identified risks, enhancing the overall resilience

and sustainability of Zuellig Pharma. For more information on our sustainability governance structure, please refer to our Sustainability Governance section on page 23. Further information on our climate governance can be found in our CDP Questionnaire 2022 (sections C1 and C2) available on the [CDP website](#).

In 2023, "climate-related risks" were added as a separate independent risk category in our ERM framework.

● METRICS AND TARGETS

Testament to our commitment to do our part in mitigating climate change, we have set ambitious targets to reduce our Scope 1 and 2 emissions by 42% and our Scope 3 emissions by 25% from a 2021 baseline by 2030 aligned with ambitions to limit the global rise in temperature to 1.5°C. Separately, we have also committed to become carbon neutral across our Scope 1 and 2 emissions by 2030 making limited use of carbon offsets to compensate for our residual GHG emissions. In 2023, our Scope 1 and 2 emissions was 36,791 tCO₂e, a 40% like-for-like reduction from 2021 levels.

Zuellig Pharma has also set a target to reduce GHG emissions intensity by 66% by the year 2030. For more information on our targets and progress, please refer to page 10.



CIRCULAR WASTE MANAGEMENT

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

Underpinning every decision that we make is our commitment to protect the environment. Zuellig Pharma seeks to avoid any situation that may lead to environmental hazards for our employees, the public, or the environment in general, which stems from our broader mission of ensuring that the communities we serve are safe. 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 cognisant of our responsibility to minimise waste to landfill both in our own operations and across our supply chain. At the core of our approach is a focus on prioritising the reuse and recycling of the waste that we produce as well as reducing waste generation at the source. These efforts will enable us to ensure that we can continue to prevent pollution that can harm the health and wellbeing of our communities.

As part of Zuellig Pharma's commitment to environmental protection, we are steadfast in our efforts to divert waste away from landfills, opting instead for responsible disposal methods such as incineration and recycling to minimise our environmental footprint. **Our goal is to achieve zero waste to landfill by 2030, and four markets have already transitioned away from landfill disposal, with Korea, Singapore, and Taiwan having completely moved away from landfills.** In regions where landfill disposal persists, we strictly adhere to regulations, ensuring that waste is handed over to government or government-approved entities for proper disposal in designated landfills regulated by local authorities.

In 2023, Zuellig Pharma generated a total of 9,134 tonnes of waste, with a majority of it being non-hazardous. This reduction in waste output compared to 2022 can be attributed to the effectiveness of our diverse waste reduction initiatives. The only type of hazardous waste was batteries, which were appropriately handled by professional waste management service providers.

WASTE GENERATION AND DISPOSAL IN 2023

WASTE GENERATED (mt)	2020	2021	2022	2023
Total waste generated	6,824	5,471	11,124	9,134
Total non-hazardous waste	6,747	5,435	9,228	6,548
Total hazardous waste	77	36	1,896	2,586
Waste incinerated	2,998	2,855	8,923	3,733
Waste to landfill	3,821	2,610	1,961	5,377
Waste intensity (mt/piece)	0.00000297	0.00000233	0.00000441	0.0000032

MANAGEMENT APPROACH

CIRCULARITY SOLUTIONS FOR PACKAGING/ECO-PACKING

Our main source of waste comes from the packaging materials used for the products we distribute. To mitigate this, we closely monitor indirect waste generation from our sites and have implemented several initiatives. These include reusing gel packs for multiple shipment deliveries, substituting cartons and plastic bags with reusable totes, and employing manual strapping tools instead of plastic shrink wrap to secure storage pallets. Additionally, we actively strive to minimise indirect waste generated across our operations, with four markets already transitioning to reusable plastic totes for deliveries, reducing the reliance on cartons and plastic bags.

Our latest endeavour involves the adoption eZCooler – a passive packaging technology. The eZCooler solution facilitates the transportation of temperature-sensitive products in standard environments without requiring air conditioning. By supplanting traditional cold storage packaging, which is heavier and non-reusable, we not only save on freight costs but also reduce our carbon footprint. It has been instrumental in **averting the use of at least 360,000 Styrofoam boxes annually**. Recognised with the Sustainable Medicines Packaging Circularity Award 2022, organised by YewMaker and hosted by Connect Ins Pharma, this accolade acknowledges our commitment to reducing single-use packaging and fostering circularity within the pharmaceutical packaging supply chain. To learn more about eZCooler solution, please refer to page 155.



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.



INDUSTRY COLLABORATION

As part of efforts to accelerate climate action, we seek to collaborate with industry peers to innovate sustainable solutions. While we do not handle waste generated by clients after delivering them to customers, we seek to assist them in identifying opportunities to minimise waste, including through effective product end-of-life (EOL) management.



Transforming Plastic Medical Waste to Collectibles

In 2022, Zuellig Pharma Malaysia launched the "Jom Recycle – Plastic Recycling in Homecare". This programme is in collaboration with the Business Council for Sustainable Development (BCSD) Malaysia and Baxter, whom we support to supply their peritoneal dialysis solution to home patients. This initiative aims to collect non-contaminated used PVC bags from patients' homes for recycling into secondary raw material. The goal is to eventually expand the initiative to all hospitals in Malaysia, upcycling all non-contaminated plastic waste, which accounts for approximately one-third of total hospital waste.

Since its inception, the programme has experienced significant growth, with over 90 patients actively participating in 2023, compared to 50 in the previous year. Each patient utilises 120 PVC bags monthly, resulting in a potential 260 tonnes of high-grade plastic waste. **To date, the programme has diverted more than 500 kilograms of high-grade plastic waste from landfills to recycling facilities.**

The programme is outlined as follows:



RECRUITMENT

Doctors from HKL and nurses from the Baxter team will introduce the "Jom Recycle" initiative to dialysis patients. We are currently exploring expanding the programme beyond the Klang Valley area.



REGISTRATION

Interested patients will enrol in the programme through a portal and answer brief questions to ensure they understand the process of cleaning and storing PVC bags correctly, ensuring the handling process is accurate, and collecting non-contaminated bags for upcycling purposes.



ENROLMENT & TRAINING

Patients who register will have their answers reviewed by BCSD Malaysia, with reminders provided for any incorrectly answered questions.



REVERSE LOGISTICS

Transporters, facilitated by Zuellig Pharma, collect used PVC bags during product deliveries and conduct visual inspections.



COLLECTION

The collected PVC bags are transported to logistics hubs and stored in large skip containers awaiting collection.



PROCESSING

Collectors transport skip containers directly to recyclers for crushing, then send the materials to designated manufacturers for further processing into secondary raw material.



Exploring Sustainable Alternatives: Collaboration with Republic Polytechnic for Plastic-Free Packaging



In 2022, Zuellig Pharma partnered with Republic Polytechnic (RP), a tertiary educational institution in Singapore, to explore cost-effective and fit-for-purpose alternatives to single-use plastic bags. The collaboration commenced with RP's research team visiting our Changi warehouse to gain insights into our cold chain management operations, essential for developing non-plastic packaging that safeguards medicinal products from water droplet condensation. As part of this venture, RP conducted benchmarking evaluations to compare water penetration properties between glassine paper and polyethylene (PE)

bags. Subsequently, we co-developed a Final Year Project for RP students to investigate a glassine esterification process using natural, non-toxic chemicals, aiming to create a protective layer on the glassine bag.

Looking ahead, our plans entail continuing collaboration with RP in 2024 to assess environmental impacts, particularly greenhouse gas (GHG) emissions. This involves conducting a comparative Life Cycle Assessment (LCA) study, contrasting existing PET plastic bags with modified 40 gsm glassine paper featuring fatty acid chloride.

RECYCLING

In line with our commitment to circular waste management strategies, we have implemented ongoing programmes across all our markets aimed at promoting the principles of reduce, reuse, and recycle (3R). These initiatives encompass various practices, including recycling paper and electronics within our offices, embracing eco-friendly products such as recyclable or eco-certified paper goods, utilising biodegradable bags for transportation purposes, repurposing void fillers from incoming packages, recycling toners, and employing eco-friendly methods like thermal destruction for the disposal of any remaining waste.

To strengthen our sustainability efforts, a pivotal aspect initiative involves the proactive reuse of temperature loggers to minimise the reliance on single-use devices. **In 2023, we re-purposed temperature loggers within our monitoring process across three markets: Hong Kong, Malaysia and Thailand. This significant reuse effort effectively eliminated the need for 30,499 single-use devices.**



Disposal of Unused IT Equipment

Zuellig Pharma has been actively participating in a circular economy by recycling old IT equipment. In Hong Kong and Macao, all unused IT equipment underwent disposal by local specialists accredited by the Macao Environment Protection Department. **In Macao, we recycled 40 pieces of hardware, including desktops and laptops, while in Hong Kong we recycling 287 similar hardware items, amounting to 179kg..**

These items were processed and recycled in compliance with various regulations and standards, including the:

- Waste Disposal Ordinance (CAP 354, HKSAR), E-waste License No.: 3839-327- E2459-OS
- ISO 14001:2015 Environmental Management System
- ISO/IEC 27001:2013 Information Security Management System
- International Standard on Assurance Engagements 3000 (Revised)



Earth Day 2023 Celebrations

The Zuellig Pharma Singapore team marked Earth Day 2023 with an engaging Scavenger Hunt challenge, aimed at promoting awareness of sustainability and the importance of practicing the 3R principles. Throughout the week-long challenge, colleagues formed teams and participated in a series of "green" tasks, ranging from bringing reusable bags when shopping to opting for shared rides or public transport. This initiative served as an excellent opportunity to inspire the team to be more mindful of their environmental impact while fostering a sense of camaraderie and fun. By actively engaging in activities that promote sustainable practices, we not only demonstrate our commitment to implementing various 3R programmes but also take proactive steps to raise awareness and momentum for environmental conservation efforts.



ZP Garment Recycling Rally: Promoting Sustainability and Community Engagement

During our Respecting the Environment Week, Zuellig Pharma Malaysia launched the "ZP Garment Recycling Rally" to promote sustainability and community engagement. Surpassing our initial target, our team **collected a remarkable 450kg of garments for recycling**, demonstrating our commitment to reducing waste and making a positive impact on both our community and the environment. The donated items included garments, household textiles, fabric remnants, and clothing accessories, showcasing our dedication to eco-friendly practices. To learn more about our Respecting the Environment Week activities, please refer to page 103.



PAPERLESS SOLUTIONS

At Zuellig Pharma, we are committed to reducing our environmental footprint while enhancing operational efficiency. In alignment with our strategic plan to prioritise digitalisation, we have implemented various paperless initiatives across our warehouses and distribution centres. Through the implementation of our digitalised systems such as electronic Quality Management System (eQMS), electronic Repackaging Work Instruction (wRWI), and application for inbound processes, we have reduced the amount of paper that we consume while also reducing storage space needed to archive paper records and carbon

emissions generated in transporting these records to third parties. Additionally, the deployment of our eZTracker application has allowed us to **generate 350,000 E-label codes in 2023 alone**, empowering pharma manufacturers to seamlessly update product leaflets digitally. Not only have these initiatives reduced our reliance on paper, but they have also minimised storage requirements and carbon emissions associated with transporting paper records. Through these efforts, we are driving toward a more sustainable future while supporting our customers in their own digital transformation journeys.



Revolutionising Healthcare Information Distribution with Paperless Precision

At Zuellig Pharma, we recognise the importance of embracing digital solutions to drive better access to treatment and information. Developed to meet the industry's evolving needs, ZOLA is a secure online platform designed to facilitate the electronic distribution of Health Sciences Authority (HSA) approved Prescribing Information (PI) and/or Patient Information Leaflets (PIL). This initiative not only aligns with our commitment to environmental sustainability by reducing paper usage but also enhances healthcare accessibility and efficiency.

ZOLA offers a multitude of benefits, including a secure and intuitive interface, maintenance-free operation, scalability, and the flexibility to update information as needed. By consolidating information from multiple companies onto a single platform, ZOLA provides easier monitoring for regulatory authorities and standardised analytics for stakeholders.

Patients benefit from enhanced access to product information, available anytime and anywhere through their mobile devices, even without physical product packaging. Furthermore, governments can elevate medical awareness and information dissemination to new heights with features such as push notifications, a submitter and approver system, audit-compliant activity logs, and an analytics suite.

With ZOLA, Zuellig Pharma is leading the charge towards a paperless future in healthcare, empowering stakeholders with streamlined access to critical information while reducing our environmental footprint.





ENVIRONMENTAL PRESERVATION

GRI 3-3, 2-27, 303-1, 303-5, 304-1, 304-2

Zuellig Pharma seeks to protect and restore natural resources and ecosystems in the regions where we operate. By championing biodiversity and conservation efforts, we aim to build resilient natural ecosystems able to withstand and recover from climate change. As resilient ecosystems can better adapt to extreme weather events and provide access to the most basic human needs – including food security, safe drinking water, and clean air – this directly contributes to our overarching mission to build a healthier future for Asia.

MANAGEMENT APPROACH

WATER MANAGEMENT

Water is used in our operations mainly for air-conditioning and maintenance purposes. We source our water from municipal water supplies in the locations where we operate. We do not have any significant water discharge from our operations. Water used flow back into the sewer system. As such, our direct water-related impacts are relatively small, and we have not conducted any formal assessment of such impacts besides measuring our water consumption.

In 2023, we consumed 343 megalitres of water to support our operational needs, none of which are from water-stressed areas. Water consumption data have been compiled based on monthly water meter readings or utility bills from our operational sites across markets. While we have a relatively small water footprint, water conservation is an area which we wish to work on. To this end, we have implemented various water reduction efforts across our operations and are committed to launching a rainwater harvesting programme by 2025 to offset our water consumption.

While we are not aware of any significant water-related impacts in our supply chain, we are nevertheless seeking to work with our suppliers to address the topic of water management. Our Supplier Code of Conduct requires that our suppliers actively conserve natural resources, implement initiatives to reduce water usage, and establish systems to monitor water consumption.



Water Conservation Projects in the Philippines

At our Cebu Distribution Centres in the Philippines, we have implemented a proactive approach to water conservation by installing a rainwater catchment tank. This innovative system collects rainwater from the warehouse roof via a pipeline connected to a dedicated water tank. The harvested rainwater is then efficiently utilised to water plants and landscape areas on our premises. As a result of this sustainable initiative, we estimate that a volume of **116m³ of rainwater is collected annually**, contributing to our efforts to conserve water resources and minimise our environmental footprint. Through initiatives like this, we remain committed to promoting responsible stewardship of our natural resources and creating a more sustainable future for generations to come.



BIODIVERSITY

While we do not directly interact with biodiversity through our business operations, we are cognisant that we have an indirect impact through the natural resources we consume and pollution we generate. Natural ecosystems serve as natural carbon sinks, playing a crucial role in absorbing and storing GHG emissions. Conserving and restoring these spaces, and the biodiversity they contain, is therefore essential to limiting GHG emissions and mitigating climate change impacts.

We invest various carbon neutralisation projects across Asia to complement our emission reduction efforts. Over the past few years, we have financed several offsetting initiatives and carbon neutralisation projects across the Philippines, Taiwan, Thailand, Indonesia, and Vietnam as verified by Verra, the leading and most widely recognised standards for the development, verification, and certification of carbon neutralisation projects.



Zuellig Pharma joins Novo Nordisk Philippines' 'Plant a Forest Initiative'

As part of their preparations for their 100th anniversary, Novo Nordisk along with Zuellig Pharma and other partners, organised a 'Plant a Forest Initiative' on September 15, 2023. Other partners included the Philippine College of Physicians, Philippine Academy of Medical Specialist, Philippine College of Endocrinologist, Philippine Society of Endocrinologist, Institute for Studies for Diabetes Foundation, Philippine Society of Paediatrics and the Danish Embassy with the Danish Ambassador, top doctors and MedExpress.

Almost 100 people attended the event, where 400 Sandalwood tree seedlings were planted and will grow to 200 feet in 20 years time. Sandalwood trees produce fruit, seeds and highly valuable timber and essential oils. They also provide quality habitat for many native plants and wildlife. Zuellig Pharma is honoured to work with partners like Novo Nordisk, who shares our sustainability vision of building a healthier future for Asia.



In the partnership between Zuellig Pharma and Novo Nordisk lies a steadfast pledge to champion sustainability and nurture our planet. Together, through our 'Plant a Forest' initiative, we sow the seeds of environmental stewardship, fostering a greener tomorrow.



MS. SWATI RANDEV
APAC SUSTAINABILITY & ESG LEAD,
NOVO NORDISK



Zuellig Pharma's tree planting activity in Cambodia

Zuellig Pharma Philippines Corporation (ZPC) organised a tree planting activity on 11 May 2023, at the back of Canlubang Distribution Centre (CDC) Warehouse in Canlubang, Laguna. The project is part of "Respecting the Environment" pillar under the Zuellig Pharma Sustainability programme. The event was attended by Josefino Tapia, Head of Distribution Centre (DC) Operations, Alvin Venturina, Head of Facilities, HSE & Security, his team, Canlubang DC managers, supervisors, and representatives of different third-party service providers. Twenty fruit bearing seedlings were planted.



Partnership with EcoMatcher

Since 2020, Zuellig Pharma has been partnering with EcoMatcher, a Certified B Corporation, to plant trees and complete forests with vetted foundations and NGOs specialised in planting trees. In our most recent venture, Zuellig Pharma partnered with EcoMatcher to **plant 2,000 trees** in Indonesia as part of our Respecting the Environment Week activities in December 2023.

To date, Zuellig Pharma has planted a total of **6,500 trees** in Indonesia and in the Philippines. Each tree will capture over a lifetime approximately **250kg of CO₂**. This would mean the trees we have planted thus far would remove a total of approximately **1,600 tons of greenhouse gases** over their lifetime.

In the Philippines, these trees were planted by FEED, a non-profit and non-governmental organisation that supports sustainable education and tree planting, aiming to inclusively grow, preserve, and protect Philippine biodiversity. In Indonesia, the trees were planted by Trees4Trees, a non-profit foundation focused on renewing the environment and empowering local communities through reforestation and education.



EcoMatcher's preferred clientele comprises businesses deeply committed to sustainability, actively involving all stakeholders, including employees, in their sustainable initiatives, and leveraging the transparency and engagement tools provided by EcoMatcher. Zuellig Pharma stands out as an exemplary partner, embodying these values with unwavering dedication and excellence



MR. BAS FRANSEN
CEO & FOUNDER, ECOMATCHER



SETTING THE HIGHEST STANDARDS OF INTEGRITY



**ETHICAL
BUSINESS
CONDUCT**



**RESPONSIBLE
PROCUREMENT**



**PATIENT
SAFETY**



**SUPPLY CHAIN
SECURITY**



**DATA
GOVERNANCE
AND SECURITY**



**CONTRIBUTING TO
THE SUSTAINABLE
DEVELOPMENT
GOALS (SDGS)**



SETTING THE HIGHEST STANDARDS OF INTEGRITY



2023 HIGHLIGHTS

Achieved a **100%** performance rate, for all planned audits on targeted Tier 1 and 2 suppliers



36% of Zuellig Pharma's supplies originate from sustainable sources



60 trade associations joined and collaborations with Governments



100% of employees successfully performed their training on compliance policies and procedures



eZTracker tracked **\$19 million**

worth of suspected counterfeits and diversions with **30,000** 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



ETHICAL BUSINESS CONDUCT

GRI 3-3, 2-26, 2-27, 205-1, 205-2, 205-3, 207-1, 417-3

As a vital component of healthcare systems in our markets, Zuellig Pharma's role necessitates us to uphold the highest ethical standards. Our reputation for trust, transparency, and service quality in Asia is built on our dedication to these standards, recognising the impact our actions have on the health and wellbeing of communities.

At the core of our ethical foundation, Zuellig Pharma has established robust policies that define our guiding principles and explicitly describe unacceptable behaviour. To ensure clarity and alignment, these policies outline expected standards for all employees, as well as third parties who act on our behalf.

MANAGEMENT APPROACH

RESPONSIBLE SALES & MARKETING

Responsible sales and marketing practices are vital to our operations to ensure healthcare providers and consumers make informed decisions and follow the medicine usage.

Our sales and marketing practices adhere to the proper disclosure of product indications, contra-indications, efficacy, and adverse events. This ensures healthcare providers and consumers can make informed decisions based on accurate and complete information. In addition to our current robust Pharmacovigilance system, we have launched Veeva Vault Safety near the end of 2023. This system was deployed in all markets simultaneously with the aim of better protecting public. It ensures that all adverse events and product feedback are captured, analysed, reported, and addressed.



Driving Ethical Awareness: Zuellig Pharma's RA/PV Awareness Week

In July 2023, Zuellig Pharma launched our inaugural Regulatory Affairs/Pharmacovigilance (RA/PV) Awareness Week. This initiative aimed to raise awareness across cross-functional teams about the pivotal roles and responsibilities held by Zuellig Pharma's Regulatory and Pharmacovigilance teams. Featuring engaging videos, interactive activities, and in-country events, our goal was to enlighten employees about how these teams support sales, marketing efforts, and uphold ethical business practices. Furthermore, the week-long event served as an opportunity to rally the wider organisation, fostering a culture of responsibility in sales and marketing practices, ensuring alignment with industry regulations and ethical standards.



Zuellig Pharma Healthcare Guide ("ZP Healthcare Guide"), and Pharmacovigilance SOPs primarily govern our sales and marketing practices. We review and update our SOPs regularly, with inputs from our partners. This generally occurs in parallel with our annual internal and external audits performed in each market. The ZP Healthcare Guide and the Pharmacovigilance SOPs were last updated in 2022 and 2021, respectively. In 2023, Zuellig Pharma released our own Zuellig Pharma Pharmacovigilance Video that is used as our reference tool to share and streamline PV practices and information across the region. Each year, we rigorously uphold strict compliance to ensure that **100% of our salesforce are trained on our ZP Healthcare Guide and Pharmacovigilance SOPs.**

We also ensure that promotional materials from all markets adhere to industry standards regarding the disclosure of relevant information. Our promotional materials SOP outlines this process, which is facilitated by our internal digitalisation process, to ensure relevant cross-functional teams review and approve the materials before release.

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

The ZP 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 rolled out our approval system for interactions with healthcare providers to all markets, which automates our ZP 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 are forwarded to the Investigations Officer for proper handling.

As we continue to evolve our compliance programme to address the needs of the business, we have identified areas that require further improvement. One key area is ensuring easy access to compliance information and guidance. To address this, an internal application is being created, serving as a repository on compliance. This tool will empower all employees interacting with healthcare practitioners, healthcare organisations, government officials, and patient groups to make informed business decisions in line with our compliance policies.



★ OUR PERFORMANCE

→ RESPONSIBLE SALES & MARKETING

	2021	2022	2023
Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship resulting in a fine or penalty	0	0	0
Number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship resulting in a warning	0	0	0
Percentage of salesforce trained on our ZP Healthcare Guide and Pharmacovigilance SOPs	100%	100%	100%

ENVIRONMENTAL COMPLIANCE

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 local environmental laws and regulations in each of our markets.

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 are actively pursuing compliance with international environmental standards, such as the ISO14001 Environmental Management Systems standard, to provide a unified framework for effective environmental management across our operations globally. This commitment underscores Zuellig Pharma's dedication to environmental sustainability, with various initiatives already aligned with the ISO 14001:2015 standard in place. Some of these initiatives include waste reduction activities (see from page 116 for more information), efforts to optimise energy consumption through the adoption of energy-efficient technologies like solar panels, and our decarbonisation projects which have significantly reduced our carbon emissions (see page 94 for more information). These ongoing efforts demonstrate our dedication to implementing sustainable business practices within the healthcare industry while aligning with ISO14001 standards.

By end of 2025, we plan to be fully certified in ISO14001 across all markets, with certification already attained in four markets — Hong Kong, Indonesia, Philippines and Singapore.

To embed environmental responsibility within our organisational culture, we conduct training sessions and interactive educational initiatives for employees, empowering them to integrate eco-friendly practices into their daily activities. Stringent measures have also been implemented to prevent pollution, with a focus on prioritising the use of eco-friendly chemicals and materials to protect the ecosystems in which we operate.

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 Procurement on page 144 for more information.

There was one case of non-compliance with environmental regulations under the "Toxic and Concerned Chemical Substances Control Act" in Zuellig Pharma Taiwan, incurring a fine of USD \$6,000. This one-off incident was the result of a delay in submitting a transport manifest for delivery of Ethylene oxide to the appropriate authority. The team has conducted Corrective and Preventive Actions and closed this non-conformance item. 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.



★ OUR PERFORMANCE

→ ENVIRONMENTAL COMPLIANCE

	2021	2022	2023
Markets that are ISO 14001 certified	3	3	4
Monetary fines for non-compliance with environmental laws and regulations	0	MYR4,000	USD6,000

ANTI-BRIBERY & CORRUPTION

At Zuellig Pharma, we take a zero-tolerance stance towards bribery and corruption. Our Code of Conduct and our Anti-Bribery and Anti-Corruption (ABAC) Policy form the cornerstone of our Compliance Programme, which continues to evolve to align with changes in the legal and regulatory landscape.

Guided by the General Counsel & Chief Compliance Officer, our dedicated Compliance Team oversees all markets in which we operate, with our Compliance Centre of Excellence team responsible for managing and enhancing our key compliance programmes to align with best practices and address business needs.

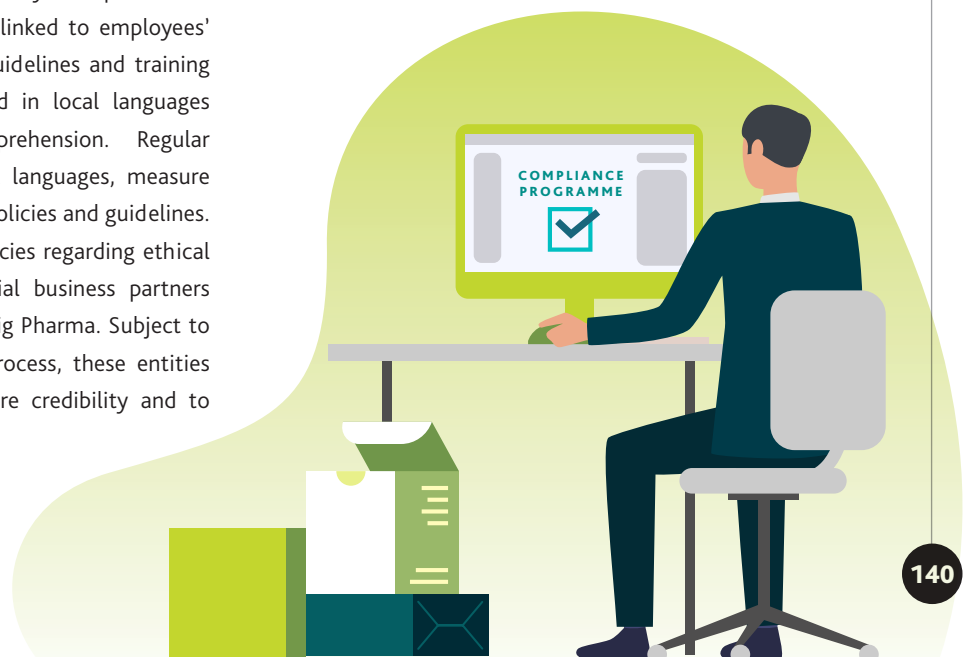
Our Compliance Programme employs an integrated strategic approach to ensure all necessary components are effectively implemented. Designed to build a sustainable culture of integrity, ethics, and compliance, it adds value to our people, partners, and the communities we serve. In addition, our compliance oversight programmes are designed to identify and mitigate any suspected or reported cases of unethical conduct to ensure we operate our business in accordance with all applicable laws and regulations.

Upon joining Zuellig Pharma and every year thereafter, **all employees receive mandatory annual compliance training on the Code of Conduct, the Anti-Bribery and Anti-Corruption Policy, as well as policies on ethical sales and marketing practices**, when applicable. Employees are also required to review and update their declaration of any potential conflicts of interest they may have with the company. Timely completion of these mandatory annual training is linked to employees' annual performance. The policies, guidelines and training mentioned above are also provided in local languages to support learning and comprehension. Regular assessments, also available in local languages, measure employees' understanding of these policies and guidelines. Furthermore, our guidelines and policies regarding ethical business conduct extend to material business partners and third parties engaged with Zuellig Pharma. Subject to our anti-corruption due diligence process, these entities undergo thorough scrutiny to ensure credibility and to address identified risks.

In each of our markets, local compliance governance bodies called Country Compliance Committees, comprising the country leadership team, meet regularly throughout the year. Co-chaired by the Market Managing Director and the local compliance officer, these committees play a crucial role in instilling a "forward-thinking risk mindset" across all business units and managing internal controls.

To ensure adequate implementation of our Compliance Programme, we have an automated pre-approval platform to review, manage and document engagements with healthcare professionals and healthcare organisations. To support this process and provide Zuellig Pharma with greater oversight on risks identified for each market, we also have quarterly mandatory desktop and live compliance monitoring activities covering each market's highest risk transactions. Our commitment to these measures remains unwavering.

Every two years Zuellig Pharma conducts an internal audit risk assessment, which incorporates Transparency International's Corruption Perception Index (CPI). **In 2023, 100% of our markets conducted their required Country Compliance Committee meetings**, and our internal audit risk assessment covered all markets. This ensured the thorough identification and mitigation of risks, particularly those related to corruption. Factors contributing to the identification of corruption risks include local control activities, ongoing monitoring, investigations, and insights from Country Compliance Committee meetings.



Corruption risks at the enterprise level are evaluated using the Group's Risk Management policy and procedures. These are mapped onto a risk matrix based on likelihood and impact, and then assigned to an Executive Management Team member according to their relevant function. Detailed templates document all identified risks and their mitigating controls, which are shared annually with the Internal Audit Committee and the Board. Controls encompass the documentation of processes and procedures, communication methods within the organisation, and personnel training. Regular tracking and monitoring of the mitigation status of each risk are integral to our ongoing efforts.

Our robust approach to grievance identification and resolution is anchored in the Speak Up Programme, a cornerstone initiative driven by our Compliance Team. This programme is designed to facilitate various communication channels, providing employees and third parties with a secure and confidential platform to report suspected misconduct or violations of our Code of Conduct and policies. It assures a "safe and trustworthy" reporting environment, available 24 hours a day, 7 days a week and are available in the local languages of the markets where we operate.

Retaliation against individuals using the Speak Up channels is strictly prohibited, underscoring our unwavering commitment to addressing concerns transparently and impartially. The Speak Up Programme prioritises the immediate action and investigation of credible issues raised about potential misconduct. The Integrity Office oversees these investigations, submitting comprehensive reports to the Audit Committee.

In 2022, Zuellig Pharma launched our updated Investigations Protocol and Disciplinary Actions Guidelines, providing comprehensive and standardised education to each market on immediate reporting and proper incident management. In 2023, we developed metrics to help us measure our effectiveness of our approach, and we actively seek feedback to identify and address any potential gaps or weaknesses in our grievance resolution process.

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

As part of our ongoing efforts to enhance our Compliance Programme in line with evolving organisational needs, we have developed and updated policies and guidelines to address identified gaps. These updates reinforce controls and standards, as required, ensuring the effectiveness of our compliance efforts.

We have updated our Compliance Monitoring Framework to increase monitoring countries with higher corruption risk ratings. In addition, Zuellig Pharma has established standards for identifying required samples based on client and product risk, types of engagement, and other qualitative considerations. We have engaged vendors to augment our live monitoring capabilities.

We have updated our Country Compliance Committee Charter to further clarify responsibilities for each functional member of the committee and to provide tools and templates that will standardise the level of discussion and the quality of the reports for every market.

Zuellig Pharma has rolled out a Risk Management Toolkit for the Country Compliance Committees. The tools and templates support the Committee to identify compliance risks, and the appropriate mitigating actions, responsible officers, timelines, and tracking of the agreed actions. This process feeds into the organisation's enterprise risk management process.

Our Compliance teams have implemented two important guidelines relating to our key interactions with healthcare professionals, namely our guidelines on selection of venues for key stakeholders and our fair market value guidelines. Both provide the business with updated information that allow them to align with the rest of the healthcare industry on what constitutes ethically acceptable interactions with healthcare professionals, preventing the business from conducting activities in inappropriate venues or excessive compensation for healthcare professionals beyond what would be deemed reasonable.



Zuellig Pharma has also set up a Compliance Engagement Team responsible for our compliance communication strategy. The purpose of this is to share important information, updates, and reminders on new or key aspects of compliance policies with the organisation. This team shares resources from different markets, as well as communicating on specific topics, issues, concerns, or gaps identified from the Compliance Committee, Compliance Monitoring, and Investigations.

More initiatives are planned for the coming years, including the update of our key policies and processes, all of which are geared towards a vision of being recognised as a model of integrity and trust for our partners in the healthcare industry.

Zuellig Pharma's commitment to business ethics has earned commendations from various fronts. We are active members

of **60 trade associations** or otherwise represented on Board positions or sub-committees of these trade associations across the markets we are based, all of which adhere to the standards outlined by the International Federation of Pharmaceutical Manufacturers and Associations (IFPMA). Furthermore, our ethical principles are reinforced through strategic partnerships. For instance, in Cambodia, Zuellig Pharma solidified its stance against corruption by signing a Memorandum of Understanding (MoU) with the Anti-Corruption Unit. Additionally, in 2022, Zuellig Pharma Thailand supported the campaign led by the National Anti-Corruption Commission (NACC) and Moral For Morality Promotion (CMP), promoting a culture of honesty and anti-corruption in the collaboration with other business entities in Thailand. These initiatives underscore our unwavering commitment to upholding the highest standards of integrity and ethics in all aspects of our operations.

RESPONSIBLE TAX PRACTICES

At Zuellig Pharma, we recognise the importance of responsible tax practices in contributing to sustainable development and fostering trust with stakeholders.

Our tax strategy is rooted in our social responsibility, ensuring that we fulfil our tax obligations and pay an appropriate amount of taxes in the jurisdictions where we operate. Our corporate tax principles are articulated through:

- Zero tolerance for tax fraud,
- Cooperation with tax authorities and laws of all jurisdictions in which Zuellig Pharma operates,
- Optimisation of our tax position while in compliance with tax regulations and OECD Guidelines,
- Zuellig Pharma neither supports nor sanctions activities solely aimed at tax avoidance,
- Regular review of internal controls to manage tax risk and ensure compliance.

Zuellig Pharma adheres to the "arm's length" principle outlined in OECD Transfer Pricing Guidelines for intercompany transactions. Our approach is supported by comprehensive transfer pricing documentation prepared by external tax advisors.

The Group Chief Financial Officer and Group Head of Tax are responsible for reviewing and approving our tax strategy. Tax issues are presented to the Audit Committee and the Board at least four times a year, ensuring consistent oversight and alignment with corporate governance standards.

As a multinational company, our economic value generation contributes positively to the markets where we operate. We are proud recipients of taxpayer awards, demonstrating our commitment to supporting local communities and contributing to their development.

We maintain a robust tax governance and control framework to ensure compliance and manage tax risks effectively. This framework includes:

- Oversight by the Group Head of Tax, with reporting to the Group CFO, Board of Directors, and Audit Committee,
- Regular engagement with local affiliates to discuss potential tax exposures,
- Effective Tax Rate is monitored monthly to identify any inconsistencies,
- Outsourcing of tax returns and transfer pricing documentation to external advisors,
- Maintenance of a tax dashboard to track tax matters and compliance status.

At Zuellig Pharma, responsible tax practices are integral to our commitment to ethical conduct, corporate citizenship, and sustainable business growth. We remain dedicated to upholding these principles as we continue to create value for our stakeholders and contribute to the wellbeing of the communities we serve.

★ OUR PERFORMANCE

→ ETHICAL BUSINESS CONDUCT

	2021	2022	2023
Number of confirmed incidents of corruption	0	0	0
Number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Number of confirmed incidents when contracts with business partners (vendors) were terminated or not renewed due to violations related to corruption	0	0	0
Number of public legal cases regarding corruption brought against the organization or its employees during the reporting period	0	0	0
Number of legal actions taken for anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0
Number of reports related to whistle-blower procedure within reporting period	26	46	68
Percentage of markets with a whistle-blowing procedure in place	100%	100%	100%
Percentage of markets that conduct audits of control procedures to prevent corruption and bribery	100%	100%	100%
Percentage of markets that have anti-corruption audits/ risk assessment done	100%	100%	100%
Percentage of employees that anti-corruption policies and procedures have been communicated to	100%	100%	100%
Percentage of employees who have been trained on business ethics issues (compliance) and code of conduct	100%	100%	100%



RESPONSIBLE PROCUREMENT

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

Responsible procurement is paramount to Zuellig Pharma as it aligns with our commitment to ethical business practices and sustainability. Responsible procurement ensures that the products and services we source adhere to environmentally and socially responsible standards. Our approach to supplier sustainability risk assessment allows us to proactively identify and mitigate potential risks, promoting a resilient and responsible supply network, whilst addressing scope 3 emissions to reduce the environmental impact of our entire value chain. Supplier engagement and education fosters transparency and ethical behaviour, creating a collaborative ecosystem that values sustainability. Additionally, by promoting supplier diversity, we are contributing to a more inclusive and socially responsible business environment. Collectively, these initiatives reinforce our commitment to responsible corporate citizenship, environmental stewardship, and the wellbeing of the communities we serve.

MANAGEMENT APPROACH

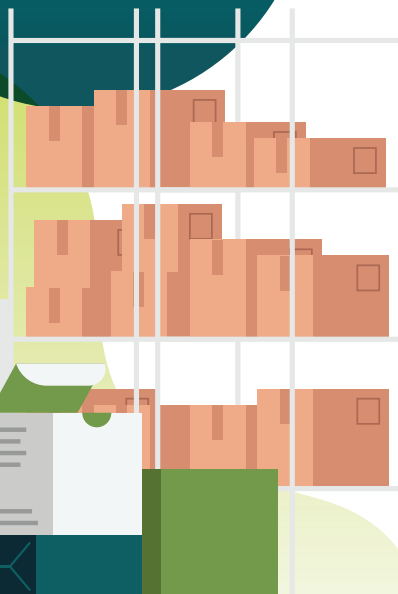
SUSTAINABLE PROCUREMENT

36%
of Zuellig Pharma's
supplies originate
from sustainable
sources

Zuellig Pharma incorporates sustainable procurement into all aspects of our supply chain and procurement processes. We actively engage and track our sustainable procurement progress across almost 6,000 suppliers.

Across the supply chain, our procurement team is engaged in promoting positive environmental, social, and economic outcomes. Currently, almost **36% of Zuellig Pharma's supplies originate from sustainable sources**, a significant increase from 14% in 2021. Our definition of sustainable sources aligns with INX's supplier sustainability assessment process, focusing on key criteria such as Environmental Protection, Human Rights & Labour, Health and Safety, Supply Chain Responsibility, and Anti-Bribery. These criteria serve as benchmarks to evaluate and determine whether our suppliers qualify as sustainable sources for Zuellig Pharma. Our procurement practices are guided by our internal Global Sustainable Procurement Policy outlining our approach in the following 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 are involved in selecting and managing external suppliers are trained in ensuring the execution of supplier pre-contract due-diligence and regular supplier monitoring activities. Sustainable procurement KPIs are built into procurement staff annual performance reviews. **100% of procurement staff are trained on Sustainable Procurement.**

Zuellig Pharma's Supplier Code of Conduct provides clear guidance on our expectations on sustainability by our suppliers. We actively engage with our suppliers to ensure their commitment to the principles of the Supplier Code of Conduct. **In 2023, 83% of our suppliers by value have acknowledged the Supplier Code of Conduct.** When referring to suppliers by value, we mean the expenditure from suppliers that is directly managed by the Zuellig Pharma Procurement team across markets. Directly managed implies that we engage, negotiate, and contract directly with these suppliers. In addition, in 2023, Zuellig Pharma also created our [Labour Health and Safety Policy and Environmental Commitments](#), a document specifically designed for suppliers outlining our expectations around suppliers' approaches and commitments to Labour, Health, Safety and the Environment.

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 **37 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.

Sustainable
procurement
initiatives are
implemented in
**all of our
markets.**

SUPPLIER RISK ASSESSMENT

We adopt a risk-based approach driven by the value and strategic importance of our procurement from suppliers. To ensure essential goods and services are sourced from suppliers with known capabilities and risk profiles, Zuellig Pharma developed the Supplier Sustainability Risk Assessment Guide. Our spend categories are mapped onto the Procurement Supplier Sustainability Risks Matrix, identifying high-risk categories requiring thorough assessments through regular Supplier Sustainability Assessments and on-site audits. Suppliers within those critical risk categories are contacted for in-depth assessments. These critical categories are:

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

The Guide also provides a transparent set of sustainability criteria to assess supplier performance. This enables us to undertake sustainability due diligence for prospective suppliers and sustain it throughout our engagement, fostering their understanding of sustainability and driving impactful initiatives. By focusing on critical spend categories, we maximise our sustainability impact on the environment and labour practices, enhancing return-on-investment for Zuellig Pharma and our stakeholders.

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.

To date we have assessed over 545 suppliers (58% 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. Where incidents are flagged, improvement areas are identified and shared, and we 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 for Zuellig Pharma and the supplier 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 Programme.

In 2022, we implemented a quarterly supplier sustainability monitoring system using IntegrityNext, identifying improvement areas and suggesting action points. Additionally, we collaborate regularly with suppliers on one-off, impactful

sustainability initiatives, such as deploying solar panels to power refrigeration units in delivery vehicles in Malaysia and electric-powered fleet in South Korea to reduce our carbon footprint and increase fuel efficiency.

In 2023, Zuellig Pharma achieved a 100% supplier audit performance rate, having completed all supplier audits as planned.

We also performed qualification audits to 12 new suppliers. Of the supplier audits, 51% were performed onsite while 49% were performed remotely. 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 according to the Guidelines on Good Distribution Practice of Medicinal Products for Human Use (2013/C 343/01), European Commission.



SUPPLIER ENGAGEMENT

Supplier engagement is integral for Zuellig Pharma to maintain a responsible supply chain as it establishes a collaborative framework built on transparency, ethical practices, and shared values. Actively involving and communicating with suppliers allows for the identification and mitigation of potential risks related to environmental impact, labour practices, and social responsibility. By promoting responsible behaviour throughout the supply chain, we can contribute to a more sustainable and resilient global marketplace while safeguarding their reputation and fulfilling their commitment to corporate social responsibility.



Supplier Sustainability Awards

In 2023, Zuellig Pharma held its Third Supplier Sustainability Awards, dedicated to recognising and strengthening partnerships with suppliers. The event fostered opportunities for knowledge sharing and networking and was a great opportunity for Zuellig Pharma to showcase appreciation for the invaluable role suppliers play in our sustainability journey. The hybrid event was broadcasted online as well as onsite for our Malaysia and Philippines markets. With awards presented by CEO Mr. John Graham, winners across the four categories were:



Accomplished Sustainability Project (Distribution)

SFS Pharma Logistics Pte Ltd



Accomplished Sustainability Project (Organisation-wide)

SYSPEX Technologies Pte Ltd



New Sustainability Idea (Distribution)

SAP Philippines Inc., and
Wah & Hua Pte Ltd (Runner Up)



New Sustainability Idea (Organisation-wide)

Inter Express Home Delivery



DIFFERENTIATING THROUGH SUSTAINABILITY

During this event, we shared our sustainability expectations for suppliers. These include:

- Responding to Zuellig Pharma's ESG questionnaire
- Committing to providing GHG assessments by 2025
- Committing to reducing emissions by 2030

Moving forward, these requirements will be embedded in our suppliers' service agreements as our minimum standard. Additionally, we will evaluate, and rank suppliers based on their fulfilment of sustainability criteria aligned with frameworks such as CDP, EcoVadis, and SBTi. This process will help us identify and recognise our most committed partners.

Together, Zuellig Pharma and its suppliers have implemented sustainable solutions, reduced waste, conserved resources, and championed social causes.



APL Supplier Day

PT Anugerah Pharmindo Lestari (APL) hosted its Supplier Day on 9 November 2023 at the World Trade Centre 3, an event that brought together a total of 105 suppliers who joined in-person and online. Themed around "Unleashing Competitive Advantage through Operational Excellence and Innovation", the focus of the event was on driving operational excellence and innovation through sustainable procurement and quality assurance practices.

The presentations highlighted the significance of Sustainable Procurement, emphasising APL's commitment to adopting sustainable practices that promotes cost saving, environmental conservation, social responsibility, and long-term competitiveness. The presentations also covered themes like "Quality as a Sustainable and Competitive Advantage", where emphasis was placed on integrated quality management systems and adherence to Good Storage and Distribution Practices (GSDP).

The event concluded in the Special Recognition Vendor Award to our partners, acknowledging initiatives in Sustainability, Operational Performance, and Technological Innovation.

Zuellig Pharma commends our suppliers for their unwavering commitment to sustainable practices, which not only aligns seamlessly with our own values but also significantly contributes to the broader goals of environmental responsibility and ethical business conduct. We value and appreciate the crucial role our suppliers play in advancing sustainable initiatives, underscoring the importance of collaborative efforts in creating a responsible and resilient supply chain ecosystem.

LABOUR PRACTICES & HUMAN RIGHTS IN SUPPLY CHAIN

Collaborating with stakeholders is crucial in addressing human rights issues, with a focus on suppliers who adhere to our principles through the Supplier Code of Conduct and [Labour Health and Safety Policy and Environmental Commitments](#) document. We maintain a zero-tolerance policy for human rights abuses, employing strict governance and remediation mechanisms. Our Speak Up channels allow third parties to confidentially report issues, handled in compliance with Zuellig Pharma's need to investigate and, when necessary, law enforcement authorities.

Child exploitation is strictly prohibited within Zuellig Pharma, and we ensure partners and suppliers share this commitment. We do not employ children before completing compulsory education. Similarly, forced and compulsory labour is against our principles, and we vehemently oppose any form of exploitation in this regard.

In 2023, 35.3% of our suppliers, who provide Temporary Labour services across selected markets (i.e., Cambodia, Myanmar, Philippines & Thailand), were screened for Modern Slavery.

In 2022, Zuellig Pharma initiated the "Elevating Worker Voice" programme as part of our ongoing commitment to monitor and mitigate labour risks within our supply chain. This proactive initiative aims to safeguard the rights and wellbeing of workers across our operations, addressing various types of labour risks, including child or juvenile labour, forced or compulsory labour, retention of identity documents, grievances, living and working conditions, excessive overtime, and deceptive employment practices.



making healthcare more accessible

Our approach includes carefully selecting markets for our "Elevating Worker Voice" programme based on labour risk indices and number of supplier staff present at our sites. The labour risk indices are determined by several indicators, including the prevalence of slavery in the population, government response ratings, and trafficking in persons report tier. Building upon the success of the pilot phase in 2022 where we prioritised Malaysia, Indonesia, and the Philippines,

we expanded the programme in 2023 to include Cambodia, Myanmar, Thailand, and the Philippines. The programme facilitated a thorough and comprehensive assessment, enabling us to identify 187 potential labour risks and we are taking the necessary steps to successfully mitigate them. This has opened up new opportunities for us to enhance our approach towards ensuring the safety, dignity, and rights of workers.

— LABOUR RISK AND LABOUR SUPPLY INDICATORS



In 2023, the "Elevating Worker Voice" programme covered 24 suppliers with temporary workers on-site, with a 58% participation rate. This ensured a statistically significant sample size of workers to draw meaningful conclusions. The survey highlighted some ambiguous practices, as well as the need to keep communicating to the workers to avoid confusion and misunderstanding. A debrief with each supplier shared findings from the survey and plans to address shortfalls in practices.



Collaboration with The Mekong Club

As a member of The Mekong Club, a non-profit dedicated to combating modern slavery in Asia, we utilised their digital tool to survey working conditions of suppliers' on-site workers, ensuring socially responsible labour practices. The tool, incorporating a best practices survey, addresses various risk types in labour fair practices, maintaining anonymity and safety for feedback sharing.



As the founder of The Mekong Club, I am inspired and deeply committed to our collaborative work with Zuellig Pharma. Together, we are addressing the critical issue of modern slavery, not only through comprehensive training but also by embedding sustainable practices within their business. This partnership reflects our shared dedication to combating exploitation, fostering ethical supply chains, and advancing meaningful change in the pursuit of a slavery-free world.



MR. MATTHEW FRIEDMAN
CHIEF EXECUTIVE OFFICER,
THE MEKONG CLUB



RESPONSIBLE MINERALS

Zuellig Pharma unequivocally opposes the use of conflict minerals, such as gold, tantalum, tin, and tungsten, sourced from regions plagued by conflict and human rights abuses. These minerals contribute to violence, exploitation, and environmental degradation. As a logistics and distribution company without ownership of products, we do not utilise conflict minerals in any of our operations.

We are firmly committed to ethical sourcing practices, which includes taking a strong stance against the use of conflict minerals in our supply chain. As part of our corporate social responsibility efforts, Zuellig Pharma requires our suppliers to comply with our Responsible Minerals clauses outlined in our [Supplier Code of Conduct](#).

By adhering to these principles, we not only uphold our moral obligations but also contribute to the promotion of peace, stability, and sustainable development in affected regions. We are dedicated to ensuring that our supply chain partners do not use minerals that directly or indirectly fund violence or human rights abuses in the manufacture of their products.

SUPPLIER DIVERSITY

Our commitment to fostering supplier diversity goes beyond mere business objectives; it is a catalyst for societal advancement. By prioritising collaborations with local enterprises in high growth Asian markets, we are actively contributing to the promotion of fair labour practices and economic prosperity across the region.

Our supplier diversity strategy aligns with our sustainability approach, supporting workplace diversity and extending this ethos to our supplier base. Embedded within our Supplier Code of Conduct is a steadfast rejection of discriminatory employment practices, encompassing a wide array of characteristics. We prioritise cultivating relationships with women-led businesses, small family-led enterprises, and developing local suppliers who share our commitment to diversity within their own supply chains. Zuellig Pharma expects suppliers to employ search and assessment processes that are unbiased and transparent. They should ensure that procurement teams proactively grant diverse businesses fair access to bids and actively seek out opportunities for diverse suppliers to participate in business ventures, wherever feasible.

Leveraging the IntegrityNext (INX) platform, we have integrated a dedicated module on Diversity, Equity & Inclusion (DEI) into our supplier sustainability assessment process. This module addresses critical aspects such as suppliers' inclusive culture, diversity programmes, and diversity initiatives. While participation in this module remains voluntary, **48.3% of suppliers who have been assigned the module participated in the questionnaire in 2023.** We recognise the importance of supplier diversity and are actively exploring ways to strengthen the questionnaire and increase participation rates, ensuring that diversity and inclusion are embedded into every aspect of our supply chain operations.



A prime illustration of supporting women-led businesses in Thailand is our partnership with STL Logistics and Management Company Limited. Since 2020, STL has been a steadfast ally to Zuellig Pharma, bolstering their transportation and distribution efforts in Thailand. Founded and led by Ms. Thuradee, STL stands as a beacon of excellence in supplier diversity.

Ms. Thuradee's sharp decision-making and strategic insights continue to propel her business forward. As a comparatively small logistics company, STL's exemplary performance underscores the untapped potential of women-led enterprises in fostering responsible supply chains.

Ms. Thuradee's commitment to excellence not only upholds the highest service standards but also fosters a fairer and more sustainable supply chain ecosystem. We extend our sincere appreciation to Ms. Thuradee and her dedicated team for their proactive efforts in championing supplier diversity and empowering women to overcome barriers in the business world.



Supporting women-led businesses

In recent years, the entrepreneurial landscape has witnessed a surge of women stepping into the realm of business ownership. This inspiring trend not only empowers women to conquer obstacles but also serves as a testament to the evolving dynamics of entrepreneurship in today's world.

At Zuellig Pharma, we are passionate about empowering women-led businesses across all markets.



Another remarkable example in the Logistics and Transportation Services sector is Duta Lintas Nusa from DUTATRANS. Established in 1987, DUTATRANS has been a key supporter of Zuellig Pharma Indonesia - PT Anugerah Pharmindo Lestari (APL) since 2022, facilitating seamless transportation and distribution from APL's National Distribution Centre to its branches. Leading the charge at Duta Lintas Nusa is Mrs. Dyana A. Prabowo, a trailblazing Chief Executive Officer.

Mrs. Dyana's journey with DUTA TRANS began 22 years ago, where she swiftly recognised the importance of cultivating a diverse customer base. With a sharp focus on innovation and a commitment to building customer trust, Mrs. Dyana spearheaded the expansion of DUTATRANS, witnessing significant year-on-year sales growth. Their operational excellence earned DUTATRANS recognition as one of APL's nominees for Supplier Day 2023, commended for "Supplier with Best Operational Performance (Freight In)".

Recognising the immense value of partnering with women-led businesses, Zuellig Pharma pledges to actively seek out and engage opportunities for collaboration. This ensures a future where sustainability and diversity intersect to drive meaningful change.

SCOPE 3 EMISSIONS

Zuellig Pharma recognise that addressing Scope 3 emissions is fundamental to accelerating climate action at the industry level and we strive to leverage our unique position to influence our suppliers' policies and behaviours. While we are committed to reducing the impact of our supply chain emissions, we only own trucks in our distribution network in select markets, collaborating with other logistics providers for air, sea, or rail transport. This presents both challenges and opportunities. For instance, more accurate accounting of our Scope 3 emissions arising from logistics requires additional data collection with our logistics partners, an ongoing task which we are currently working on. As a start, we have developed a targeted approach to collect supplier-specific GHG emissions data to move away from the current spend based approach. We have identified critical suppliers by analysing their scope of work and percentage of spend represented for their category. This is also done in reference to USEPA EEIO database and GHG Protocol. Next, we have developed a dual-purpose questionnaire that allows suppliers to input emission attributable data and assess their sustainability reporting readiness. The response from the questionnaire will be incorporated in our 2023 GHG Reporting and Supplier Sustainability Framework. Moving forward we are planning to develop toolkits and guidance to help suppliers monitor and report their emissions informed by various sustainability frameworks.

A significant portion of our efforts to reduce our Scope 3 emissions involves collaborating with our suppliers and partners on new initiatives to drive emission and waste reduction. We prioritise working with suppliers who demonstrate progress in reducing their carbon footprint. We have initiated the inclusion of sustainability criteria into supplier selection and contracts, aiming to educate and mandate our suppliers to report the carbon impact of their activities. These clauses also allow us to monitor and map their carbon reduction initiatives. For our largest suppliers by spend, we have performed an analysis and mapped their time-bound environmental targets that we will use to align on our roadmap to achieve our carbon reduction targets.

Some of the initiatives include:

- Usage of biofuel and new generation engines
- Aerodynamic improvements allowing up to 12% fuel saving
- Frequent change of tires that reduce carbon emissions by up to 3%
- Introduction of more electric vehicles within their fleets
- Driver training and monitoring to enable emission reducing driving habits
- Piloting electric motorbikes
- Adopting newest technology to insulate cold trucks that reduces the air-conditioning blower by up to 30%
- Constantly improving routes and asset utilisation rates

To reduce emissions from last-mile deliveries, we focus on load optimisation. This includes consolidating orders from our customers to maximise delivery vehicle capacity, minimising the number of vehicles used while maximising deliveries.

Another vital part of achieving our Scope 3 emission target is passive packaging. This reusable packaging allows product transportation without the need for air conditioning. Continuous improvements in insulation technology have led to an **improvement in load ratio, up to 10 times greater than traditional single use packaging.**



★ OUR PERFORMANCE

→ RESPONSIBLE PROCUREMENT

	2021	2022	2023
Percentage of supply from sustainable sources	14%	40%	36%
Percentage of procurement staff that are trained on Sustainable Procurement	100%	100%	100%
Percentage of suppliers by value that have acknowledged the ZP Supplier Code of Conduct	57%	67%	83%
Percentage of suppliers by value that have gone through a sustainability assessment	57%	57%	58%
Supplier audit performance rate of planned audits	-	98%	100%
Percentage of planned supplier audits that were performed onsite	-	43%	51%
Percentage of planned supplier audits that were performed remotely	-	57%	49%
Percentage of targeted suppliers with contracts that include clauses on environmental, labour, and human rights requirements	62%	63%	79%
Percentage of targeted suppliers that have gone through a sustainability assessment	11%	33%	58%
Percentage of markets with an anti-corruption due diligence programme on third parties in place	100%	100%	100%

→ LABOUR PRACTICES & HUMAN RIGHTS IN THE SUPPLY CHAIN

	2021	2022	2023
Markets that were screened for Modern Slavery as part of our "Elevating Worker Voice" programme	-	3	4
Number of suppliers that were screened for Modern Slavery as part of our "Elevating Worker Voice" programme	-	31	24
Participation rate of third-party workers in "Elevating Worker Voice" programme	-	56%	58%



PATIENT SAFETY

GRI 3-3

Zuellig Pharma is committed to ensuring the end-to-end integrity and security of the product handled throughout the supply chain. We are continually developing our systems and leveraging technology solutions to maintain our reputation as leaders in secure and safe product handling and distribution.

MANAGEMENT APPROACH

QUALITY MANAGEMENT

We have established a comprehensive framework for Quality and Security compliance to monitor the evolving regulatory and industry landscapes ensuring our Quality Management System (QMS) remains current. Our process flows, warehouse designs, standard operating procedures, and employee training modules undergo regular updates to align with global best practices and prevailing regulatory requirements. Satisfactory outcomes in regional audits demonstrate the effectiveness of our QMS, ensuring compliance with international standards. Our QMS governance framework prioritises product integrity, security, and patient safety.

The development of an electronic Quality Management Systems (eQMS) has allowed us to shift from traditional paper-based approaches to electronic workflow processes. This technology-enabled approach has provided a more risk-based approach in managing our processes and at the same time enhancing document management and data integrity. The eQMS, was implemented across all markets in 2022, facilitating better decision-making, process improvements, and has accelerated our Quality 4.0 agenda.



SUPPLY CHAIN QUALITY MANAGEMENT

Zuellig Pharma remains steadfast in our commitment to uphold the highest standards of operational excellence. Each year, all our warehouses undergo rigorous external audits to verify adherence to Good Storage Distribution Practices (GSDP) and compliance with ISO standards. The successful outcomes of these audits serve as a testament to our dedication to quality and integrity of our distribution processes.

Moreover, Zuellig Pharma has earned 7 certifications across different markets from the Transported Asset Protection Association (TAPA). This demonstrates the robust security measures embedded in our logistics supply chain and underscores our proactive approach to safeguarding products during transportation.

We are actively working towards achieving TAPA certification across all key markets, with a comprehensive distribution setup slated for completion by 2025. This strategic initiative aligns with our broader goal of consistently elevating the standards of security and operational efficiency within our global distribution network.



TAPA ASIA PACIFIC
Transported Asset Protection Association

Since 2014, Zuellig Pharma has proudly held membership in the Transported Asset Protection Association (TAPA) APAC. Notably, we have distinguished ourselves as the first Logistics Service Provider (LSP) to be certified for the Pharmaceutical Facility Security Requirement (PFSR) standards. This certification underscores Zuellig Pharma's dedication to upholding the pinnacle of supply chain security and resilience within the pharmaceutical sector. As an active participant in a robust network comprising 750 member companies and partners, Zuellig Pharma contributes significantly to the expanding of TAPA-certified industry leaders. The company has also embraced TAPA Enterprise Membership, reinforcing our unwavering commitment to industry excellence. Zuellig Pharma continues to set a powerful example within the industry, advocating staunchly for the highest standards of supply chain resilience and sustainability.

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

COLD CHAIN SOLUTIONS

Zuellig Pharma continues to invest in innovative cold chain solutions to expand coverage and enhance healthcare access, especially in remote areas. Among these solutions is the eZCooler, a passive packaging technology for temperature-sensitive products.

The eZCooler significantly reduces freight carbon footprint due to its lighter weight compared to traditional cold storage packaging. With around 8,145 units deployed across Asia, this reusable and 100% recyclable solution minimises environmental impact and helps **prevent the use of at least 360,000 Styrofoam boxes annually.**

Beyond its sustainability benefits, the eZCooler ensures the integrity of temperature-sensitive products during challenging last-mile delivery. Looking ahead, our goal is to identify a cost-effective, eco-friendly cold chain box to replace Styrofoam boxes in uni-directional delivery, aligning with our commitment to environmental responsibility.



The eZCooler helps prevent the use of up to **360,000** styrofoam boxes



1,900 EPS box



500 eZCooler



40% reduction
in CO2 emissions



92% reduction
in waste

Over a 5 year period...

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



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 2023, 75% of our markets have successfully implemented automatic transmission of temperature data to our cloud database. This reflects the progress of our strategic roadmap for Temperature Data Management in our ongoing digital transformation journey. We will eventually have all temperature data from storage to delivery in the cloud to enhance our analytical abilities and enable future predictive capabilities for a risk-based decision-making.

Quality Assurance staff and related functions undergo a structured Quality Assurance Competency Certification programme aimed at fostering competency development and skills acquisition. The programme offers five levels of recognition, from "Practitioner" to "Master." Additionally, we present Annual Quality Awards to recognise and motivate outstanding individuals and groups for upholding the highest standards of quality in our operations. This reiterates the importance of viewing Quality as everyone's responsibility.



SUPPLY CHAIN SECURITY

GRI 3-3

Across developing countries, it is estimated that one in ten drugs sold are fake or substandard*. Zuellig Pharma is committed to ensuring access to safe and accountable treatment options, especially in regions where counterfeit or substandard drugs pose significant risks. With a focus on authenticity and rigorous quality assurance measures, we prioritise the wellbeing of patients above all else, ensuring safe and accountable healthcare for all.

MANAGEMENT APPROACH

COUNTERFEIT, UNSANCTIONED OR SUBSTANDARD PARALLEL TRADE

Counterfeiting and parallel trade of pharmaceutical products in the region pose a serious threat, adversely impacting patient health, safety, and trust in product quality assurance. These illicit products may contain incorrect doses, harmful ingredients, or lack active ingredients, leading to increased patient resistance to verified treatments and potential severe health consequences, including disability or death. Unfortunately, counterfeiters and grey market perpetrators have gained entry to the global marketplace due to challenges in supply chain traceability and access to specialised equipment and technology.

To address critical supply chain challenges, we introduced eZTracker, Asia's first blockchain-powered end-to-end supply chain solution. This innovative technology allows users to trace a product's origin and verify its authenticity in almost real-time by scanning its packaging. This way, healthcare professionals gain confidence in administering drugs, while patients can trust they are receiving legitimate products.



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

* Source: <https://www.who.int/news/item/28-11-2017-1-in-10-medical-products-in-developing-countries-is-substandard-or-falsified>

Leveraging blockchain, eZTracker enhances resilience, traceability, and operational efficiency in the pharmaceutical supply chain, prioritising patient safety. If an unregistered product is detected, users can lodge a report directly through the mobile app, initiating further investigations and escalating to the drug’s legitimate manufacturer and relevant authorities if needed. eZTracker supports product recalls by notifying previously scanned patients, expediting the withdrawal of defective batches from the market.

Providing essential information such as expiry dates and storage instructions, eZTracker enhances regulatory compliance by embedding product information leaflets on blockchain. This transition from paper to digital improves efficiency and allows manufacturers to update leaflets as required by authorities without extensive recall costs. Available on Google Play Store and the App Store, **eZTracker has been implemented in 7 markets, with over 6 million products on the blockchain and more than 60,000 app users consisting of patients and doctors** verifying the authenticity of their medicines.

In 2023, eZTracker tracked **USD\$19 million** worth of suspected counterfeits and diversions with 30,000 scans of suspected counterfeits & diversions.



By establishing the gold standard for using digital innovation to fight counterfeits, the eZTracker has won several awards:



Gartner Power of the Profession Supply Chain Award 2023

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 2022

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.



IDC Future Enterprise Awards



INDUSTRY COLLABORATION

At Zuellig Pharma, we recognise the importance of strategic partnerships and industry collaborations to enhance oversight over pharmaceutical products and combat illicit activities. Through alliances with technology firms, regulatory bodies, and industry associations, we strengthen our capabilities in monitoring, authenticating, and tracing products throughout our supply chain. These partnerships enable us to deploy innovative solutions and implement best practices, safeguarding the traceability, integrity and authenticity of pharmaceutical products and ensuring the safety and wellbeing of patients.



Microsoft Singapore's 2023 Partner of the Year

Zuellig Pharma was honoured to be recognised as Microsoft Singapore's 2023 Partner of the Year in the Healthcare & Life Sciences Industry. This amplifies Zuellig Pharma's commitment towards creating a customer-centric, interconnected, and accessible healthcare ecosystem through digital and data innovations.

Through leveraging Microsoft's Azure solutions to house healthcare data, generate actionable insights and track suspected fraudulent activities, Zuellig Pharma look forward to future collaborations together to affect more change.

Microsoft
Singapore
Partner



2023 Partner of the Year Winner
Industry
Healthcare & Life Sciences

 **ZUELLIG
PHARMA**
making healthcare more accessible



CEO Mr. John Graham joins Pharma Ledger Association's Board of Directors



In 2023, Zuellig Pharma became a Patron Member of the PharmaLedger Association (PLA), a global not-for-profit based in Switzerland dedicated to fostering a secure and reliable Digital Trust Ecosystem in healthcare (DTE-H). In addition, our CEO Mr. John Graham joined the Board of Directors of the PharmaLedger Association.



I am honoured to join PharmaLedger Associations' (PLA) Board of Directors and look forward to providing unique insights drawn from decades of working across different areas of the healthcare value chain in order to build a patient-first ecosystem with meaningful innovations and technologies.



MR. JOHN A GRAHAM
CEO, ZUELLIG PHARMA.

Expanding on the success of our fully operational supply chain traceability solution, eZTracker, Zuellig Pharma is dedicated and excited to collaborate with the PLA and like-minded partners to expedite innovation and the adoption of patient-centric digital solutions. Through these innovative patient-first healthcare solutions, we hope to break the silos across healthcare and achieve real-world results, while complying with healthcare regulations.

★ OUR PERFORMANCE

	2021	2022	2023
Key markets with a distribution setup that have implemented eZTracker	4	6	7
Number of scans made on eZTracker	162,120	134,504	135,358
Number of scans involving unregistered products/potential counterfeits	17,472	18,721	11,104
Number of scans involving grey market products	66,004	34,815	20,878
Number of reported incidents through the eZTracker	374	211	88



DATA GOVERNANCE AND SECURITY

GRI 3-3, 418-1

The ongoing digital acceleration of business and work processes has heightened the risk exposure to cyber threats. The increased sophistication of cyber criminals and their attack vectors underscores the critical need for Zuellig Pharma to continuously enhance robust cybersecurity and data privacy programmes to safeguard systems and data.

MANAGEMENT APPROACH

DATA PRIVACY AND SECURITY

Zuellig Pharma has instituted a Cybersecurity and Data Privacy Framework and Policy in alignment with the National Institute of Standards and Technology (NIST) Framework. This framework secures the growing volume of information we safeguard on behalf of our clients and customers. The controls and standards of NIST are implemented through our Information Security Management Systems (ISMS) based on ISO 27001:2013.

Our Information Security Management System (ISMS) provides a standardised language for comprehending, managing, and articulating cybersecurity risks to both internal and external stakeholders. This approach aims to reduce cybersecurity risks and align our strategy to manage identified risks. The regional ISMS manual and policies undergo regular review and updates to ensure continuous improvement and alignment with the current version of the ISO 27001 standard and the industry landscape.

We continuously seek to increase our cybersecurity and data privacy maturity levels and overall security posture to counter threats and data breaches. In 2023, we underwent a Cybersecurity Maturity Assessment conducted by a third-party assessor against the NIST Framework and scored above average against the sector-leading Global Pharmaceuticals Industry Benchmark.

Our Information Security team, supported by teams in various markets, actively monitors and reports metrics, activities, and initiatives related to cybersecurity and data privacy. Regular audits are conducted, with markets working on remediation and continuous improvement based on audit results. By 2025, our goal is to foster a privacy-centric culture, incorporating a comprehensive Data Privacy Impact Assessment for all mission-critical systems and web applications offered to clients and customers in each market.

Our efforts extend to third parties as well. All external partners undergo security and privacy risk assessments to determine their criticality in terms of handling information on behalf of Zuellig Pharma. Identified critical external partners undergo detailed information security due diligence processes which evaluate their security and privacy maturity to ensure that all information, whether it be sensitive, critical, and personal information is properly handled and minimises the risk for security and privacy incidents that may lead to breaches.



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 ISO 27001-certified by 2025.

All employees undergo Information Security, Cybersecurity, and Data Privacy training during onboarding, supplemented by annual refresher courses to maintain high awareness levels. Quarterly random phishing simulation exercises conducted by the Information Security team ensure constant vigilance among employees against evolving cybersecurity threats.



Data Integrity Awareness Month 2023

To reduce the risks of cyber-security and internal data privacy breaches, Zuellig Pharma launched an internal learning module on data integrity. The module aimed to promote data accuracy, consistency, and good documentation practices across all Zuellig Pharma markets.

In September 2023, we launched Data Integrity Awareness Month to promote data integrity and highlight its importance in our business. The month-long event commenced with an opening programme attended by more than 100 employees from different functions. Various activities were organised throughout the month, including

- Data Integrity Workshop aimed at personnel involved in key GxP documentation.
- Smart Start Workshop – Our Regional Quality Assurance team conducted a workshop to all market Document Controllers focusing on the document control guidelines and importance of the role
- Data Integrity Quiz – Weekly quiz engaging staff members on the importance of data integrity, good documentation practices and other data-related governance topics pertinent to the increasingly digital world in which we operate
- Data Integrity Pledge – The programme concluded with a pledge of commitment, made available in different languages, that each member of the organisation will take part in ensuring reliable and accurate data.

Across Zuellig Pharma, 2,800 employees participated in the programme. Participants appreciated the programme's inclusive approach, inviting participation from beyond the QA functions. Those who attended reported feeling empowered to act as quality practitioners and contribute to data integrity within the organisation. Annual delivery of the programme was desired to reinforce a quality mindset across the company.

As an outcome of the Data Integrity Awareness Month, a **24.5% reduction in average findings** from external audits for the period from September to December 2023 against the same period in 2022.

In 2022, we 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, which 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. It is the responsibility of the Information Owners to determine proper record retention schedules and procedures, and work with Zuellig Pharma's 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.



★ OUR PERFORMANCE

	2021	2022	2023
Number of substantiated complaints received from outside parties and/or regulatory bodies concerning breaches of customer privacy	0	0	0
Number of confirmed information security incidents (i.e., identified leaks, thefts, or losses of customer data)	0	0	0
Number of breaches	0	0	0
Number of markets that are ISO 27001 (ISMS) certified	10	10	10
Percentage of markets that have an information security due diligence programme on third parties in place	100%	100%	100%
Percentage of markets that have conducted audits of control procedures to prevent information security breaches	100%	100%	100%
Percentage of employees who have received training on Cybersecurity & Data Privacy	100%	100%	100%

GRI CONTENT INDEX

STATEMENT OF US	Zuellig Pharma has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARDS	Not applicable

+ GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURE	PAGE REFERENCE	GRI DISCLOSURE TITLE			
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-1	Organisational details	11			
	2-2	Entities included in the organisation's sustainability reporting	3, 171			
	2-3	Reporting period, frequency and contact point	3			
	2-4	Restatements of information	3, 171			
	2-5	External assurance	177			
	2-6	Activities, value chain and other business relationships	12-16, 144			
	2-7	Employees	63, 71, 173-175			
	2-8	Workers who are not employees	71, 173			
	2-9	Governance structure and composition	23	C	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.
	2-10	Nomination and selection of the highest governance body	23			
	2-11	Chair of the highest governance body	23			
	2-12	Role of the highest governance body in overseeing the management of impacts	23			
	2-13	Delegation of responsibility for managing impacts	23			
	2-14	Role of the highest governance body in sustainability reporting	23			
	2-15	Conflicts of interest	-	2-15	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.

GRI STANDARD	DISCLOSURE		PAGE REFERENCE	GRI DISCLOSURE TITLE		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	23			
	2-17	Collective knowledge of the highest governance body	-	2-17	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.
	2-18	Evaluation of the performance of the highest governance body	-	2-18	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.
	2-19	Remuneration policies	-	2-19	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.
	2-20	Process to determine remuneration	-	2-20	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.
	2-21	Annual total compensation ratio	-	2-21	Confidentiality constraints.	As a privately held company, Zuellig Pharma does not disclose details about its Board of Directors.
	2-22	Statement on sustainable development strategy	4, 5-6			
	2-23	Policy commitments	24			
	2-24	Embedding policy commitments	24, 135-143, 144-151			
	2-25	Processes to remediate negative impacts	79-83, 88-92			
	2-26	Mechanisms for seeking advice and raising concerns	75,81,141,162			
	2-27	Compliance with laws and regulations	135-143			
	2-28	Membership associations	31-32			
	2-29	Approach to stakeholder engagement	25-30			
	2-30	Collective bargaining agreements	90			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	20			
	3-2	List of material topics	21-22			

+ TOPIC DISCLOSURES

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ OMISSION	
→ IMPROVING HEALTH OUTCOMES				
ACCESS TO HEALTHCARE				
GRI 3: Material Topics 2021	3-3	Management of material topics	38-43	
ACCESS TO INNOVATION				
GRI 3: Material Topics 2021	3-3	Management of material topics	44-49	
EQUITABLE HEALTHCARE SYSTEMS				
GRI 3: Material Topics 2021	3-3	Management of material topics	50-55	
COMMUNITY EMPOWERMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	56-60	
→ NURTURING TALENT				
TALENT DEVELOPMENT AND ENGAGEMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	63-72	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	65, 71-72	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	69,72	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	68-70	
	404-3	Percentage of employees receiving regular performance and career development reviews	68	

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ OMISSION	
DIVERSITY, EQUITY AND INCLUSION				
GRI 3: Material Topics 2021	3-3	Management of material topics	73-78	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	76,78	
	405-2	Ratio of basic salary and remuneration of women to men	75	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	75	
WORKPLACE HEALTH, SAFETY AND EMPLOYEE WELLBEING				
GRI 3: Material Topics 2021	3-3	Management of material topics	79-87	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	79-80	
	403-2	Hazard identification, risk assessment, and incident investigation	81-82	
	403-3	Occupational health services	80-83	
	403-4	Worker participation, consultation, and communication on occupational health and safety	79-83	
	403-5	Worker training on occupational health and safety	82-83	
	403-6	Promotion of worker health	84-86	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80	
	403-8	Workers covered by an occupational health and safety management system	79-87	Information unavailable/incomplete: Our OHS system covers workers who are not employees but whose work and/or workplace is controlled by the organisation, however we currently do not have the available information to disclose the total number and percentage of such workers who are covered by the system. We are currently exploring solutions to track third-party workers in our facilities, with the aim of implementing a reporting system by 2025.
	403-9	Work-related injuries	81,87	

GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ OMISSION	
LABOUR PRACTICES AND HUMAN RIGHTS				
GRI 3: Material Topics 2021	3-3	Management of material topics	88-92	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	90	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	90-91	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	90-91	

→ RESPECTING THE ENVIRONMENT

CLIMATE CHANGE MITIGATION

GRI 3: Material Topics 2021	3-3	Management of material topics	95-107	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	107	
	302-2	Energy consumption outside of the organisation	107	Information unavailable/incomplete: Zuellig Pharma currently does not have this information available in joules or multiples. We have identified and disclosed our Scope 3 emissions in upstream and downstream activities (see GRI 305-3) computed on spend-based approach, which is not directly convertible to joules. We have started supplier engagement in order to enhance our Scope 3 data collection and will roll out a supplier questionnaire in Q42024 to collect primary data.
	302-3	Energy Intensity	107	
	302-4	Reduction of energy consumption	107	Based on reported data, no reduction from 2022 to 2023.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	107	
	305-2	Energy indirect (Scope 2) GHG emissions	107	
	305-3	Other indirect (Scope 3) GHG emissions	107	
	305-4	GHG Emissions Intensity	107	

CLIMATE GOVERNANCE

GRI 3: Material Topics 2021	3-3	Management of material topics	108-123	
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GRI STANDARD	DISCLOSURE		PAGE REFERENCE/ OMISSION	
CIRCULAR WASTE MANAGEMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	124-129	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	124-129	
	306-2	Management of significant waste-related impacts	124-129	
	306-3	Waste generated	124	
	306-4	Waste diverted from disposal	124	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 break down 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	124	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 break down 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 PRESERVATION				
GRI 3: Material Topics 2021	3-3	Management of material topics	130-132	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	130	
	303-5	Water consumption	130	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	131	Zuellig Pharma does not own, lease or manage any operational sites in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2	Significant impacts of activities, products and services on biodiversity	131-132	

GRI STANDARD	DISCLOSURE	PAGE REFERENCE/ OMISSION
→ SETTING HIGH STANDARDS OF INTEGRITY		
ETHICAL BUSINESS CONDUCT		
GRI 3: Material Topics 2021	3-3	Management of material topics 135-143
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption 140
	205-2	Communication and training about anti- corruption policies and procedures 140-142
	205-3	Confirmed incidents of corruption and actions taken 141
GRI 207: Tax 2019	207-1	Approach to tax 142
GRI 417: Marketing and Labelling 2016	417-3	Incidents of non-compliance concerning marketing 136
RESPONSIBLE PROCUREMENT		
GRI 3: Material Topics 2021	3-3	Management of material topics 144-153
GRI 308: Supplier Environmental Assessment 2016	308-1	Percentage of new suppliers that were screened using environmental criteria 146
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria 146,148
PATIENT SAFETY		
GRI 3: Material Topics 2021	3-3	Management of material topics 154-157
SUPPLY CHAIN SECURITY		
GRI 3: Material Topics 2021	3-3	Management of material topics 157-160
DATA GOVERNANCE AND SECURITY		
GRI 3: Material Topics 2021	3-3	Management of material topics 161-163
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data 162

NOTES TO PERFORMANCE DATA



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). Biogenic emissions have not been deemed relevant for Zuellig Pharma.

Emissions from offices in Australia, China, India, Japan and Laos 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. Zuellig Pharma holds a minority interest in some companies where it has made investments. The emissions related to those companies are included in our Scope 3 Investment category.

SCOPE 1 & 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), 2023.

Our Scope 2 emissions come from the purchase of electricity for our operations and offices. Emissions were calculated using actual energy consumption. Grid emission factors are provided below were sourced from the International Energy Authority (IEA), 2023.

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, upstream transportation and distribution, and business travel.

Emission factors were sourced from the US Environmentally-Extended Input-Output (USEEIO) v.1.2 USEEIO which provides an extensive list of categories. Well-to-tank emissions have also been included in emissions from upstream transportation and distribution and business travel, based on conversion factors provided by DEFRA, 2023.

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, 2023. All other business travel emissions were calculated using emission factors sourced from USEEIO v1.2.

Employee commuting data was collected via a survey conducted in 2023. Emissions were calculated using emission factors sourced from DEFRA, 2023 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 emission factors were sourced from DEFRA, 2023 while well-to-tank (WTT), transmission and distribution loss (T&D), and WTT-T&D emission factors for each country were sourced from IEA, 2023.

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, 2023 while electricity emission factors were sourced from IEA, 2023.

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 extrapolated based on previous year's emissions. Emissions from investments in 2022 were calculated using the Quantis Scope 3 Evaluator which has since been discontinued.

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, India, Japan and Laos 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. Third-party personnel refer to individuals who are sub-contracted through third-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	THIRD-PARTY PERSONNEL	TOTAL
FEMALE	5,441	249	65	86	5,841
MALE	6,079	304	15	52	6,450
TOTAL	11,519	554	80	138	12,291

GENDER	FULL-TIME EMPLOYEES	PART-TIME EMPLOYEES	TOTAL
FEMALE	5,771	70	5,841
MALE	6,432	18	6,450
TOTAL	12,203	88	12,291

● BREAKDOWN OF EMPLOYEES BY REGION

REGIONS	PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES	NON-GUARANTEED HOURS EMPLOYEES	THIRD-PARTY PERSONNEL	TOTAL
AUSTRALIA	42	0	0	0	42
BRUNEI DARUSSALAM	37	1	0	0	38
CAMBODIA	441	0	0	0	441
CHINA	36	0	0	0	36
HONG KONG	400	19	6	0	425
INDIA	19	0	0	0	19
INDONESIA	2,594	42	0	0	2,636
JAPAN	1	0	0	0	1
KOREA	467	101	0	0	568
MACAO	69	0	10	0	79
MALAYSIA	930	104	5	0	1,039
MYANMAR	161	2	0	0	163
PHILIPPINES	2,137	27	0	0	2,164
SINGAPORE	625	163	1	32	821
TAIWAN	842	26	0	0	868
THAILAND	1,425	68	32	5	1,530
VIET NAM	1,294	0	26	101	1,421
TOTAL	11,519	554	80	138	12,291

● BREAKDOWN OF EMPLOYEES BY REGION

REGIONS	FULL-TIME EMPLOYEES	PART-TIME EMPLOYEES	TOTAL
AUSTRALIA	42	0	42
BRUNEI DARUSSALAM	38	0	38
CAMBODIA	441	0	441
CHINA	36	0	36
HONG KONG	419	6	425
INDIA	19	0	19
INDONESIA	2,636	0	2,636
JAPAN	1	0	1
KOREA	568	0	568
MACAO	69	10	79
MALAYSIA	1,032	7	1,039
MYANMAR	163	0	163
PHILIPPINES	2,164	0	2,164
SINGAPORE	818	3	821
TAIWAN	864	4	868
THAILAND	1,498	32	1,530
VIET NAM	1,395	26	1,421
TOTAL	12,203	88	12,291

● **BREAKDOWN BY GENDER PER EMPLOYEE CATEGORY**

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

	2023		2023		
	MALE	FEMALE	< 30 YEARS OLD	30-50 YEARS OLD	> 50 YEARS OLD
SENIOR MANAGEMENT	128	79	-	115	92
MIDDLE MANAGEMENT	1,203	1,294	185	1,980	332
EXECUTIVE/ GENERAL STAFF	5,044	4,273	2,149	6,289	879

Note: For this social indicator, we have chosen to exclude 270 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

SUSTAINABLE PROCUREMENT

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 preinjury health status within 6 months. Lost-time Injury Frequency Rate (LTIFR) is the number of lost-time injuries per million hours worked.

For the percentage of suppliers by value who have acknowledged the Supplier Code of Conduct, the data excludes our liaison offices in Australia, China, India, Japan, and Laos. It also excludes Brunei and Macau as because the volume of procurement with material vendors is negligible. When referring to suppliers by value, we mean the expenditure from suppliers that is directly managed by the ZP Procurement team across markets. Directly managed implies that we engage, negotiate, and contract directly with these suppliers.

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 2023 (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 2023 ('the Report') for the period 1st January 2023 – 31st December 2023, (the 'Selected Information') as listed below:

- General Indicators for 2023
- Performance data for 2023 for indicators marked as assured in the summary of main performance indicators provided in the GRI Content Index starting on page 164 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 spend 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 In Accordance 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 as this assurance exercise was performed using remote verification using Microsoft Teams as ICT Platform. 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).

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 –Cambodia, Singapore – Changi office, ZPC Philippines and MDI Philippines.
- 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.
- Assessing the disclosure is in accordance requirement of GRI and provides clear information and justifications in case any disclosure is omitted from this report.

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 2023 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, a leading healthcare solutions firm, strives to improve healthcare access, quality, and compliance worldwide. Sustainable practices embody the company's values of honesty, trust, teamwork, excellence, innovation, and personal growth.
- Zuellig Pharma received a Platinum EcoVadis rating in 2023 for their carbon management and decarbonization efforts.
- The Science Based Targets initiative (SBTi) has certified the corporation as one of 4,000 worldwide companies to reduce direct and indirect greenhouse gas (GHG) emissions by 42% and supplier chain emissions by 25% by 2030.
- Zuellig Pharma is the first transport sector APAC company to receive an "A-" for Climate Change and the first global company with an "A" for Supplier Engagement from CDP.
- Its people-focused ESG activities promote openness, conversation, tolerance, and honesty. Zuellig Pharma has maintained an average unadjusted gender pay gap of under 1% for two years, demonstrating its commitment to diversity, equity, and inclusion.
- Zuellig Pharma has attempted to align its material topics to UNSDG's and disclosed the same in sustainability report.

Findings and conclusions concerning adherence to the ISAE 3000 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 2023 including engagement of pillar leads to review literature, conducting reviews to acquire meaningful information on the changes and emerging trends relevant to its material topics and collecting feedback from external stakeholders.

Zuellig Pharma, a signatory to the United Nations Global Compact, is committed to sustainability and incorporating the Ten Principles into their operations.

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 a consulting organization to identify the most useful topics in alignment with the GRI guidelines.

Zuellig Pharma conducted a double materiality assessment in 2023 to ensure their sustainability approach aligns with stakeholder expectations. This assessment process, which incorporates both impact materiality and financial materiality lenses, follows international best practices. The comprehensive process aims to promote transparency and accountability by identifying and assessing material topics without bias. Zuellig Pharma conducted a context review, which involved reviewing internal and external sources to identify a shortlist of sustainability topics. Stakeholder engagement was then conducted through surveys and interviews to gather perspectives on these topics. The materiality assessment findings were analyzed, validated by the Executive Management Team, and approved by the Board.

Changes to the list of material topics include the addition of 'Environmental preservation' and the merging of 'Affordability' into 'Access to healthcare'. Topic titles were also modified to better reflect their coverage.

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.

Zuellig Pharma is dedicated to ensuring health, safety, and well-being in its operations. It has implemented regional HSSE requirements and is working towards ISO certifications. The company also focuses on hazard identification, risk assessment, and incident investigation. Zuellig Pharma also holds suppliers to high standards and emphasizes employee training and development. They also promote employee well-being through assistance programs and mental wellness activities. They value trade union representation and engage in constructive dialogue with employees.

Zuellig Pharma upholds its employees' right to collective bargaining, ensuring they are represented by legally recognized unions and bargain in good faith. Report provides details on % of employees covered by collective bargaining agreements, ensuring mutually agreed terms. For those not covered, terms of employment and working conditions are determined by prevailing labor regulations. Zuellig Pharma supports the freedom of individuals to join trade unions and does not discriminate based on membership or association.

Zuellig Pharma's greenhouse gas reduction and sustainability measures are found commendable. The company has made significant sustainability progress in this area. Zuellig Pharma has established electric vehicle and energy efficient vehicles trial programmes in six APAC countries and aims to switch to electric short-distance deliveries in Korea by 2030. Zuellig Pharma also created a Singapore vaccination distribution centre with GSK. This center will focus green sea shipping and blockchain cold-chain management. Zuellig Pharma uses new landlord features and energy saving tactics to manage energy consumption in its distribution sites. They are installing rooftop solar panels and electric or hybrid automobiles to reduce emissions. Zuellig Pharma is committed to a greener Asia-Pacific healthcare ecosystem.

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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 continuously plan projects to create awareness amongst vendors and suppliers across all markets to improve ethical procurement culture.

Zuellig Pharma reduced Lost-time Injury Frequency Rate (LTIFR) by 26% over baseline year 2020 and increased it by 6.9% over 2022 with zero fatalities and high-consequence work-related injuries.

Energy intensity (MJ/Piece) decreased 4.0% over baseline year and 5.9% over 2022 for Zuellig Pharma in the Energy and GHG emissions category. GHG intensity went down 49.4% over baseline year and 27.6% over 2022. As five more markets installed rooftop solar in 2023, solar power share increased to 7.21% of overall electricity consumption, reducing GHG emissions.

STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

Bureau Veritas, an independent professional services organization, with 185 years of experience in quality, environmental, health, safety, and social accountability. The assurance team has considerable experience verifying environmental, social, ethical, and health and safety data, systems, and processes.

Bureau Veritas has a certified Quality Management System that meets ISO 9001:2015 standards and also has documented policies and procedures for ethical, professional, and legal and regulatory compliance.

Bureau Veritas' Code of Ethics meets IFIA standards to ensure that its employees maintain integrity, objectivity, professional competence, due care, confidentiality, professional behavior, and high ethical standards in their daily business activities. The assurance team for this assignment has no other Bureau Veritas projects with ZUELLIG PHARMA (ZP).



Bureau Veritas Quality Assurance Pte. Ltd.

Singapore

Date: 20/05/2024

Ref: BV – 7368619



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

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