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## ON THE COVER

The cover illustration brings to life Zuellig Pharma's sustainability vision of **building a healthier future** for Asia, around our four Sustainability Pillars: **Improving Health Outcomes, Nurturing Talent, Respecting the Environment** and **Setting the Highest Standards of Integrity**.

The two hands protecting the globe signify our commitment to the wellbeing of the communities we serve, while the group of people supporting the globe represents the tremendous role our teams and partners play in the achievements and initiatives shared with you in this report.

# ABOUT THIS REPORT

This Sustainability Report 2021 marks Zuellig Pharma's second year of charting our sustainability progress and performance, communicating transparently how we are working towards our vision of building a healthier future for Asia.

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.

## → BOUNDARY AND SCOPE

GRI 102-46, 102-48, 102-49,  
102-50, 102-52

The information contained in this report pertains to the period 1 January to 31 December 2021 and covers Zuellig Pharma Holdings Pte Ltd operations across 16 countries, compared to 13 in the last report.

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 covers 1 October 2020 to 30 September 2021. The scope for environmental, health and safety, and sustainable procurement metrics does not include our liaison offices in India, China, and Australia. We are currently working on developing processes to expand our reporting accordingly.

Restatements of 2020 data, as well as further notes to the performance data included in this report can be found on page 97.

## → REPORTING APPROACH AND FRAMEWORK

GRI 102-54

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and the four Reporting Principles for defining report content as prescribed by GRI Standards: Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness. A GRI Content Index detailing the specific standards applied and disclosures reported can be found on page 88 of this report.

Our sustainability report is published on an annual basis.

## → EXTERNAL ASSURANCE

GRI 102-56

Zuellig Pharma has engaged Bureau Veritas to provide **independent limited assurance** for general disclosures and selected key sustainability disclosures in this report. Please refer to pages 99-103 for the assurance statement and scope of data assured. This external review of our sustainability performance validates that we use the **same rigour and accuracy** in this report as we do with regulated reporting. Assurance is in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) and the Assurance Standard (AA1000AS v3) issued by the International Auditing and Assurance Standards Board.



BUREAU  
VERITAS



## CONTACT

GRI 102-53

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

Zuellig Pharma  
Sustainability Team  
[sustainability@zuelligpharma.com](mailto:sustainability@zuelligpharma.com)



# BOARD STATEMENT

GRI 102-19, 102-20, 102-31

Over the years, Zuellig Pharma's Board has remained steadfast in upholding the company's commitment to the health and wellbeing of the communities we serve. We take pride in the positive impact we have in making healthcare more accessible, especially in times of crisis. It is our firm belief that beyond advancing the health of patients, contributing to the environment and society must be integral to our business.

The Board regularly monitors the company's Environmental, Social and Governance (ESG) strategy and performance. Our work with Zuellig Pharma's management focuses on the four impact areas around which our sustainability programme is structured. These have been carefully defined following engagements with 45 key external stakeholders to identify issues that are truly relevant and meaningful to them. These four pillars are Improving Health Outcomes, Nurturing Talent, Respecting the Environment and Setting the Highest Standards of Integrity.

To ensure that the organisation is geared towards an impactful execution of our sustainability ambitions, we have set strict governance frameworks. The Board has assigned the monitoring and overseeing of sustainability momentum to our sustainability steering committee, which comprises our Chief Executive Officer John Graham, our Executive Management Team, and relevant key functions across the

organisation. Each of the 22 material sustainability issues that Zuellig Pharma has identified is sponsored by a key member of our Executive and Senior Management Teams.

Zuellig Pharma extends accountability across the organisation through almost 200 internal metrics. Externally, the Board is committed to a transparent and verified disclosure of our ESG performance. The 2021 Sustainability Report provides an enhanced overview of our sustainability performance through 30 additional metrics and targets aligned to the priorities of our partners. To ensure your confidence in Zuellig Pharma's reporting, general disclosures and key metrics of this report have been verified by external auditors from Bureau Veritas. This report is prepared with the support of independent consultants and aligns with the requirements set out by the GRI reporting standards. Key partners have expressed their appreciation for Zuellig Pharma's leadership with our integrated approach to reporting, as well as the company's commitment to transparency and engagement.

The Board supports Zuellig Pharma's commitment to sustainability and values the dedication of teams across the region to contribute to the wellbeing of current and future generations. In 2021, the organisation acquired the highest EcoVadis Platinum sustainability certification, reduced its overall greenhouse gas emissions by 7%, engaged with 7,500 employees through exciting and meaningful sustainability activities, partnered with clients to support a full year of treatment for 200 children suffering from type 1 diabetes and led access, affordability, awareness and disease management programmes that benefited 7.2 million patients.

The Board emphasises that Zuellig Pharma will continue to be evaluated by its success in executing the company's sustainability agenda and achieving the ambitious targets set out in this report. In a rapidly changing ecosystem, we continue to gear the organisation towards next levels of impact through electric and solar fleet pilots, new solar panel installations, digital healthcare breakthroughs, innovative access solutions for pioneering medicines and thought leadership events, to name a few. This is our commitment to setting Zuellig Pharma on the path of another 100 years of leading healthcare access in Asia – a journey we hope you will join.





# MESSAGE FROM OUR CEO

GRI 102-14

Dear stakeholders,

I am pleased to present to you our second Sustainability Report, through which we set forth the new milestones achieved by Zuellig Pharma in 2021, all of which I can proudly say originate from the passion of our teams and our commitment to the communities we serve.

At Zuellig Pharma, sustainability is integral to our strategy and an important facet of our performance as an organisation. Our approach to business has always involved looking beyond immediate needs and carefully considering long-term goals. Our teams have continued to make great strides in 2021 across our four sustainability pillars – Improving Health Outcomes, Nurturing Talent, Respecting the Environment, and Setting the Highest Standards of Integrity.

A testament to our commitment is the achievement of **EcoVadis Platinum Medal** in 2021. This is the highest accolade to be awarded to a company for its sustainability efforts and positions us in the top 1% of all companies worldwide. It also places Zuellig Pharma in a select group of 150 multinational companies who have distinguished themselves as pioneers in sustainability.

Our environmental impact has been an important area of focus over the past year. Our landmark initiative, the **Greenovate Incubator**, was launched to accelerate green initiatives across the business and was awarded the **Glaxo Smith Kline (GSK) 2021 Global Supplier Sustainability Award** in the indirect supplier category. In 2021, our overall GHG emissions (direct and in our value chain) have been successfully reduced by **7%**.

The pandemic has continued to pose a challenge to our mission of *making healthcare more accessible* with the emergence of new COVID-19 variants in 2021. As one of the largest healthcare providers in Asia, we continued to support governments and other stakeholders in their national COVID-19 vaccination programmes. Accelerating vaccination efforts is a great example of how we can and should be working together to improve lives across Asia. During the WHO's World Immunisation Week, we brought together almost 1,800 of our clients, customers, government representatives, suppliers, employees, and partners in our inaugural regional forum "**Immunisation Matters**" Summit with the aim of discussing new and innovative ways to effectively roll out vaccines in Asia.

CONTINUES NEXT PAGE ►



Gaining our stakeholders' confidence in transparency and accountability is at the heart of our approach. For this second report, we have selected key metrics for validation and **external assurance by Bureau Veritas**. This forensic analysis aims to ensure that the data we share with you is of the highest quality and integrity.

In addition to our compliance with the **GHG protocol** and **GRI Standards** reporting requirements, we plan to expand our reporting by progressively incorporating relevant **SASB, TCFD** and **CDP** metrics into our reporting framework to provide a clear, **transparent set of measures** that are internationally recognised for an unbiased assessment of our performance. Several new metrics have been added to this report, including those covering GHG emissions, waste and water. Having identified eight United Nation's Sustainable Development Goals (SDGs) that we are best placed to help address, we have subsequently mapped our material sustainability issues and the relevant business activities that contribute to the goals and their underlying targets.

This report is also the opportunity for us to officially announce our commitment to be **carbon neutral by 2030** on our own operations. Although offsets might be necessary to reach this target, our primary focus goes to reducing our emissions. Through the SBTi targets we are in the process of submitting, we commit to reduce our Scope 1 and 2 GHG emissions by **42% by 2030** from a 2020 base year as well as our Scope 3 indirect emissions by **25%** within the same period.

Having joined the **United Nations Global Compact** in 2019, we remain firmly committed to supporting the Global Compact and implementing its Ten Principles within our business. This report, which serves as our **Communication on Progress**, outlines Zuellig Pharma's commitments, management systems and activities in the areas of human rights, labour, environment and anti-corruption. We recognise that sustainability is a journey and are committed to developing challenging but pragmatic targets for these indicators to achieve our goals.

The second iteration of our **Sustainability Month** in November 2021 saw over 7,500 employees and clients participate in initiatives supporting our four sustainability pillars. We took a proactive approach to Diversity, Equity & Inclusion (DEI), through a **DEI Inspire Webinar** where our newly formed **DEI Core Committee** shared their vision and strategy to create a more diverse, fair, and inclusive environment for our Zuellig Pharma team to thrive in.

Another key highlight of the month was our **"Give it your 100" Virtual Race**, jointly organised with Action4Diabetes (A4D). I am proud to share that we managed to raise more than USD\$100,000, equivalent to a year of treatment for 200 children suffering from Type 1 Diabetes in Southeast Asia. It is truly an honour to have been able to participate in this line-up of activities alongside people that have immense passion and dedication to progress towards a healthier future for Asia.

Across each of our 22 material issues, we continue to work to expand our impact, strengthen our approach and leave no stones unturned. We count on your continued support as we ramp up our efforts for a more sustainable future that will benefit future generations.



Handwritten signature of John Graham in black ink.

**JOHN GRAHAM**  
CHIEF EXECUTIVE OFFICER  
ZUELLIG PHARMA



# HIGHLIGHTS OF THE YEAR

## Improving Health Outcomes

**2.8 million** patients benefited from patient access programmes to support access to treatment

**2.6 million** patients benefited from **USD100 million** in discounts and redemptions provided through affordability programmes

**19.6 million** patients served through vaccination programmes with Zuellig Pharma's support

**508,000** patients educated through multi-channel disease awareness programmes despite pandemic restrictions

**16,500** new pharmaceuticals and medical devices made accessible with Zuellig Pharma's registration, distribution and commercialisation services

## Nurturing Talent

**52%** females in middle management (47% in total workforce)

**Increase in female representation at management levels:**

- +23%** Executive Management Team
- +5%** Senior Management Team

**364,000** staff training hours up 7% from last year

**3.1%** unadjusted gender pay gap (compared to 19% average in Asia)


**>7,500** employees engaged through activities in our Sustainability Month



# HIGHLIGHTS OF THE YEAR

## Respecting the Environment

**7%**  
reduction  
in GHG emissions across our operations equivalent to 275,000 tree seedlings grown for 10 years




**12,000 tCO<sub>2</sub>e**  
avoided thanks to the Greenovate programme



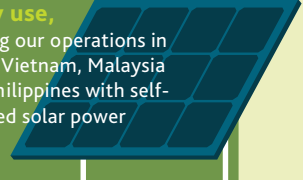
**20%**  
reduction in waste with  
**551 tonnes**  
attributed to 3R programmes



**4 million kWh**  
in energy savings  
from energy efficiency and other electricity reduction initiatives,  
**more than double** from last year




**75%**  
increase in renewable energy use,  
powering our operations in Taiwan, Vietnam, Malaysia & the Philippines with self-generated solar power



## Setting the Highest Standards of Integrity

6,200 eZCooler units deployed across Asia to protect temperature-sensitive products and avoid the use of  
**360,000**  
single-use Styrofoam boxes



**31**  
collaborations  
across the healthcare ecosystem to guide and shape public policy for a healthier future



**57%**  
of our suppliers by spend assessed for sustainability practices and **18%** covered by a Sustainability Development Programme



**175,000**  
eZTracker scans  
to help improve supply chain traceability and fight counterfeit drugs



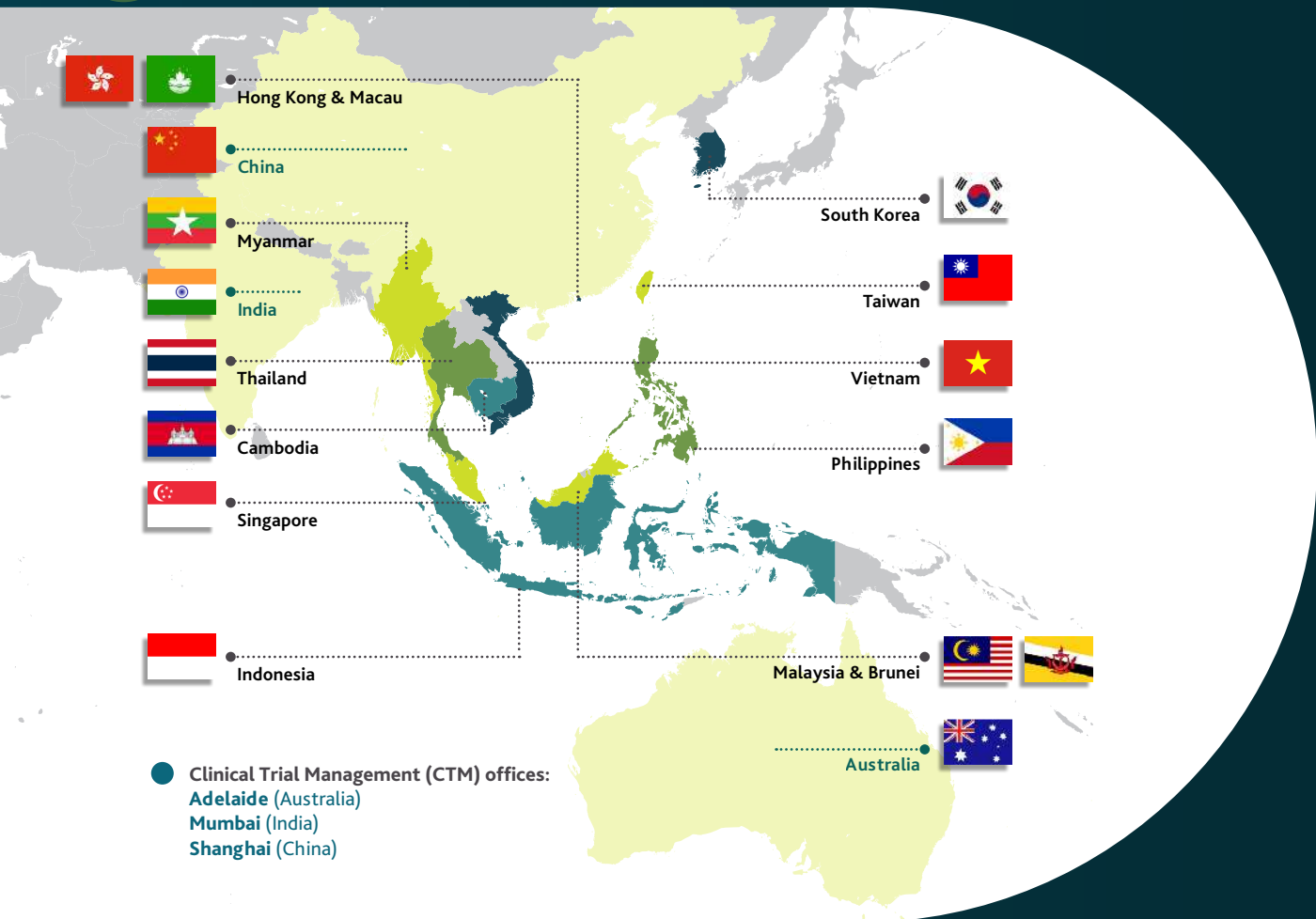
**100%**  
employees trained on anti-corruption policies and procedures





# ABOUT US

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7

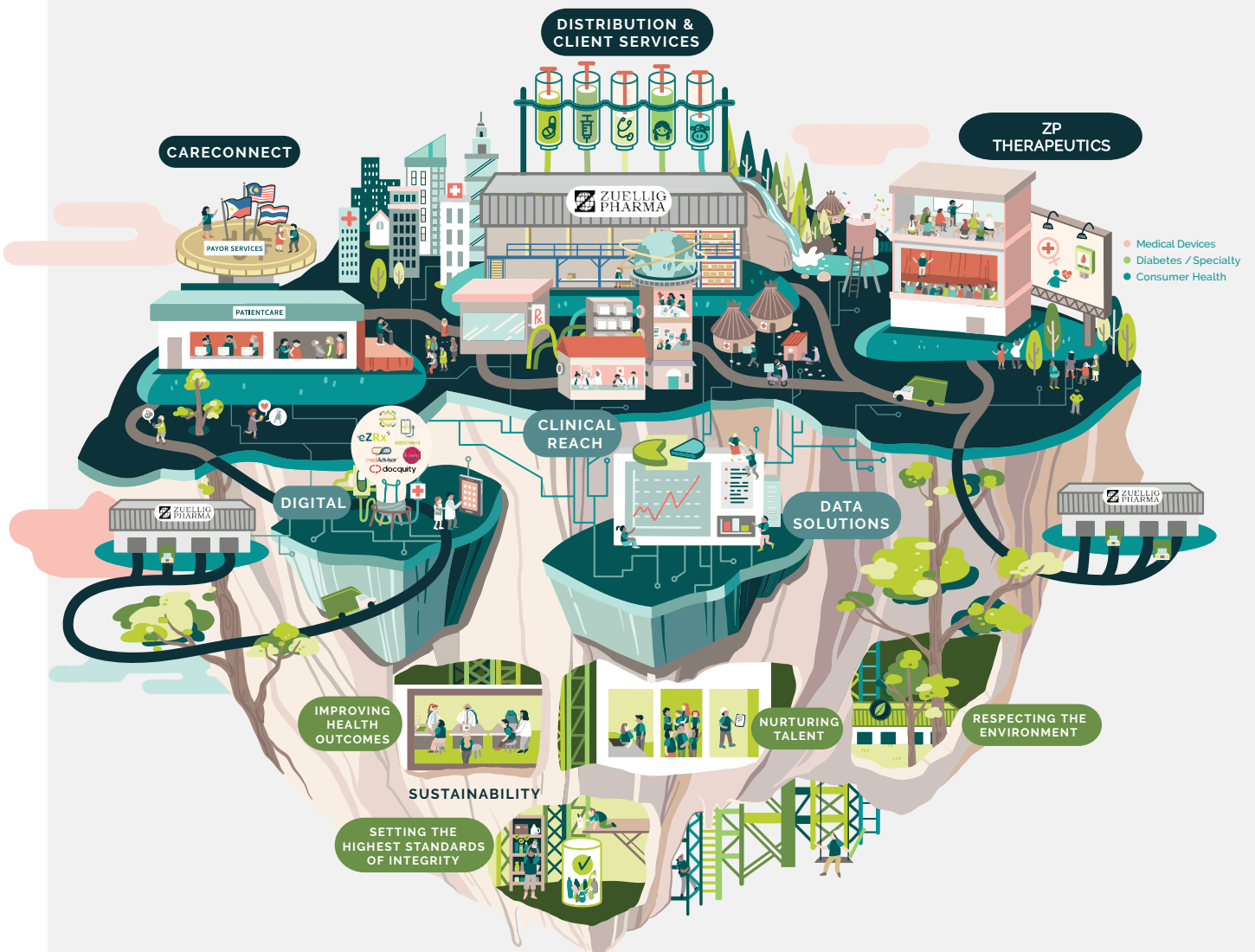


Zuellig Pharma is one of the largest healthcare services groups in Asia and part of the Zuellig Group, a privately-owned company with a 100-year history.

Headquartered in Singapore, the company is now a US\$13 billion business covering 16 markets with over 12,000 employees. We serve over 200,000 customers and work with over 500 clients, including the top 20 pharmaceutical companies in the world. Our customers include 22,000 hospitals, 55,000 clinics, 53,000 pharmacies and 70,000 miscellaneous medical stakeholders such as modern trade outlets, convenience stores and wholesalers.

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

Zuellig Pharma has its roots in Asia and our long history in this region makes us familiar with its diverse cultures and healthcare needs. This enables us to adapt to the evolving healthcare environment and provide a suite of business solutions and services to support the growing healthcare needs. They cover distribution, digital, commercial, clinical reach, patient care, channel and payor services.





# ➔ OUR SERVICES



## 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



## PATIENT CARE

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

- Patient Education & Public Awareness
- Affordability Solutions
- Disease Management & Patient Engagement Programmes
- Mass Vaccinations



## PAYOR SERVICES

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

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



## 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

- Marketing Excellence
- Medical Affairs
- Alliance Management
- Digital Technology
- Regulatory Affairs
- Sales Excellence



## DATA SOLUTIONS

Through our analytics, we help to deliver targeted insights to drive growth and performance in key therapeutic areas

- Market Intelligence
- Analytics Advisory



## CLINICAL REACH

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

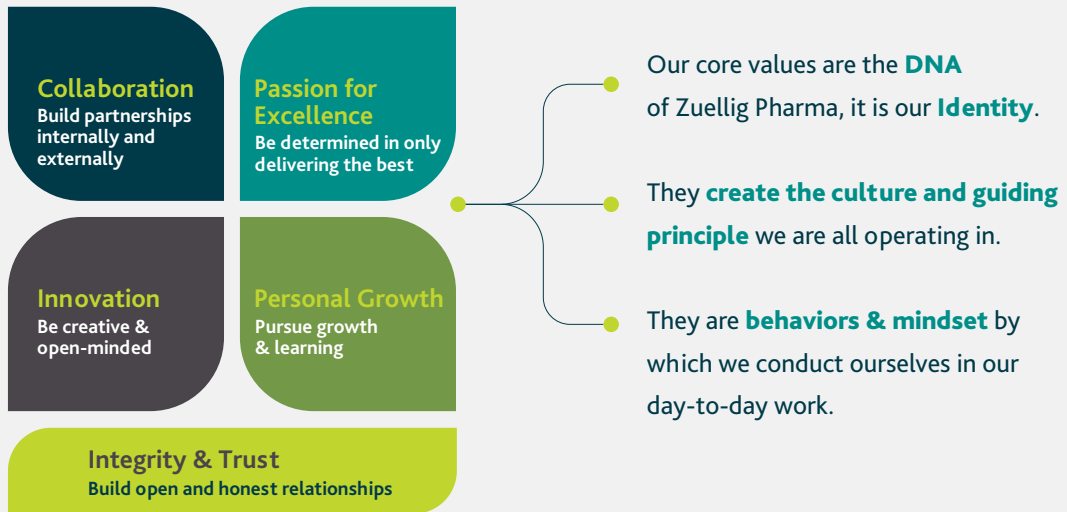
- Clinical Research Planning & Design
- Clinical Trial Supplies & Logistics
- Clinical Research Technology Solutions
- Clinical Research Compliance & Quality Management



# OUR MISSION AND CORE VALUES

GRI 102-16

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



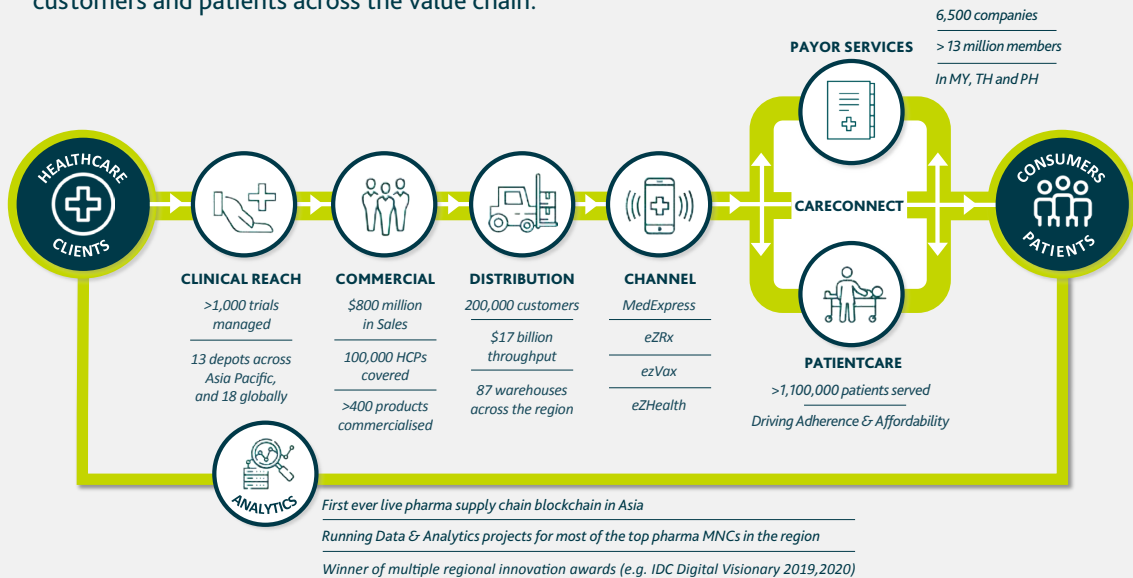
To ensure these values are ingrained in the way we work, the commitment of our teams to these values is included in the performance appraisal of our employees across our operations.



# VALUE CHAIN OF OUR BUSINESS

GRI 102-9

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



# OUR APPROACH TO SUSTAINABILITY



“As a leading healthcare service provider in Asia, we play an important role in making healthcare more accessible. This enduring purpose has underpinned our business throughout Zuellig Pharma’s hundred-year history and shaped a consistent approach of looking beyond immediate needs to consider the long-term future of our stakeholders.”

**RAYMUND AZURIN**

SENIOR VICE PRESIDENT, CORPORATE AFFAIRS

Making healthcare more accessible has underpinned Zuellig Pharma's business throughout our hundred-year history. We seek to make sustainability an integral part of how we work towards our vision of building a healthier future for Asia.

Our sustainability framework articulates how we intend to make our vision come true and what sustainable value creation means for Zuellig Pharma.



## ZUELLIG PHARMA SUSTAINABILITY FRAMEWORK

### PURPOSE

Making Healthcare  
More Accessible

### SUSTAINABILITY VISION

Building a healthier future for Asia with our Clients  
& Customers

### Improving Health Outcomes



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

### Nurturing Talent



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

### Respecting The Environment



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



### Setting The Highest Standards Of Integrity

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

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



## MATERIALITY ASSESSMENT

GRI 102-46, 102-47

We undertook a comprehensive process of identifying and assessing our material sustainability issues with external consultants from the Business Social Responsibility (BSR) organisation in 2019, as the basis to developing our sustainability framework.

In this process, we conducted 45 interviews with key internal and external stakeholders to understand their perspectives on the sustainability issues where Zuellig Pharma has the most significant impact, and which substantively influence our business and stakeholders. The results informed our approach to managing and reporting on sustainability. The materiality process comprised the following stages:



The final list of 22 material sustainability issues were reviewed and approved by the Board. To ensure we remain relevant and are aware of any shift in importance of the current list of issues, we conduct a light-touch review of our material issues each year and plan to conduct comprehensive assessments periodically.





## OUR MATERIAL SUSTAINABILITY TOPICS

GRI 102-46, 102-47

### ACCESS TO HEALTHCARE

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

### AFFORDABILITY

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

### COMMUNITY ENGAGEMENT

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

### PREVENTATIVE CARE

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

### ENABLING HEALTHCARE PROFESSIONALS

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

### TALENT RECRUITMENT, DEVELOPMENT & RETENTION

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

### WORKPLACE HEALTH AND SAFETY

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

### EMPLOYEE WELLBEING

Promote and support the physical and mental wellbeing of employees.

### EMPLOYEE ENGAGEMENT

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

### DIVERSITY AND INCLUSION

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

### CLIMATE RESILIENCE

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

### CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY

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





## OUR MATERIAL SUSTAINABILITY TOPICS (CONT.)

### RESPONSIBLE WASTE MANAGEMENT

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

### ENVIRONMENTAL COMPLIANCE

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

### PRODUCT QUALITY AND SECURITY

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

### FIGHTING COUNTERFEIT PRODUCTS & PARALLEL TRADE

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

### PREVENTING BRIBERY AND CORRUPTION

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

### DATA PRIVACY AND SECURITY

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

### RESPONSIBLE SOURCING

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

### RESPONSIBLE SALES AND MARKETING

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

### PUBLIC POLICY

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

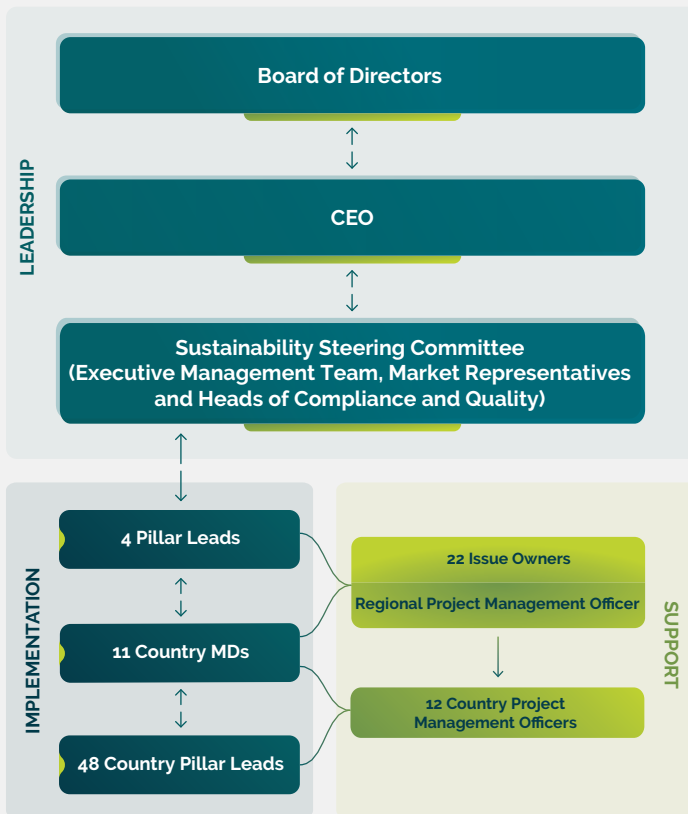


# SUSTAINABILITY GOVERNANCE

GRI 102-18, 102-20

Driving sustainability throughout the organisation requires strong leadership support. Therefore, we have set up a governance structure with our Board of Directors, CEO and executive management team (EMT) steering our sustainability agenda. Our CEO serves as the bridge between the Board and the Sustainability Steering Committee, which is actively involved in setting and executing the sustainability strategy, as well as overseeing organizational implementation. The Board maintains oversight of the sustainability agenda, reviewing and guiding strategy and major plans of action, as well as monitoring performance and progress against goals and targets for addressing material sustainability topics at scheduled Board meetings.

The Sustainability Steering Committee consists of 11 members of the EMT, 2 Managing Directors representing markets and our Regional Heads of Quality and Compliance. They have accountability over the four key pillars of the sustainability strategy. The Sustainability Steering Committee also reviews and approves the information and disclosures reported in the sustainability reports.



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.

## SUSTAINABILITY POLICY

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



OUR POLICY COMMITMENTS CAN BE FOUND HERE.

## RISK MANAGEMENT

GRI 102-11

The identification, analysis and evaluation of all risks are conducted according to the Zuellig Pharma Enterprise Risk Management framework and process, which follows the ISO 31000 standard. Senior management across all markets identifies the top risks impacting their respective businesses on an annual basis as part of the strategy setting process. Risks are captured into a risk universe, categorised and analysed to understand root causes and consequences, then assessed against a rating scale based on likelihood of occurrence and impact that a risk has on the business being able to achieve its objectives. The Board of Directors maintains oversight of risk management in the business. While we do not explicitly refer to the precautionary principle or approach in our risk management framework, we proactively seek to reduce or to avoid negative impacts on the environment as a result of our business activities or operations, as detailed in our Sustainability Policy and environmental management processes.



## STAKEHOLDER ENGAGEMENT

GRI 102-40, 102-42, 102-43, 102-44

A key element of our approach to sustainability is engaging and collaborating with our stakeholders, as we operate with an ecosystem made up of many actors. We believe that open and regular communication will enhance mutual understanding, as well as drive partnerships to address sustainability issues in the industry. Where relevant, we also seek to obtain their opinions and feedback to help us improve our practices and performance. During the preparation of this report, we engaged with internal stakeholders on reporting key metrics and activities, as well as with selected external stakeholders to provide their perspectives via quotes seen in this report.

Our stakeholders have been identified and prioritised for engagement based on their influence on and relevance to Zuellig Pharma, as well as our impact on them. 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	
<ul style="list-style-type: none"> <li>• One-on-one communication from Strategic Partnership &amp; Business Development team through emails, meetings, etc. (Regular)</li> <li>• Digital Magazine (Regularly updated <a href="#">here</a>)</li> <li>• <a href="#">LinkedIn</a> and <a href="#">website</a> news updates (Regular)</li> </ul>	
KEY TOPICS OF INTEREST	OUR RESPONSE
<b>General sustainability progress</b>	<ul style="list-style-type: none"> <li>• Developed Sustainability Policy to provide an overview of our approach to sustainability</li> <li>• Developed GRI-aligned sustainability report and UN Communication on Progress</li> <li>• Attained EcoVadis platinum. Engaged with clients to share sustainability plan and identify areas of partnership</li> </ul>
<b>Respecting the Environment Pillar</b> <ul style="list-style-type: none"> <li>• Climate Resilience</li> <li>• Climate Change Mitigation &amp; Energy Efficiency</li> <li>• Responsible Waste Management</li> <li>• Environmental Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Developed and shared GHG Report</li> <li>• Aligned reporting standards to GHG Protocol</li> <li>• Committed to Science Based Target Initiative</li> <li>• Disclosed our carbon impact and reduction strategy on the Carbon Disclosure Platform</li> <li>• Launched the Greenovate Incubator</li> <li>• Piloted recycling programme with key Client in Malaysia</li> </ul>
<b>Improving Health Outcomes Pillar</b> <ul style="list-style-type: none"> <li>• Access to Healthcare, particularly during COVID-19</li> <li>• Community Engagement</li> <li>• Affordability</li> <li>• Preventative Care</li> <li>• Enabling Healthcare Professionals</li> </ul>	<ul style="list-style-type: none"> <li>• Regular COVID-19 operational status updates to clients from Strategic Partnership &amp; Business Development team</li> <li>• Organized the "Immunisation Matters" Summit, to help accelerate immunisation rates across Asia</li> <li>• Partnered with clients and Governments to accelerate access to COVID-19 vaccines</li> <li>• Ongoing partnerships</li> </ul>
<b>Integrity Pillar</b> <ul style="list-style-type: none"> <li>• Product Quality &amp; Security</li> <li>• Data Privacy &amp; Security</li> <li>• Anti-Bribery &amp; Corruption</li> <li>• Responsible Sourcing</li> <li>• Counterfeit Products &amp; Parallel Trade</li> <li>• Responsible Sales &amp; Marketing</li> <li>• Public Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Communicated our policies, programmes and certification on               <ul style="list-style-type: none"> <li>• Quality management</li> <li>• Data privacy and security</li> <li>• Pharmacovigilance, sales and marketing standards</li> </ul> </li> <li>• Shared about Zuellig Pharma Code of Conduct and Supplier code of conduct</li> <li>• Established Government Affairs regional function</li> <li>• Robust Quality Management System &amp; TAPA certifications</li> </ul>

TABLE CONTINUES NEXT PAGE ►

## → CUSTOMERS

### ENGAGEMENT METHOD AND FREQUENCY

- One-on-one communication from in-country teams through emails, meetings, etc. (Regular)
- Digital Magazine (Regularly updated [here](#))
- [LinkedIn](#) and [website](#) news updates (Regular)
- HCP Webinars

### KEY TOPICS OF INTEREST

#### Improving Health Outcomes Pillar

- Access to Healthcare
- Enabling Healthcare Professionals

### OUR RESPONSE

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

## → EMPLOYEES

### ENGAGEMENT METHOD AND FREQUENCY

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

### KEY TOPICS OF INTEREST

#### General sustainability awareness

#### Nurturing Talent Pillar

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

### OUR RESPONSE

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

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

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## → LOCAL COMMUNITIES

ENGAGEMENT METHOD AND FREQUENCY	
<ul style="list-style-type: none"> <li>Client partnerships (Project-based)</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement and CSR programmes (Project-based)</li> </ul>
KEY TOPICS OF INTEREST	OUR RESPONSE
<p><b>Improving Health Outcomes Pillar</b></p> <ul style="list-style-type: none"> <li>Access to Healthcare, particularly during COVID-19</li> <li>Community Engagement</li> <li>Affordability</li> <li>Preventative Care</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct and participate in community engagement and CSR programmes, as well as patient access and disease awareness programmes</li> <li>Patient access programmes</li> <li>Corporate social responsibility programmes</li> <li>Supported A4D through financing of one year of treatment for 200 children</li> </ul>
<p><b>Integrity Pillar</b></p> <ul style="list-style-type: none"> <li>Product Quality &amp; Security</li> <li>Data Privacy &amp; Security</li> <li>Anti-Bribery &amp; Corruption</li> <li>Counterfeit Products &amp; Parallel Trade</li> <li>Responsible Sales &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>Robust Quality Management System</li> <li>Information Security and Data Privacy Programmes</li> <li>Anti-bribery &amp; corruption programmes</li> <li>Developed eZTracker to enable supply chain visibility and product authentication</li> <li>Established pharmacovigilance and sales &amp; marketing standards</li> <li>Strict implementation of Code of Conduct and compliance instructions during all professional interactions</li> </ul>

## → GOVERNMENTS

ENGAGEMENT METHOD AND FREQUENCY	
<ul style="list-style-type: none"> <li>Engagement via Healthcare Associations (regularly)</li> <li>Direct engagement through emails, meetings, etc. (regularly)</li> </ul>	<ul style="list-style-type: none"> <li>Government partnerships (Project-based)</li> </ul>
KEY TOPICS OF INTEREST	OUR RESPONSE
<p><b>General sustainability program, including but not limited to:</b></p> <ul style="list-style-type: none"> <li>Access to Healthcare, particularly during COVID-19</li> <li>Community Engagement</li> <li>Affordability</li> <li>Product Quality &amp; Security</li> <li>Data Privacy &amp; Security</li> <li>Anti-Bribery &amp; Corruption</li> <li>Counterfeit Products &amp; Parallel Trade</li> <li>Climate Change Mitigation &amp; Energy Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with governments to offer support during COVID-19 crisis</li> <li>Developed solutions tailored to the needs of governments to support immunization efforts, such as eZVax</li> <li>Triggered discussions across governments worldwide to enhance access to COVID-19 vaccines in Asia</li> <li>Engaged with governments to discuss public policy matters and potential partnership areas</li> </ul>

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## → SUPPLIERS

### ENGAGEMENT METHOD AND FREQUENCY

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

### KEY TOPICS OF INTEREST

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

### OUR RESPONSE

- Annual Supplier Sustainability Awards Day and training
- Communicated Supplier Code of Conduct and encouraged adoption of procurement policy
- Joined Mekong Club to perform worker rights & safety audits within our supply chain
- Implemented Third party Integrity Next supplier questionnaires and monitoring, GHG scope 3 tracking





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

WE SUPPORT



Zuellig Pharma became a signatory to the United Nations Global Compact (UNGC) in 2019 to bring to life our sustainability vision of building a healthier future for Asia and fulfil our mission of making healthcare more accessible. We are committed to supporting UNGC and progressively implementing the Ten Principles in our business. We have aligned our Sustainability Policy with commitments in the areas of human rights, labour, environment and anti-corruption and will operate in accordance with the Ten Principles.

As an active participant of the UN Global Compact, we submit an annual Communication on Progress that outlines Zuellig Pharma's commitments, management systems and activities in the areas of human rights, labour, environment and anti-corruption. This Sustainability Report also serves as our Communication on Progress report for 2021. Please refer to page 95 for a reference table on our implementation of the Ten Principles.

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

We have mapped our material sustainability topics as well as our business activities and initiatives against the goals and identified underlying targets that we are best placed to help address.





SDG	UNDERLYING TARGETS TO FOCUS ON	RELEVANT MATERIAL TOPICS
	<p><b>3.8</b> Achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all</p>	<ul style="list-style-type: none"> <li>• Access to Healthcare</li> <li>• Affordability</li> <li>• Community Engagement</li> <li>• Preventative Care</li> <li>• Enabling Health Professionals</li> </ul>
<p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>• Improve access to healthcare by investing in a vast and reliable distribution network and logistics capabilities that can reach remote areas of Asia.</li> <li>• Make new treatment options available through ZP Therapeutics' role as commercialisation partner.</li> <li>• Improve affordability of healthcare through patient access and affordability programmes, providing discounted medications and redemptions, and getting essential drugs onto national reimbursement list.</li> <li>• Implement patient adherence and disease awareness programmes to empower patients in the management of their health.</li> <li>• Run or support mass vaccination programmes as well as vaccine education events.</li> <li>• Support healthcare professionals to better engage and reach their patients through multi-channel digital solutions.</li> </ul>		

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SDG	UNDERLYING TARGETS TO FOCUS ON	RELEVANT MATERIAL TOPICS
 <p><b>5 GENDER EQUALITY</b></p>	<p><b>5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>• Provide opportunities for leadership and support the development of our female talent, with almost 40% female representation at senior management level and 50% at middle management level.</li> <li>• Established an anti-discrimination and anti-harassment internal policy for all employees, as well as a Speak Up channel to report incidents of discrimination.</li> <li>• Established a Diversity, Equity and Inclusion (DEI) Core Committee with one of the six pillars focused on gender equality.</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity and Inclusion</li> </ul>
 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p><b>7.2</b> Increase substantially the share of renewable energy in the global energy mix by 2030</p> <p><b>7.3</b> Double the global rate of improvement in energy efficiency by 2030</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>• Implemented various measures to improve energy efficiency within the distribution and warehouse operations, such as energy saving lighting and cooling systems, improving insulation, using electric trucks and optimising transport routes for fuel savings.</li> <li>• Use of renewable energy through solar panels installation at our distribution centres, with almost 4.3M kWh capacity, and trial of hybrid solar powered truck A/C systems &amp; electric fleet.</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change Mitigation and Energy Efficiency</li> </ul>
 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<p><b>8.5</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p><b>8.8</b> Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>• Put in place an end-to-end talent life cycle management in order to attract and retain the best talents, and ensure a work environment where people feel empowered to realise their full potential regardless of age, gender, ethnicity, ability, sexual orientation, and gender identity</li> <li>• Commit, through policies and certifications, to provide a safe and healthy work environment and enforcing health and safety practices to minimise risk to life.</li> <li>• Embed the respect for labour rights within our workforce management and development practices, as well as in our Supplier Code of Conduct, aligned with labour principles contained within the United Nations Universal Declaration of Human Rights and the United Nations Global Compact Principles 1 to 6.</li> <li>• Launch of supplier sustainability assessment on the IntegrityNext platform via prebuilt questionnaires to evaluate suppliers' sustainability practices on a range of topics including human rights and labour, health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Talent Recruitment, Development &amp; Retention</li> <li>• Workplace Health and Safety</li> <li>• Employee Wellbeing</li> <li>• Responsible Sourcing</li> </ul>

TABLE CONTINUES NEXT PAGE ►



SDG	UNDERLYING TARGETS TO FOCUS ON	RELEVANT MATERIAL TOPICS
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>Implement measures to minimise waste generation, as well as to recycle and reuse the waste materials produced - Each of our markets has ongoing 3R (Reduce, Reuse and Recycle) programmes, including paper and electronics recycling in offices, use of recyclable or eco-certified paper products, pallets and biodegradable bags for transporting goods, reusing void fillers from incoming packages, etc.</li> <li>Work with partners in value chain to explore circular solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Responsible Waste Management</li> </ul>
 <p><b>13</b> CLIMATE ACTION</p>	<p><b>13.1</b> Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>Work with our partner FM Global on a company-wide assessment of material locations with high exposure to natural hazards, putting in place natural hazard mitigation plans and loss prevention measures.</li> <li>All new build facilities will also incorporate mitigation against climate change and natural hazards in their site selection and design.</li> <li>All existing sites conduct an annual local BCP training and simulation exercise to test and refresh their plans.</li> <li>Commit to be carbon neutral for our own operations by 2030, which includes an absolute reduction of our Scope 1 and 2 emissions by 42% from a 2020 base year.</li> <li>Commit to reduce scope 3 emissions by 25% by 2030 from a 2020 base year.</li> </ul>	<ul style="list-style-type: none"> <li>Climate Resilience</li> </ul>
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p><b>16.5</b> Substantially reduce corruption and bribery in all their forms</p> <p><b>16.6</b> Develop effective, accountable and transparent institutions at all levels</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>Our Anti-Bribery and Corruption (ABAC) Framework and the Code of Conduct, which all employees have the responsibility to understand and comply with, form part of our Compliance Programme driven by a dedicated compliance team to prevent, detect and respond to bribery and corruption.</li> <li>Invented the eZTracker app that uses blockchain technology to enhance supply chain traceability to counter parallel trade and counterfeits.</li> </ul>	<ul style="list-style-type: none"> <li>Bribery and Corruption</li> <li>Parallel Trade</li> <li>Counterfeit Products</li> </ul>
 <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	<p><b>17.7</b> Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p> <p><b>Our Activities and Initiatives</b></p> <ul style="list-style-type: none"> <li>Engage and partner public sector stakeholders on healthcare reform, financing and support for better healthcare outcomes.</li> <li>Participate in industry associations to drive sustainability in the industry, e.g., Green Freight Asia</li> </ul>	<ul style="list-style-type: none"> <li>Public Policy</li> </ul>



## OUR MEMBERSHIPS AND ASSOCIATIONS

GRI 102-12, 102-13



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.



We are on the Board of Green Freight Asia, a non-profit association of industry players who collaborate with other stakeholders to improve energy efficiency, fuel efficiency, reduce CO<sub>2</sub>e emissions, and to lower operational costs across the entire supply chain.



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



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



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



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

Our participation in other voluntary initiatives include disclosing against the GRI Standards and following the GHG Protocol framework. We report through the Carbon Disclosure Project (CDP) climate questionnaire on Climate Change and Supplier Engagement and have committed to set a science-based target through the Science Based Targets initiative. Zuellig Pharma has also been an active member of the IFPW working group with SASB on the definition of industry standards for healthcare distributors



GREENHOUSE  
GAS PROTOCOL





## RECOGNISING OUR SUSTAINABILITY EFFORTS

Zuellig Pharma received a Platinum award from sustainability ratings specialist EcoVadis in 2021 for our commitment to driving sustainability within our business.

The award is the highest accolade to be awarded to a company for its sustainability efforts and places us at the **top 1% of all assessed companies worldwide**. This award also places the company in a select group of winners including 150 global multinational companies, some belonging to Fortune 500 companies.

Zuellig Pharma had steadily progressed from being awarded a Silver Medal in 2020 to a Gold Medal earlier in 2021, before clinching this latest Platinum Medal, a great testament to our efforts and commitment to constantly do better for people and planet. The medal was awarded after a rigorous assessment of Zuellig Pharma's sustainability programme, covering 21 sustainability criteria across four themes, including Environment, Labour and Human Rights, Ethics and Sustainable Procurement. The company's sustainability programme was evaluated on its policies, actions put in place to support objectives and targets, as well as results that were generated from the programme. Read more about it [here](#).

### We celebrate ECOVADIS PLATINUM

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



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

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



**ASIA CORPORATE EXCELLENCE AND SUSTAINABILITY AWARDS**



Zuellig Pharma was presented with four leadership and sustainability awards, in both individual and enterprise categories, at the recent ACES Awards (Asia Corporate Excellence and Sustainability Awards). Organised by MORS Group, the annual ACES Awards is a prestigious accolade that recognises inspiring leaders, sustainability advocates as well as businesses' contributions to their communities and the world.



**GSK ENVIRONMENTAL SUSTAINABILITY SUPPLIER AWARDS 2021**



One of the greatest acknowledgement of our efforts comes from our clients and Zuellig Pharma is honoured to have received the global environmental sustainability award in 2021 from GSK in the indirect supplier category.



*On behalf of GSK, I want to personally congratulate you for winning our 2021 Supplier Sustainability award for indirect supply. Amongst dozens of entries, yours stood out in particular for your holistic approach to address sustainability in a cross-border model and for establishing your own tailored platforms in countries where the technical infrastructure is not as developed.*

*One of the senior judges comments that "by focusing on identifying the right improvement opportunities for different countries and then working on scale is creative, flexible and leads to a highly sustainable way of practice" which I think really captures the innovative approach taken by Zuellig Pharma.*



**CLAIRE LUND**  
VP SUSTAINABILITY,  
UK HEADQUARTERS, GSK



**ROBERT KSIAZKIEWICZ**  
VP OF GLOBAL EXTERNAL  
SUPPLY CHAIN AND  
STRATEGY, GSK



# IMPROVING HEALTH OUTCOMES



## MATERIAL ISSUES:

- + ACCESS TO HEALTHCARE
- + AFFORDABILITY
- + PREVENTATIVE CARE
- + ENABLING HEALTHCARE PROFESSIONALS
- + SUPPORTING COMMUNITIES



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

**REHAN SAGHIR**

EXECUTIVE VICE PRESIDENT, ZP THERAPEUTICS  
IMPROVING HEALTH OUTCOMES PILLAR LEAD

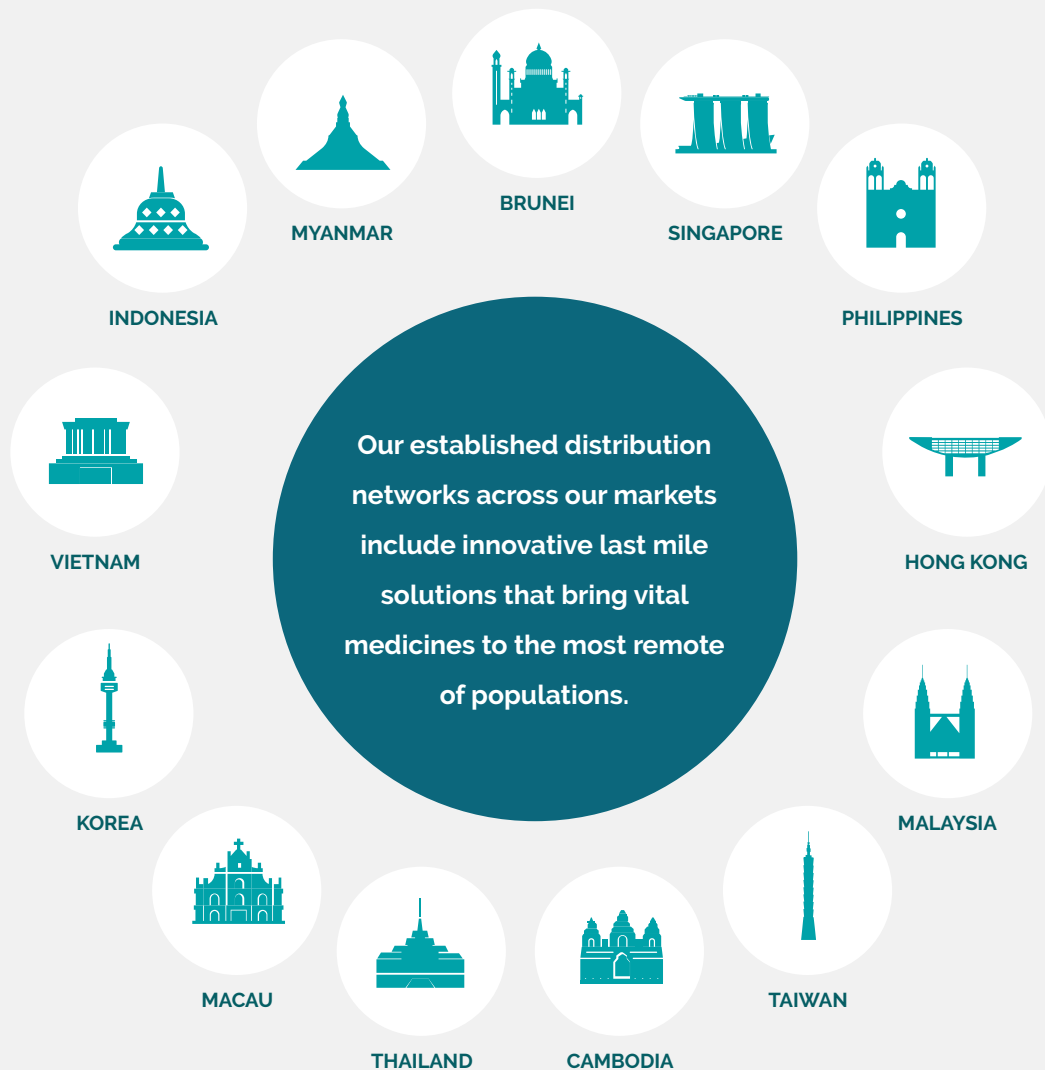


## ACCESS TO HEALTHCARE

GRI 103-1, 103-2, 103-3

Some of the poorest communities in Asia still struggle to access quality healthcare, including receiving much-needed treatments and vaccines. This has become more apparent during the COVID-19 pandemic. The region is also battling a significant rise in complex lifestyle diseases that are increasing the cost and burden on the healthcare system.

Zuellig Pharma recognises the unique role we play in the healthcare ecosystem as a connector, and the impact brought about by our work of making healthcare more accessible in Asia. We believe that collaborative efforts are key to building a healthier future for Asia.



## DISTRIBUTION PARTNER TO THE HEALTHCARE INDUSTRY

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

Our vast and reliable distribution network and logistics capabilities were put to good use during the pandemic, when governments in Asia were working hard to protect their people from infections. In Taiwan for example, our Zuellig Pharma Taiwan (ZPTW) assisted the government to accelerate the shipment of various resources including COVID-19 vaccines, monoclonal antibodies, and screening kits. ZPTW was able to manage over 30 million COVID-19 vaccines requiring different storage condition and supported the government to reach their COVID-19 vaccination goal (which is 60% of Taiwan citizens completing the two doses shot) by December 2021.

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





**GOING ABOVE AND BEYOND**

From June until September 2021, the 4th wave of the COVID-19 pandemic impacted our operations significantly. Vietnam was severely hit, causing significant damage to the economy and triggering necessary lockdown measures. Almost all transportation activities ceased for three months except for essential services.

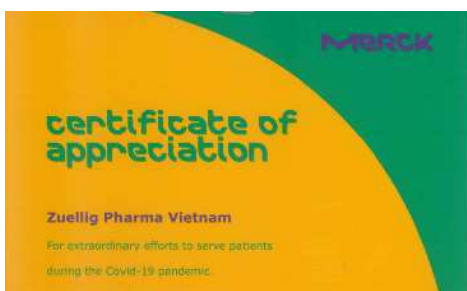
Supply of pharmaceutical products was under the threat of being heavily disrupted during that period. Zuellig Pharma Vietnam (ZPV) had to work closely and daily with Ho Chi Minh City Export Processing Zone & Industrial Park Authority (HEPZA), Department of Industry & Trade and Department of Transportation and People Committee to obtain travel permits for our truck fleet. With the situation changing day by day, it required us to adjust our BCP's (Business Continuity Plan) action plan constantly to ensure the safety and readiness of frontline workers.

Over 250 ZPV warehouse employees volunteered to stay 24/7 in the warehouses for a three-month period to help tide over this difficult time, exemplifying our values to make healthcare accessible despite very challenging conditions. This was only made possible with the support of various teams to make the necessary arrangements and logistics for staying on-site safely for the warehouse staff. For this, the ZPV team was also recognised by our client, Merck for their extraordinary efforts to serve patients during the COVID-19 pandemic.

In every market, our teams have demonstrated their commitment to keeping communities safe, leading Merck to extend this certificate of appreciation to every country where we partner them.



*Merck has had a long association with Zuellig Pharma. Since the onset of the pandemic, we have witnessed their invaluable dedication, professional commitment, and contribution to serve the community. Their spirit aligns well with our 'As One For Patients' philosophy and has enabled us to jointly overcome logistical challenges and ensure our drugs reach patients timely, despite unprecedented difficulties and risks. On behalf of Merck, I would like to commend the team at Zuellig Pharma for all their efforts.*



**LIZ HENDERSON**  
REGIONAL VICE PRESIDENT,  
MERCK HEALTHCARE APAC



Zuellig Pharma has also invested in building a digital infrastructure on our distribution foundations so as to leverage technology to improve supply chain efficiency. Our Data Analytics ZiP platform provides clients with real-time actionable insights on treatment management, pricing and healthcare trends. It also provides an intelligent way for us to optimise warehouse space and distribution schedules.

## REGISTRATION AND COMMERCIALISATION OF NEW PRODUCTS

As pharmaceutical companies continue to enter low and middle-income markets such as countries in Asia, how they make choices in registering and distributing their products affects the availability of those products. Zuellig Pharma plays a key role in improving access to medicines by leveraging our expertise to help pharmaceutical companies bring their products to market and make them available to patients through relevant channels. Through ZP Therapeutics' role as commercialisation partners to the healthcare industry in Asia, we have made available **16,500 new products** that were previously unavailable in the market, including vaccines.



- ➔ **ZP Therapeutics (ZPT)** was set up to partner companies looking for a sales and marketing partner with strong commercial experience in Asia. ZPT's vision is to be the valued partner of our clients, healthcare professionals and patients by providing innovative and cutting-edge products and healthcare services. Committed to elevating the standard of healthcare in Asia and making healthcare more accessible, we aim to deepen our therapeutic area focus in diabetes, speciality care, consumer healthcare and medical devices by accelerating growth and providing patient-centric, innovative commercial solutions.

With our deep understanding of the Asia markets and healthcare ecosystems, we have successfully launched new best-in-class products and strategically maximised opportunities of our brands in these therapeutic areas. This is possible through the dedication and collaboration of our local and regional cross-functional teams, mastery implementation of digital solutions and multi-channel engagement, and strategic alliance management with our partners.

We have made available **16,500** new products that were previously unavailable in the market, including vaccines.



### ACCELERATING ACCESS TO COVID-19 TREATMENT

During the early days of the pandemic, vaccination rates across the world have remained relatively low. As of May 2021, about 0.1% of the adult population in Malaysia were vaccinated. This raised alarming concerns as global trends were indicating impending 3rd and 4th waves of COVID-19 cases.

The Zuellig Pharma team in Malaysia saw the urgent need for COVID-19 treatment in the country. At this time, a global COV-BARRIER study had indicated it may help prevent death in some of the most critically ill COVID-19 patients, representing an important treatment option for this vulnerable group of patients.

The team thus formed a non-commercial task force to navigate this highly complex situation where medical, regulatory, supply and government affairs interplay, to accelerate the access of Baricitinib for COVID-19 patients in Malaysia.

In close collaboration with various external stakeholders including regulatory bodies and scientific advisors, the team succeeded in getting Baricitinib included into the Malaysian National COVID-19 treatment guidelines in July 2021. Subsequently, a national procurement was initiated by the Government of Malaysia in August 2021.

The team's achievement is a testament to their spirit and heart in wanting to improve the lives of the communities they serve and staying true to the mission of making healthcare more accessible.

## IMPROVING PATIENT ACCESS AND AFFORDABILITY

Driven by our purpose of *Making Healthcare More Accessible*, we seek to enable patients to gain fair, timely and affordable access to better drug and treatment options. We do this through our patient access programmes as well as by providing guidance, advisory and support to healthcare institutions on regional mass access programmes.

Under our named patient programme, our CareConnect PatientCare team works closely with our regulatory pharmacist in supporting doctors' application for medicines that have not been commercially approved in-market to be brought in via special approval from the local authorities. The team also provides support to patients to ensure patient's adherence to the treatment therapy.

## Improving affordability is key to improving access.

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

To improve affordability, Zuellig Pharma drives the registration of medicines and treatments for reimbursement. Our team works closely with the healthcare authorities to get essential drugs onto the national reimbursement list or hospital level list so that out-of-pocket expenses are minimised for patients and hence improve access. In 2021, our efforts resulted in **at least 172 healthcare products** getting on the national reimbursement system of our markets.

Zuellig Pharma also implemented patient affordability programmes which provide discounted medications or redemption offers to patients who have completed a guided enrolment process. In 2021, we served more than **2,636,265 patients** across all our markets through our patient access and affordability programmes. We provided a total of **USD100.7 million in discounted medication and redemption offers** to help more patients afford the care they need.

We also engage with stakeholders in the healthcare ecosystem to better understand the barriers to access and look into solutions to overcome them. Our initiative of providing instalment payment plans to help patients who are facing affordability issues stemmed from these discussions.

We work with public and private payor organisations to help manage the ever-growing healthcare costs while enabling delivery of high-quality care. Our payor solutions help contain costs, manage, and track healthcare expenditure, minimise administrative work, and identify waste or abuse in their systems, while benefiting **13 million patients** with about **USD450 million in reimbursements**.



## EMPOWERING PATIENTS

GRI 103-1, 103-2, 103-3

We believe that patients play a big role in enabling better health outcomes for themselves. Our approach focuses on preventative care, especially for chronic illnesses, and increasing disease and treatment awareness as well as overall health literacy.

We focus on promoting 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 2021, we served **23,249 patients** through our patient adherence programmes.



We also target disease awareness and prevention as a first step towards mitigating health risks and reducing the burden of diseases on the healthcare system. Through educational programmes and campaigns that improve health literacy, especially in high-risk and vulnerable groups, we seek to support healthier lifestyle choices and better self-management of chronic conditions. Some of these programmes were done in collaboration with our global clients, with the common goal to support better healthcare outcomes.

In 2021, our ZP Therapeutics (ZPT) team launched 10 disease awareness campaigns across our 8 therapeutic areas in 10 countries. Due to the COVID-19 situation and in-person event restrictions, the campaigns were launched through multi-channel platforms such as Facebook, Yammer, emails, and webinars. We reached more than 100,000 people through this series of campaigns from July to November 2021. Overall, Zuellig Pharma disease awareness programmes reached **507,495 patients**.

**Educating >500,000 patients** through multi-channel disease awareness programmes

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



### PROVIDING VACCINE EDUCATION

To understand ways to increase consumers' knowledge and sustain their COVID-19 vaccination level, we commissioned a consumer COVID-19 sentiments survey across 6 countries in the region. The insights helped us to frame a consumer-centric approach to address misperceptions and increase knowledge of vaccination.

Our survey revealed that consumers care about vaccine safety and efficacy. Although physicians are the most trusted source of information, local news and social media are the primary channels for consumers to access that information.

With this knowledge, we partnered with local leading experts in the medical community to provide an engaging consumer education programme. We also leveraged digital and data-driven approaches such as social media listening to stay up to date with the rapidly evolving COVID-19 disease landscape and changing consumer sentiments. This provided consumers with the information they need to make well-informed vaccination decisions.



### IMMUNISATION MATTERS

In support of World Immunisation Week organised by World Health Organization (WHO), we held our landmark regional virtual summit from 28 - 29 April 2021 themed around "Immunisation Matters: What Asia Needs for a Successful Vaccine Roll-out". The conference was attended by more than 1,750 clients, customers, government representatives, employees, partners, and suppliers across the region.

Aligned with the WHO's 2021 theme of "Vaccines Bring Us Closer", the inaugural event gathered experts in vaccine management, public health, immunology, healthcare logistics, Pharmacoeconomics and digital solutions to discuss new and innovative ways to effectively roll out vaccines in Asia.



Zuellig Pharma's significant experience in running mass vaccination programmes have been put to good use supporting institutions and communities in administering end-to-end programmes. In 2021, we helped support 12 end-to-end mass vaccination programmes.

**Over 19 million** people served through mass vaccination programmes (including our employees)



## ENABLING HEALTHCARE PROFESSIONALS

GRI 103-1, 103-2, 103-3

Healthcare professionals (HCPs) like pharmacists and pharmacy employees are the first line of defence for their communities in a healthcare system that is overloaded. To enhance their abilities to serve their local communities, Zuelig Pharma has been investing in the development of training and educational offerings for HCPs to upskill them in serving the health needs of the local populations. We do this in full compliance with established industry rules of engagement and observe all applicable laws and regulations.

Our teams in the various markets actively engage with local health authorities, medical associations, advisory boards, scientific experts and key opinion leaders, convening discussions to look into new or improved treatment options and clinical practice to improve health outcomes for patients. For example, our Medical Affairs team in Vietnam engaged top experts on the management and treatment of iron deficiency/iron deficiency anaemia to better understand unmet needs in clinical practice and support the establishment of centres of excellence in patient blood management in the country.

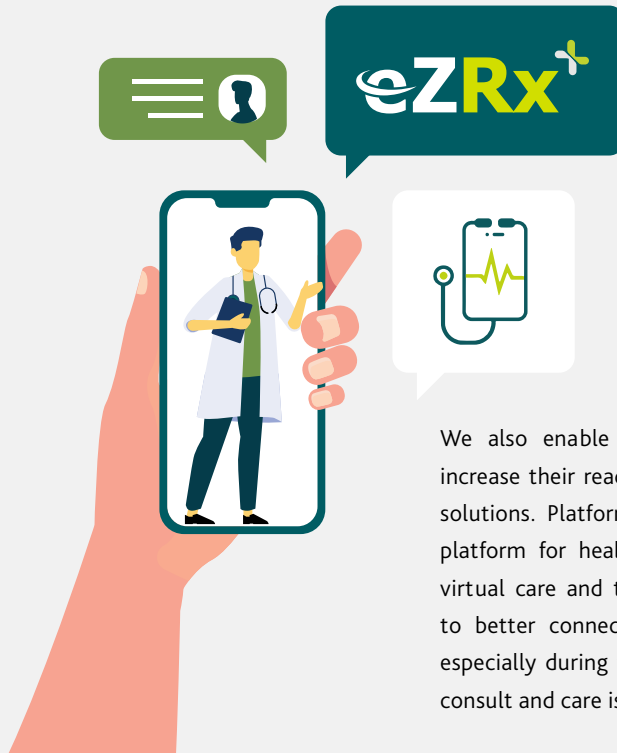
With the pandemic restrictions still in place, we harnessed our strong suite of ZP Therapeutics multi-channel engagement (MCE) digital solutions to deliver our training and education programmes virtually, to bring the latest scientific updates to HCPs. We successfully engaged 58,806 HCPs through these programmes in 2021.

→ Across our MCE platforms including webcasts and virtual events on ON24, networking on Docquity, Zoom webinars, videos-on-demand, email campaigns and face-to-face presentations where feasible, we reached **more than 300,000 touchpoints across 10 countries**



We successfully engaged **58,806** HCPs through these programmes in 2021.





We also enable these healthcare professionals to increase their reach and coverage through our digital solutions. Platforms like eZRx, our B2B eCommerce platform for healthcare products, and eZConsult, a virtual care and telemedicine network, enable HCPs to better connect and engage with their patients, especially during the pandemic period when physical consult and care is not always possible.



### DIGITAL HEALTH SOLUTIONS ENABLING VACCINE ADMINISTRATION

With the mission of "helping you stay healthy, wherever you are", Zuellig Pharma's all-in-one health app, eZHealth-eZVax aims to improve the health of millions of patients. Initially launched in the Philippines in August 2020 to address the country's growing need for accessible healthcare, eZHealth-eZVax was co-created with doctors and patients to provide a seamless, secure, and simple health experience by utilizing the power of digital technology.

Today, eZHealth-eZVax has a sizable user base of 2 million users and has been used to ensure the smooth administration of over 1.35 million COVID-19 vaccinations. For consumers, eZHealth-eZVax provides end-to-end health services with just a touch of a button. These services allow for virtual consultations with HCPs, managing of COVID-19 vaccinations, viewing of e-Prescriptions ordering and delivery of medicines, monitoring lab and diagnostic test results and checking of health symptoms, backed by AI technology. In 2022, more services, covering areas like mental health will be added to the app to create an even more holistic experience for patients.

#### How it started:



#### How it's going:





## SUPPORTING COMMUNITIES

GRI 103-1, 103-2, 103-3

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

We also undertake numerous community engagement activities within each market as part of efforts to positively impact our local communities, including employee volunteering and charitable donations.

In 2021, our teams in Philippines, Taiwan, Hong Kong, Indonesia, Malaysia organised 25 such initiatives, including programmes conducted in partnership with clients or government agencies.

We also aim to refine and develop well-coordinated engagement programmes that will enhance community connections, effect positive change in health behaviour and most importantly, align with our mission to provide better access to healthcare in the countries in which we operate.

**25**

Community engagement initiatives

**1.3 MIL**

Beneficiaries of community initiatives



### GIVE IT YOUR 100

Type 1 Diabetes is an incurable condition which could be fatal if left untreated. Action4Diabetics (A4D) was set up in 2015 to transform the lives of young people diagnosed with Type 1 Diabetes in Southeast Asia. The charity provides essential medicines and developmental support for patients through diabetes family camps, scholarships, and clinic programmes. 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.

In 2021, we continued to support our dedicated long-term charity partner, Action4Diabetics (A4D), through the Give It Your 100 virtual race and fundraiser, and successfully exceeded our target of raising US\$100,000 for young people with Type 1 diabetes in Southeast Asia. The charity provides essential medicines and developmental support for patients through diabetes family camps, scholarships, and clinic programmes.



The funds raised represent an **entire year of treatment for 200 children** suffering from Type 1 diabetes.





The Give It Your 100 virtual race was organised in celebration of the 100th year since discovery of insulin and is also part of Zuellig Pharma's Sustainability Month internal celebrations across the month of November. 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.

Collectively, 23,000km and 550 hours of exercises were clocked, with Zuellig Pharma matching a donation for each km and hour contributed, thus achieving the fundraising goal for the second year running.



<b>≈11,000km</b> of Walking	<b>≈4,000km</b> of Running
<b>≈8,000km</b> of Cycling	<b>≈550 hours</b> of other exercises







## KEEP IT PINK

In support of Breast Cancer Awareness Month in October, Zuellig Pharma Vietnam organised the talk show programme “Keep It Pink”, following the “Shades of Pink” campaign launched by the ZP Therapeutics team to raise awareness about the different types of advanced metastatic breast cancer.

We engaged healthcare professionals to share information on the different types of breast cancer, treatment options and to emphasise the importance of early screening and diagnosis of breast cancer.



More than 90 employees participated in the two-hour programme with great interest. It is hoped that the learnings through this programme will be cascaded to their families and community with the key message: Early diagnosis and treatment are crucial to improve quality of life and survival for breast cancer patients.

## INCREASING VACCINE ACCESS TO LOCAL COMMUNITIES

Zuellig Pharma continued to support the local communities and governments in its markets throughout the pandemic, by helping to secure access to vaccines, accelerate distribution and facilitate administration.

Across Southeast Asia, Hong Kong, and Taiwan, the ZP Therapeutics team has been working tirelessly to support and advance national vaccination efforts, to protect the local communities.

In Thailand, the team signed an official agreement with Chulabhorn Royal Academy on the supply and distribution of eight million doses of the COVID-19 Vaccine Moderna. Aimed for use as prime and booster vaccination, if and when approved, a portion of the vaccines will be allocated to people from vulnerable and underprivileged groups.

In Philippines, Zuellig Pharma Corporation (ZPC) and Interpharma Solutions Inc. (ISPI) also worked together to donate **551,647 vaccines to 53 government and non-government entities**, including the Philippines National Police, municipal and provincial governments, the Philippines Red Cross, as well as charitable foundations such as PHAPCares Foundation.

In Indonesia, the PT Anugerah Pharmindo Lestari (APL) team has worked with the national COVID-19 Task Force and Army to distribute more than **850,000 vials of COVID-19 vaccine** (equivalent to millions of doses) in Jayapura, the largest and most populous city of the province of Papua, helping more than **100,000 communities** gain access to the much-needed vaccines.



# NURTURING TALENT



## MATERIAL ISSUES:

- + TALENT RECRUITMENT, DEVELOPMENT AND RETENTION
- + DIVERSITY AND INCLUSION
- + EMPLOYEE WELLBEING
- + EMPLOYEE ENGAGEMENT
- + WORKPLACE HEALTH AND SAFETY



"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 his/her career. We focus on offering end-to-end talent life cycle management, offering multiple options by 'career lattice', creating the best employee experience, and fulfilling each employee's career aspiration."

### CAROL XU

CHIEF PEOPLE OFFICER  
NURTURING TALENT PILLAR LEAD

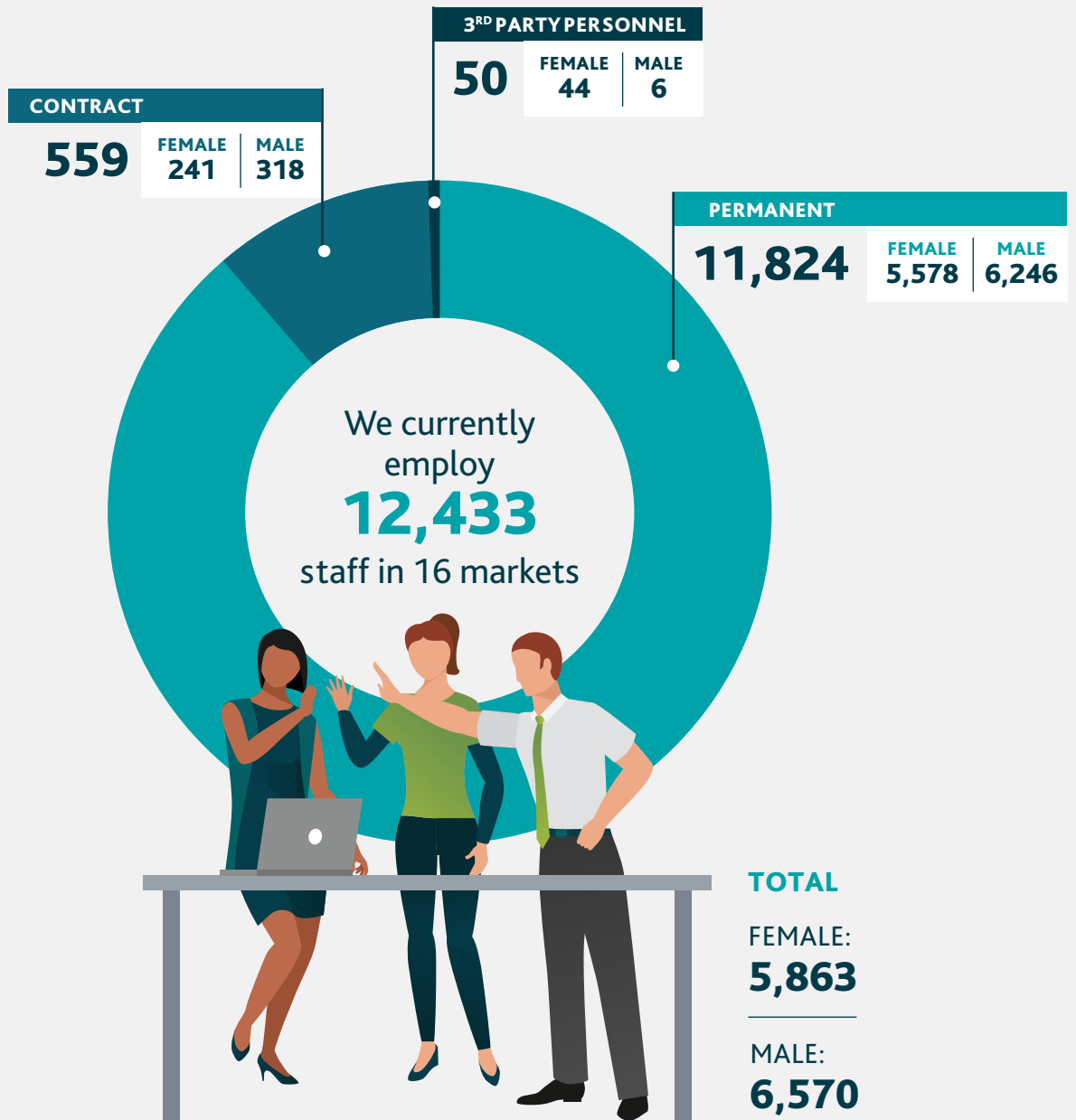


## TALENT RECRUITMENT, DEVELOPMENT AND RETENTION

GRI 103-1, 103-2, 103-3, 102-8, 102-41, 401-1, 401-2, 404-1, 404-2, 404-3

People are at the core of our business. We strongly believe in investing in our people's development to help them reach their best potential. To build a high-performing and engaged workforce to drive our mission of making healthcare more accessible, we put in place an end-to-end talent life cycle management in order to attract and retain the best talents.

Our current workforce of 12,433 staff across our 16 markets is made up of direct hires, a pool of contract staff and 3rd party personnel who provide services such as, but not limited to: administration, clerical work, warehouse operations (picking, packing, inventory count, etc.), customer service or project-based work. They typically are engaged to support additional workload or cover for staff who go on long leave. 28% of all employees are covered by collective bargaining agreements.



➔ NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY REGION

REGIONS	PERMANENT	CONTRACT	3RD PARTY PERSONNEL	TOTAL
AUSTRALIA	30	3	-	33
BRUNEI DARUSSALAM	36	2	-	38
CAMBODIA	382	0	-	382
CHINA	23	0	-	23
HONG KONG	422	16	-	382
INDIA	15	0	-	15
INDONESIA	2,793	33	-	2,826
KOREA (THE REPUBLIC OF)	418	145	-	563
MACAU	57	10	-	67
MALAYSIA	899	117	-	1,016
MYANMAR	177	2	-	179
PHILIPPINES	2,426	18	-	2,444
SINGAPORE	598	148	48	794
TAIWAN	803	5	-	808
THAILAND	1,434	60	2	1,496
VIET NAM	1,311	-	-	1,311
<b>TOTAL</b>	<b>11,824</b>	<b>559</b>	<b>50</b>	<b>12,433</b>

*Note: Workforce data is compiled based on headcount, and total numbers at the end of the reporting period. 3<sup>rd</sup> party personnel refer to individuals who are sub-contracted through 3<sup>rd</sup> party agencies and on Zuellig Pharma's payroll.*

## NURTURING TALENT

We have a clear talent framework in place, supported by robust tools and processes in talent identification and development. We go by the philosophy that everyone is a talent, and everyone has potential to be unlocked. The company provides support and the platform for employees to be a better version of themselves. To attract talent, we offer competitive compensation and comprehensive benefits to all full-time employees, including insurance, healthcare benefits, annual and medical and parental leave entitlements.

### OUR TALENT FRAMEWORK



### ATTRACTING YOUNG TALENT TO APL

At PT Anugerah Pharmindo Lestari (APL), as part of their Young Talent Programme, a webinar session was held to introduce APL and its culture, with a focus on innovation, reaching out to more than 250 students in 10 universities.

An innovation competition was also organised for university students to get a first-hand understanding of the processes at APL and crowdsource new and innovative ideas to improve healthcare in Indonesia.



To build the pipeline of talent, we work with universities to connect and attract suitable young talents to Zuellig Pharma through internships, mentoring and graduate programmes. Key to our recruitment strategy is also building a strong employer brand, in order to attract potential talent who share similar values and passion for our mission.

➔ NEW HIRES AND TURNOVER BY GENDER AND AGE GROUP IN 2021

	NEW HIRE		TURNOVER	
	NUMBER	RATE	NUMBER	RATE
<b>MALE</b>	1,266	10%	1,231	10%
<b>FEMALE</b>	1,277	10%	1,124	9%

	NEW HIRE		TURNOVER	
	NUMBER	RATE	NUMBER	RATE
<b>UNDER 30 YEARS OLD</b>	1,110	9%	823	7%
<b>30-50 YEARS OLD</b>	1,316	11%	1,292	10%
<b>OVER 50 YEARS OLD</b>	117	1%	240	2%

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

We believe in managing careers, not jobs. This mantra underpins our performance development framework which focuses on providing clarity and support on individual career paths within the company. Our annual performance review process includes conducting development dialogues with employees to develop a shared career plan, assessing their current competencies and tracking progress. All employees in the company received a regular performance and career development review in 2021.

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. The exercise allowed for the design of multiple career development paths, thereby presenting opportunities for employees to be the owners of their careers. The definition of a Grading Structure provides a framework for effective, evidence-based pay & rewards decisions that boost employee engagement and performance. The grading structure also enables various HR analytics which supports businesses in making informed business decisions.



With "Personal Growth" as one of our core values, we seek to encourage and provide opportunities for employees to pursue learning and growth at all stages of their careers. We run in-house training programmes for skills development, including functional skills as well as general management skills like coaching and team collaboration. Our automated Learning Platform LMS offers a wide range of compulsory or optional trainings, for our teams to be able to take their professional development into their own hands. With more than 150 courses available, the platform has hosted 114,909 hours of trainings this year.

During the pandemic, we partnered with LinkedIn Learning to provide employees with learning content that is accessible anytime and anywhere to enable self-driven and career-focused learning, as work-from-home became the norm. In 2021, our employees undertook a total of 364,000 hours of training.

In 2021,  
each employee  
undertook an  
average of  
**29.3**  
training hours

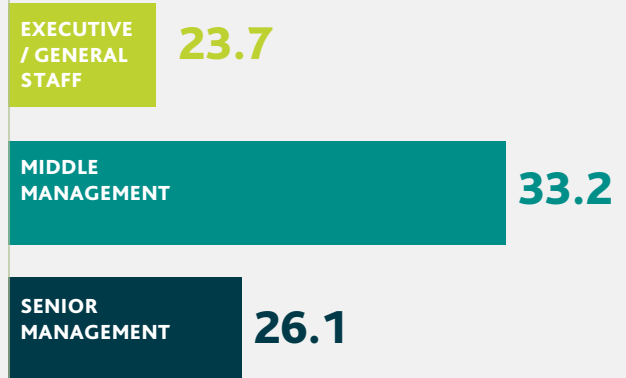


**AVERAGE TRAINING HOURS IN 2021**

**BY GENDER**



**BY EMPLOYEE CATEGORY**



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

Our Young Talent Programme (YTP) is designed to develop promising young talent in early leadership roles. Participants are equipped with leadership and project management skills to gain a better understanding of the business and set a firm foundation for their growth within the company. This year, **21 participants** graduated from the programme.

Talent development programmes are also developed in-market based on specific needs, for example, the ZP Therapeutics (ZPT) Vietnam team developed the First Line Manager Excellence Programme because in their market, First Line Managers play very important role of people manager, business manager & customer manager.



### DEVELOPING BEST-IN-CLASS FIRST LINE MANAGERS

With the aim to build a best-in-class First Line Manager team, ZPT Vietnam developed and launched the First Line Manager (FLM) Excellence Programme in July 2021.

The comprehensive programme offers core training, coaching and other supporting programmes to accelerate learning and application to upskill FLM capabilities. It also involved cross-functional support from Sales, Medical and Marketing teams to create and deliver the curriculum. In total, 14 First Line Managers and 3 Second line Managers participated and were trained in areas such as developing business plans, coaching field representatives and improving sales force effectiveness.



Post-programme survey has shown:

**92%** of the participants "Strongly Agree & Agree" that:



*The FLM Excellence Programme was relevant to build FLM capability and realistic to the job of FLM.*

*The training programmes and workshops were conducted effectively that help enhance capabilities of FLM and their application in the job.*



## EMPLOYEE ENGAGEMENT AND WELLBEING

GRI 103-1, 103-2, 103-3, 403-6

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

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

### 81 engagement initiatives rolled out in 2021

In 2021, we partnered with Gallup, an independent research-based consulting firm, to run our annual Employee Opinion Survey (EOS). We had a tremendous response with 10,856 employees, or 96% of eligible participants, completing the survey. All responses were kept anonymous. Our engagement score provides us with valuable insights on what drives our teams. We were heartened to see how much our employees take pride in their job and feel that the work environment gives them the chance to do their best every day. The results of this survey also provided us with rich information that reveals opportunities in effecting positive and inspiring organisational change. This allows us to shift focus from just addressing employee satisfaction to driving employee engagement, which now sets a higher and more challenging benchmark to achieve our aspirations to be a world class, sustainable & high performing organisation.

Closely related to employee engagement is the physical and psychosocial wellbeing of our employees. We go beyond meeting the statutory regulations in our markets to providing employee benefits and programs that focus on holistic wellbeing. This has been especially important during the prolonged pandemic and work-from-home situation. Among our initiatives are those that support the mental wellbeing of our employees. In Philippines for example, we organised webinars on topics like Emotional Wellness, Coping with Stress, Anxiety, and Depression, etc. In Indonesia, APL has also introduced a mental health programme that encourages employees to take part in Zumba and Yoga sessions from home. Employees across our markets also have access to the Employee Assistance Program for mental health support. At our Singapore office, "Defense Care packs" were provided to all employees, which included facemasks, hand sanitisers, thermometer and vitamins.

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





**CARING WORKPLACE**

Zuellig Pharma Taiwan was recognised as one of HR Asia's **Taiwan's Best Companies to Work For**. It also won the **WeCare™** certification award, which celebrate top companies that show strong support in engaging and caring for their employees during the pandemic. For employees serving stay-home-notices, ZP Taiwan provided them with food, other daily essentials and support hotline to tide them through challenging times.



**JOYFUL AND HEALTHY WORKPLACE**

As a healthcare pharmaceutical company, the pandemic has put a lot of strain and pressure on our human resources. Our employees continue to strive to deliver our mission while facing the same challenges and anxiety caused by the COVID-19 situation.

We are committed to support our employees to ride out the storm together. By communicating and listening to their needs, we seek to continue providing employees with a joyful and healthy workplace.

Our Hong Kong and Macau team has been implementing initiatives to promote wellness while keeping employees engaged in the workplace. These include education campaigns about dealing with COVID-19, employee vaccination programmes, recycling campaigns and the ZPHK CSR Loyalty Programme, an innovative initiative to encourage employee volunteering and earn "tokens" in return which can be redeemed for wellness benefits and incentives.

They have been recognised for their efforts with multiple workplace awards:

Workplace Awards achieved in Hong Kong



**Joyful@Healthy Workplace Best Practices, Occupational Health Award 2021**

**Happy Company (2021-2022)**

**Good MPF Employer Award (2021-(2022)**

**MPF Support Award (2021-2022)**

**Family Friendly Good Employer (2020-2022)**

**Social Capital Builder Awards (2020-2022)**

## ENGAGING EMPLOYEES ON SUSTAINABILITY

We launched the second edition of our Zuellig Pharma Sustainability Month in November 2021 to accelerate our steadfast commitment and collective quest towards building a healthier future for Asia. Inspired by our team's passion for sustainability, the event was themed "Heart of Sustainability" and rallied over 7,500 colleagues and partners virtually around four key sustainability pillars; Improving Health Outcomes, Nurturing Talent, Respecting the Environment and Setting the Highest Standards of Integrity. Each week of the month was driven by a line-up of meaningful activities including webinars, contests, pledges and more to increase our employees' awareness and engagement with each pillar. The month-long engagement was warmly embraced across our workforce.

### Sustainability Month 2021

#HeartofSustainability



Nurturing Talent Week

#UnityinDiversity

**Themed around Unity in Diversity, we embraced and celebrated the diverse cultures of our people across the region.**

**~1,500 EMPLOYEES** participated in the DEI Inspire Webinar to discuss ways to build a diverse and inclusive workplace

**~5,600 AFFIRMATIONS** exchanged between colleagues to thank one another for creating an inclusive workplace

**ZP VIRTUAL CALENDAR** launched to cultivate the appreciation of festivities and celebrations across 16 markets



Integrity Week

#TheHeroWithin

**We focused on our Setting The Highest Standards of Integrity pillar, where we championed the value of integrity within every Zuellig Pharma employee.**

**~3,500 EMPLOYEES** took the ZP Hero Quiz which looked at what it means to "Do the Right Thing"

**~350 ATTENDEES** at the "Tackling Substandard & Falsified Medicines in Asia" webinar

**CHRONICLES OF ZUELLIG PHARMA** launched that features stories highlighting the impact we had on the healthcare landscape over 100 years



Improving Health Outcomes Week

#GiveltYour100

**This week was a special celebration of World Diabetes Day as we mark the 100-year anniversary of insulin treatment.**

**~1,300 EMPLOYEES** participated in the "Give it your 100" Virtual Race to support young people with Type 1 Diabetes in SE Asia

**~352,600 KM** achieved in virtual distance and **>US\$100,000** in matching donations

**#TheGreatZPKitchen** initiative inspired colleagues around the region to share recipes and photos of healthy meals with one another



Respecting the Environment Week

#BeTheChange

**Themed #BeTheChange, efforts across this week were made in support of the United Nations Sustainable Development Goal 13: Climate Change.**

**ZP GREEN CHAMPION PLEDGE** taken by employees

**~4,500 TREES PLANTED** through our ZP Forest Initiative with EcoMatcher

**~200** employees educated on climate reality and how to take action at the Climate Change Inspire Webinar



## DIVERSITY AND INCLUSION

GRI 103-1, 103-2, 103-3, 405-1, 406-1, 412-2

While Zuellig Pharma operates in a highly globalised context, it is also embedded in local environments through its many local offices across 16 markets. As such, there is a high level of diversity within the organisation. We remain committed to be a beacon for diversity and inclusion, building a workforce and an environment where people feel empowered to realise their full potential regardless of age, gender, ethnicity, religion, ability, wellness, socioeconomic background, sexual orientation, and gender identity.

As a demonstration of this commitment, we worked with the trusted consultants from BSR on a Diversity, Equity and Inclusion (DEI) assessment, to understand and assess our current efforts to promote diversity, equity and inclusion, as well as best practices in this area, and identify opportunities for further engagement. The recommendations from the assessment are serving as inputs for us to develop our DEI strategy further.

As an initial step, we formed our DEI Core Committee that is made up of 6 pillars, with each pillar led by a member of the senior management team. The DEI Core Committee was launched at the DEI Inspire Webinar during which each pillar lead shared about the vision and aspirations for each area that they are championing to build a more diverse, equitable and inclusive culture in Zuellig Pharma.





The average **unadjusted average gender pay gap**, which stands at 16% worldwide and 19% in Asia, is contained at **3% in Zuellig Pharma**

As a company, we have progressed in terms of overall gender diversity, with 47% of our employees and more than 50% of middle management made up of females. Zuellig Pharma is proud to see that the representation of female employees at middle-management level is higher than the overall company average. In 2021, HR and organisational efforts have allowed this trend to break through the hierarchy, with female representation at the Executive and Senior Management levels also increasing significantly. We will continue our efforts to support the development of our female talent, providing them opportunities for mentorship and professional development.

Zuellig Pharma has established an anti-discrimination and anti-harassment policy for all employees. Any employee found to have violated our policies will be counselled and / or disciplined depending on the gravity of the offence. 99.4% of employees also received training on labour and human rights policy as part of diversity training in 2021 and remaining new hires in December 2021 will receive training in 2022.

Zuellig Pharma maintains a multi-lingual company Speak Up programme that encourages personnel to report any issues or concerns (through confidential channels), with no fear of retaliation. This programme is designed to foster transparency and harmony in the workplace, as well as remind our stakeholders that we have a strong commitment to our Code of Conduct and the wellbeing of our Employees.

Through the Speak Up Programme, there was one incident of alleged discrimination reported. Following a comprehensive internal investigation, it was determined that the report was unsubstantiated. There were several other reports made through the Speak Up channels which were found to be "HR related" personnel management issues. These were handled and resolved in line with our Code of Conduct and HR policies.

➔ **PERCENTAGE BY GENDER PER EMPLOYEE CATEGORY**

	2021	
	MALE	FEMALE
<b>SENIOR MANAGEMENT</b>	61.8%	38.2%
<b>MIDDLE MANAGEMENT</b>	48.2%	51.8%
<b>EXECUTIVE/ GENERAL STAFF</b>	54.6%	45.4%

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

	2021		
	< 30 YEARS OLD	30-50 YEARS OLD	> 50 YEARS OLD
<b>SENIOR MANAGEMENT</b>	7.5%	55.5%	37%
<b>MIDDLE MANAGEMENT</b>	15.6%	75.5%	8.9%
<b>EXECUTIVE/ GENERAL STAFF</b>	31.3%	60.9%	7.8%



# SPOTLIGHT ON OUR FEMALE LEADERS



## Elaine Khoo

➔ DIRECTOR, REGIONAL COMPLIANCE

Starting at Zuellig Pharma at the peak of the pandemic (and without a laptop) in 2020 was a really interesting time but I was all charged up and ready to strengthen the compliance foundation of the company. Setting the reality at ground level with a strong tone from the top throughout the business leaders, compliance is now a much-valued function within the company. With this recognition, I had since earned the badge of an extended member of the Executive Management Team.

I am very blessed that throughout my journey with Zuellig Pharma, I am accompanied by great people – my managers, the EMT and SMT, mentor, buddy at work, team members and colleagues. Each of them inspires me in different ways and this togetherness feeling that we are helping patients, regardless of whichever function we represent that motivates me each and every day.

My leadership style is rooted with authenticity, empathy and nurturing. I hope that these attributes and my passion also shine upon our diverse talents to inspire them to dream more, learn more, do more and become the best versions of themselves.



## Carol Xu

➔ CHIEF PEOPLE OFFICER

I have been with Zuellig Pharma over a year. It felt like a very long journey, as many changes happened during this one year. It also feels like yesterday, my passion to embark on this journey remains unchanged. Every day, I'm inspired by leaders and colleagues around me, I'm touched by the purpose of Zuellig Pharma to make Healthcare More Accessible. I'm also very happy to see almost 40% female representation at senior management level - we are clearly an industry leader in gender diversity.

People might have stereotypes about female leaders. From my point of view, I believe 4 traits are important for success:

**COURAGE** - as a leader, we need to make tough decision in ambiguity, we need to deal with various challenges not just from work, but from life. Stay Courage helps us to experiment and grow.

**CONFIDENT** – we are good as who we are. We can always learn from others but never doubt our capability and potential. Be ourselves is easier to be someone else.

**CARING** – we shall make good use of our gifted empathy and sensitivity, to be more balanced in use of 'heart' and 'brain'. Caring is extremely important in building engagement.

Not be afraid of **CONFLICT** – we shall not concern too much about 'being liked' or not. If we are true to ourselves and others, we will eventually 'be respected'.

I firmly believe Diversity and Inclusion is beyond just gender. Embracing a DEI culture enables innovation and sustainable growth. As Chief People Officer, I see my role to work together with leaders to create the environment that unlock the full potential of our people and nurture our talents to be the best version of themselves.



## Maija Burtmanis

➔ HEAD OF LEGAL & COMPLIANCE

I have been privileged to work in the Life Sciences industry in the fields of Legal Risk Management & Compliance, before joining Zuellig Pharma in October 2021. Today, I find myself in a most fortunate position to be leading a team of exceptional Legal & Compliance professionals within the Zuellig enterprise.

Aside from my professional life - as a mother, daughter, friend and wife - I place a high value on ethics, integrity, professionalism and honour. I believe that these values ultimately craft one's character, personality and leadership style. When I was young (er), I served as an Officer in the Australian Army Reserve. The 8-year stint taught me a great deal about teamwork, compassion, resilience and sacrifice. As such, I have a firm appreciation of good (deprecating) humour, pragmatism and transparency. We should always stay "grounded" and appreciate the efforts of those around us, many of whom uplift us and leave an indelible mark on our own legacy.

I am truly inspired by the incredible dedication, talent and commitment of all professionals who work at Zuellig Pharma, who have a shared goal to "make healthcare more accessible" to all. This collective vision will never tire as Patients and Nation States depend upon Zuellig Pharma to ensure that lifesaving products and services are handled with care and reach their destination/s in a timely manner.

It is exciting to be working with such fine professionals and to look forward to the exciting journey ahead.

*"Arise, Go forth & Conquer"* as a great man once said.

# ➔ SPOTLIGHT ON OUR FEMALE LEADERS



## Tan Yan Ann

➔ CHIEF EXECUTIVE,  
ZUELLIG PHARMA SINGAPORE

From my time as Finance Director to my current role as Chief Executive of Singapore, it has been 21 years of excitement and fulfilment working alongside passionate individuals who strived to make a difference in the healthcare community. As I reflect on how I have grown into my leadership role today, I am thankful to have had bosses who helped encourage and shape my development over the years.

Building a diverse and inclusive workforce has become one of our top priorities in nurturing and retaining our people. Many talented female employees in ZP have set a strong foundation for other women to thrive in leadership positions. I hope this encourages our female colleagues to feel empowered to step up and pursue opportunities out of their comfort zone. Real growth is achieved through new experiences, and your efforts will be recognised if you try your best. I look forward to seeing more women make great strides at Zuellig Pharma!



## WORKPLACE HEALTH AND SAFETY

GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-9

### HEALTH AND SAFETY MANAGEMENT SYSTEMS

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

A robust Health, Safety and Environment (HSE) system of policies and guidelines, driven by a team of HSE managers across all markets, ensures that we comply with health and safety requirements across all our markets. We have also developed and rolled out a set of 44 mandatory regional HSE requirements to all markets. These requirements ensure compliance with prevailing statutory regulations and align us with global industry standards such as ISO45001. Our compliance to HSE checklists stands at **100% across markets**. Teams in all markets follow health and safety measures and procedures that comply with local regulations, with adequate stress and noise measures in place. Health & Safety Risk assessments are run across all locations and this dimension is included in our change management systems, to anticipate any risk for our employees.

We have been implementing a phased roadmap to have all sites in our respective markets meet the standards of the ISO45001 Occupational Health and Safety certification. Following the certification of our ZPC Philippines Canlubang, Cebu and Sun Valley Distribution Centres in 2020, two additional DCs have been certified in 2021, in Singapore and Hong Kong.

We aim to achieve  
**ISO45001 certification**  
across all 13  
market distribution  
networks by 2024



### HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

Beyond regulatory requirements, all our markets have performed a Health & Safety Risk Assessment. Our internal Health and Safety auditors have assessed operations according to a rigorous list of regional standards. This risk assessment is reviewed every 3 years or when there are changes from local regulations, whichever is more frequent. We also regularly update and develop preventive actions when there are reported accidents, change in process or new equipment introduction.

A monthly audit is performed by each country HSE Manager to ensure workplace safety for all staff. We implemented Workplace Health & Safety scorecards which includes number of Lost Time Incidents, First Aid Cases and Near Miss Cases reported on a monthly basis. This covers root causes and incident reporting together with preventive actions, and are shared across markets as best practices.

All health and safety incidents are required to be reported, and we commence an investigation even if the affected party is not injured or refuses medical treatment. All markets have monthly safety committee meetings to review relevant health and safety topics. These include a monthly safety walk to look out for any hazards on-site. We have an open reporting structure in which employees can also report any work-related hazards and hazardous situations without fear of reprisals to their local HSE manager. Monthly workplace Health and Safety Reports are shared with all HSE managers for best practice sharing. Detailed recommendations are shared with country teams and monitored by our HSE managers for continuous improvement.



There were 10 incidents of recordable work-related injuries in 2021. These were mainly due to ergonomic hazards, equipment handling errors and accidental slip and fall incidents. Immediate actions were taken to rectify the hazards and re-train employees.

In 2021, we maintained our track record of zero fatality

	2020	2021
<b>Fatality</b>	0	0
<b>High consequence work related injury</b>	2	0
<b>Recordable work related injury</b>	6	10
<b>Lost-time Injury Frequency Rate (LTIFR)</b>	0.42	0.34



**TOWARDS A COVID-19 FREE WORKPLACE**

Ensuring employees' health and safety has always been one of Zuellig Pharma Malaysia's (ZPMY) focus to ensure the wellbeing of our people and sustainability of our operations.

After being hit with the second wave of COVID-19 outbreak in June 2021, ZPMY doubled down on efforts to stop the spread of COVID-19 proactively and effectively in the workplace. This effort is led by the rigorous vaccination programme which helped ZPMY to reach more than 90% vaccination rate. Consequently, ZPMY was able to keep infection cases under control by September 2021.



Constant COVID-19 reminder  
#StayVigilantStaySafe



COVID-19 Vaccination Programme (1st, 2nd & Booster Shot)  
Vaccination Rate: > 90%



Weekly COVID-19 Screening  
100% monthly screening rate



Daily disinfection of common areas & shared equipment



Physical distancing > 1 meter in office & common areas



## TRAINING ON HEALTH AND SAFETY

To ensure our employees have the appropriate skills and mental preparedness to anticipate and respond to any health and safety issue, we provide regular trainings on awareness and identification of hazards, as well as on specific work-related hazards, hazardous activities, or hazardous situations. All employees have completed workplace health and safety trainings during the year. We also do our utmost to include in training third-party workers who work on-site. We are still in the process of including all third-party personnel into those trainings.



### SINGAPORE TEAM ACHIEVES BIZSAFE STAR AWARD

In 2021, our Singapore team was awarded the bizSAFE STAR certification. bizSAFE is a nationally recognised capability building programme designed to help companies build workplace safety and health capabilities.

The STAR certification status is the highest bizSAFE level that any organisation can attain. Qualifying organisations must be ISO45001-certified and have a sound Workplace Safety and Health (WSH) system and practices that comply with Singapore's WSH Act.



*While our employees work hard to ensure that essential medicines are delivered to our community, it is our responsibility to deliver on our commitment to provide a safe and healthy workplace for them to do their best. We are so proud to have achieved the bizSAFE Star certification which is a step-up from our bizSAFE level 3 certification. Our robust safety and quality culture have laid a strong foundation in helping us achieve the highest level of recognition from Singapore's WSH Council.*



**DANIEL SOH**  
OPERATIONS DIRECTOR,  
ZUELLIG PHARMA SINGAPORE



# RESPECTING THE ENVIRONMENT



## MATERIAL ISSUES:

- + CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY
- + CLIMATE RESILIENCE
- + RESPONSIBLE WASTE MANAGEMENT
- + ENVIRONMENTAL COMPLIANCE



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

### MAIKEL KUIJPERS

EXECUTIVE VICE PRESIDENT, DISTRIBUTION  
RESPECTING THE ENVIRONMENT PILLAR LEAD



# CLIMATE CHANGE MITIGATION

GRI 103-1, 103-2, 103-3, 305-1, 305-2, 305-3, 305-4

Climate change is a reality that affects all of humanity and directly impacts our ability to make healthcare more accessible. As a key player in the pharmaceutical supply chain, Zuellig Pharma recognises the potential for us to play a significant role to address the climate crisis through action. We are committed to do our part in mitigating climate change by reducing GHG emissions and increasing energy efficiency.

Testament to our resolve is our public commitment to be **carbon neutral by 2030** for our own operations, with a mid-term **35% reduction target by 2025**. Our approach is based on a granular understanding of our emissions and a comprehensive **carbon reduction roadmap**, built around selected initiatives with the support of external consultants.

Although offsets might be necessary, our primary focus goes to **reducing our emissions**. We have mapped 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.

To hold ourselves accountable to these standards, we are in the process of submitting the following reduction targets with the Science-Based Target Initiative (SBTi):

- **42% reduction of absolute Scope 1 and 2 emissions by 2030** from a 2020 baseline
- **25% reduction of Scope 3 emissions\*** by 2030 from a 2020 baseline

\* As per SBTi guidelines, our Scope 3 GHG reduction target applies to the following categories, as they are the largest contributors to our indirect emissions: Upstream Transportation and Distribution and Fuel and Energy-related Activities.

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

Zuellig Pharma has committed a dedicated budget to GHG management. Our Sustainability team's compensation is linked to progress towards GHG reduction targets.

We have advanced in our efforts in 2021 to better understand and assess our carbon footprint. We developed early in the year our first GHG Report that covers a review of our Scopes 1, 2 and 3 (downstream transportation and distribution) emissions, as well as the overall energy consumption across our various sites of operations. At the end of last year, we commenced a full Scope 3 screening exercise, aligned with GHG Protocol requirements, to better understand our carbon footprint and identify opportunities for emissions reduction. We have expanded our Scope 3 reporting in this report.

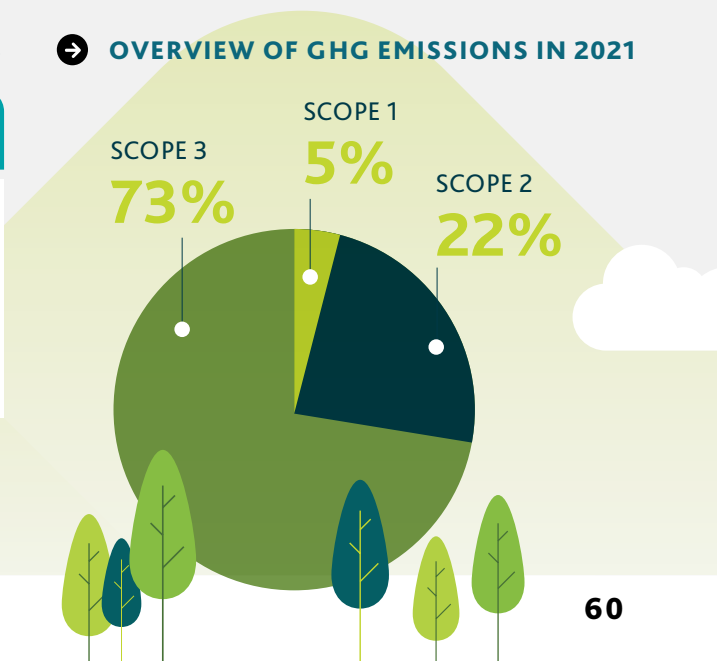
Our Scopes 1 and 2 emissions result mainly from operating our road transport fleet as well as running our distribution centres. Hence a big part of our efforts is directed towards greening our fleets and facilities. These include modernising our vehicles with new technologies in terms of emissions capture and fuel efficiency. To enhance transport efficiency, we use a blended model of contracted, owned and brokered truck capacity, giving us the flexibility to select the optimal transportation solutions for each customer. We also deploy a transport management system that provides visibility across all logistics operations, intelligent tracking and route optimisation, which helps improve cost efficiency and reduce emissions.

## GHG EMISSIONS REDUCTION TARGETS

DIRECT EMISSIONS (SCOPE 1 & 2)	DIRECT EMISSIONS (SCOPE 3)
35% reduction by 2025	25% reduction on indirect emissions
Carbon-neutrality by 2030, driven by at least 42% of reduction	

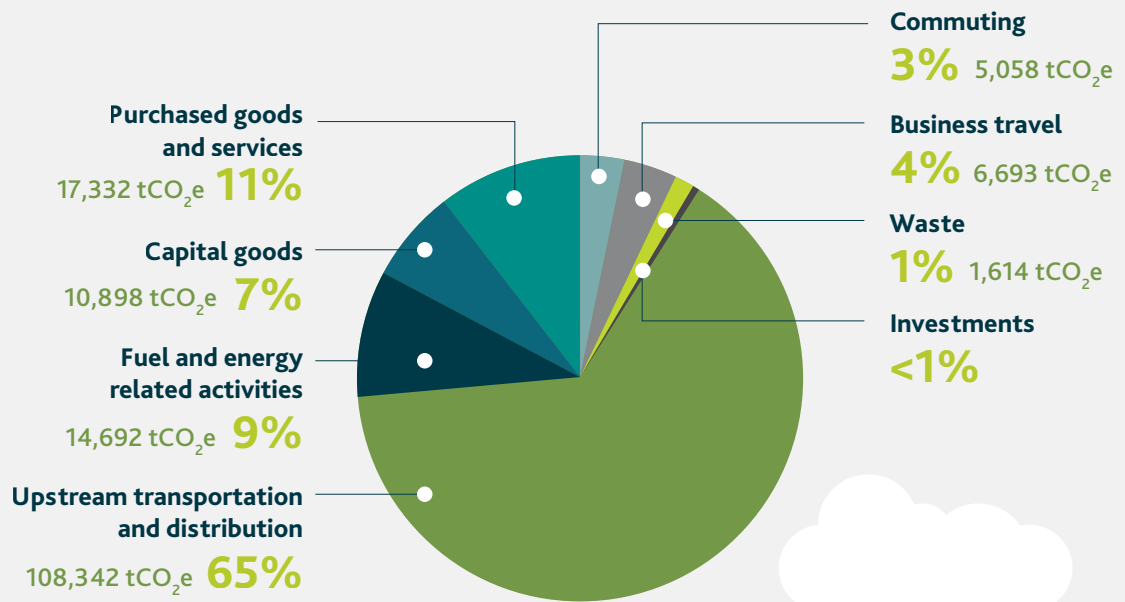
Note: Our absolute reduction targets are under submission to SBTi for validation

## OVERVIEW OF GHG EMISSIONS IN 2021



## → BREAKDOWN OF SCOPE 3 EMISSIONS IN 2021

As part of our GHG assessment, Zuellig Pharma has screened all Scope 3 categories listed by the GHG Protocol to identify those relevant to our activities. Both upstream and downstream emissions are tracked. Our Scope 3 emissions for 2021 comprising relevant categories are presented below.



Scope 3 emissions form a significant portion of our GHG emissions as we work with a large network of third-party sea, land and air transport to provide end to end order fulfilment for our customers. Engaging an often-fragmented supplier landscape is challenging but we recognise that addressing Scope 3 emissions is fundamental to accelerating climate action at the industry level. The bulk of our Scope 3 emissions originates from outsourced deliveries and other purchases of goods and services.

While we do not have direct control over the suppliers and their operations, we are in the unique position to influence their policies and behaviours. A good part of our efforts is directed at educating our suppliers on greening their

fleets and training drivers on more fuel-efficient driving behaviours. Our plans are described in the sustainable sourcing section of this report.

Our total GHG emissions in 2021 was 226,142 tCO<sub>2</sub>e, a 7% reduction from 2020 levels.

**Zuellig Pharma has successfully reduced its overall carbon emissions by 7% in 2021**

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

### OUR REGIONAL OFFICE

seeks the support of an external environmental consultancy firm to independently assess our overall GHG impact across all countries



### OUR TEAMS IN THE PHILIPPINES

work with a firm specialised in green architecture to enhance the environmental standards of our Santa Rosa Distribution Centre



### OUR TEAMS IN TAIWAN

work with an environmental NGO to implement green initiatives such as a coastline reforestation project

CO<sub>2</sub>

As we develop our science-based targets for emissions reduction, we will review these measures and identify new areas of improvement to work towards our emissions reduction goal. Our baseline year for this purpose is 2020, the first year during which our GHG assessment was performed.

GHG EMISSIONS (tCO <sub>2</sub> e)	2020	2021
Scope 1 emissions	9,551	12,032
Scope 2 (market-based) emissions	51,069	49,353
Scope 2 (location-based) emissions	53,754	50,170
Scope 3 emissions	182,171	164,758
Total emissions	242,791	226,142
GHG emission intensity (kg CO <sub>2</sub> e/piece)	0.0264	0.0261

  **INNOVATING LOW-CARBON SOLUTIONS**

Our Korea team held a sustainability idea competition “Sustainability Innovation Awards”, crowdsourcing more than 200 ideas from employees to enhance sustainability in our operations. One of the winning suggestions involved the implementation of electric delivery trucks in the local distribution network.

The idea was tested in a pilot run in December 2021 - the first electric truck to be used by Zuellig Pharm. It will be progressively trialled in the market on short-distance deliveries to test its efficiency and temperature maintenance of medicines and healthcare products. The team aims to progressively replace **all short-distance delivery vehicles with electric vehicles by 2025**.

Another of our innovation is the energy-efficient and reusable cold chain packaging – the eZCooler solution. Read more about the eZCooler on page 81.



*With these trucks, we are reducing our impact on the planet as we continue our important task of getting life-saving medicines to patients in need.*



**ERWAN VILFEU**  
MANAGING DIRECTOR  
AND DISTRIBUTION  
GM ZUELLIG PHARMA KOREA

However, we are aware that more needs to be done to reduce our contribution to greenhouse gas (GHG) emissions. As such, we are looking into using renewable energy in our logistics facilities, offices and transport equipment, such as installing solar panels and converting our transport fleet to electric or hybrid vehicles. We joined and are on the Board for Green Freight Asia, a non-profit industry association connecting corporates, governments and nongovernmental organisations to improve energy efficiency and reduce emissions across supply chains.



## GREENOVATE – INCUBATING INNOVATIONS FOR CLIMATE ACTION

With our unique position in the healthcare ecosystem, Zuellig Pharma recognised early on that we had tremendous capacity to lead change within Asia and make a positive impact on the environment. To provide a conducive environment for green initiatives to thrive, an internal incubator was founded for the purpose of accelerating initiatives that contributed to our key sustainability pillar of Respecting the Environment. These initiatives are kickstarted as pilot projects in optimal countries, with country teams identifying the most suitable partners to test out these pilot projects.

Projects are assessed based on impact, scalability and relevance to the unique Asia landscape. Following the implementation of the project, we track results and identify opportunities for improvement. Best practices from the project are then shared with other countries, with a roadmap for scaling up.

Our goal is to finance ground-breaking green technologies which are either not available across Asia or are struggling to reach optimal scale, to boost their development, develop proofs-of-concept and create a stepping stone for their roll-out across Asia. We also seek to collaborate with partners who are similarly committed to sustainability. Through continuous partnerships with our clients, our commitments are strongly aligned with their environmental targets.

As an early mover within the region around sustainability, one of the challenges encountered was in developing an environment strategy that is tailored to the intricate Asia landscape. While countries in the EU and the US are largely governed by a unanimous set of standards around sustainability, each government in Asia have their own regulatory guidelines around sustainability and have differing availability of green technology across our 13 markets.

For this reason, projects within the incubator prioritised relevancy and proof-of-concept within Asia as one of the key criteria. We harnessed our experience and established relationships with regional partners to bring new equipment to pilot countries. To exchange best practices and learnings about driving sustainability in Asia, we built a specialised in-house sustainability data portal for all stakeholders to access initiatives.

The Greenovate Project is also designed to raise employee awareness on environmental actions. More than 10 engagements have been led in 2021 to increase awareness around climate change and actions that could be undertaken by our teams.

As of now, the Greenovate Project is incubating **84 environmental initiatives**, assessed to help avoid an estimated **12,000 tonnes** of carbon emissions per year.

# GREENOVATE PROJECT

## 1 Solar

- Flexible funding capability

## 2 Lighting

- LED / Smart Lighting systems
- Motion Sensors / Timer Switches

## 3 HVAC Systems

- Refrigerant Compliance
- Energy efficiency



## 4 Recycling/ Waste Management

- Water Saving
- Waste Management
- Recycling Programs

## 5 Insulation

- Green Walls
- Thermal insulation paints
- Roofing insulations

## 6 Packaging & Equipment

- eZCooler / Other (Styrofoam exit)
- Biodegradable solutions
- Battery Operated Trucks

## 7 Transportation

- Vendor Management Agreements
- Eco-driving training
- Route / load Optimisation
- Truck insulation
- Electric / Hybrid Truck





## ENERGY EFFICIENCY

GRI 103-1, 103-2, 103-3, 302-1, 302-3, 302-4

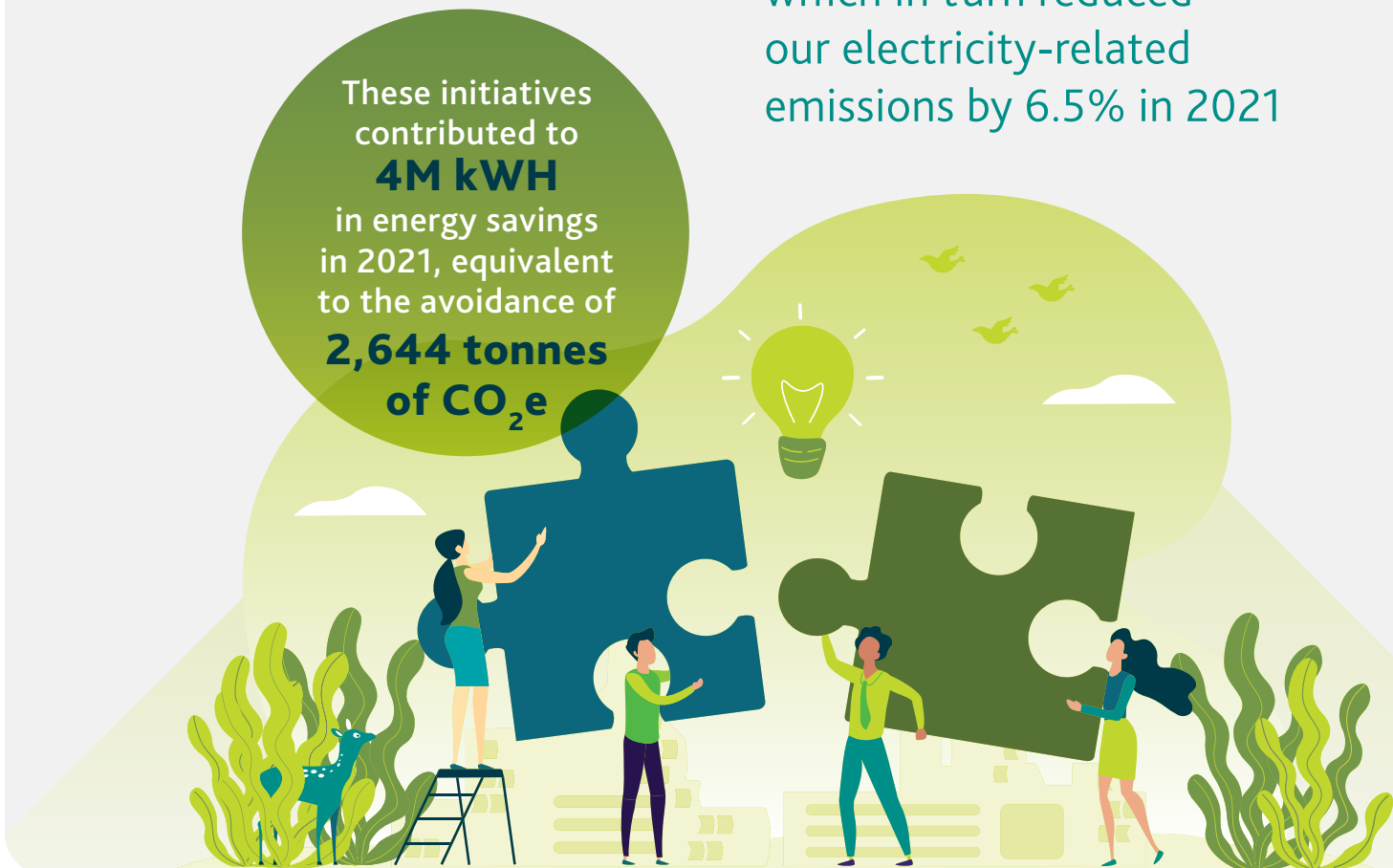
We manage our overall energy consumption as part of our strategy to reduce GHG emissions. In 2021, we consumed a total of 338,562,669 MJ (megajoules) of energy. The majority of our energy consumed (more than 80%) is attributable to electricity use. With the suspension or easing of lockdowns and other travel restrictions, our fuel consumption has increased in 2021. Energy efficiency initiatives and transition to renewable sources have more than compensated for this.

Energy efficiency initiatives such as LED lighting and intelligent lighting systems are implemented across all markets. Investments are being made to upgrade our air conditioning systems across several locations, for instance in Cambodia and Singapore. Zuellig Pharma has also initiated an upgrade of its insulation systems, by installing insulation panels and using thermal insulation paints for better temperature control and air-conditioning savings. Finally, we have been implementing Energy Management Systems in our logistics centres in markets such as Thailand, Vietnam, Singapore, Cambodia and Philippines, to optimise energy consumption.

We first piloted solar panels installation at our logistic centres in Taiwan and Vietnam, and continued to roll it out to Philippines, Indonesia, Malaysia and Thailand in 2021. 7 additional sites are being considered for solar panel installation in 2022 and 2023. We generated **4.3M kWh from our solar panels** to power our operations in 2021. Our Malaysia team also trialed a partially solar-powered fleet that can generate solar power while being loaded and waiting for delivery. The trucks are operational on the roads since May 2021 and are estimated to be able to generate more than 1.5 mKWh of clean energy per year, equivalent to 100,000 gallons of diesel saved and 1,156 tonnes of CO<sub>2</sub>e avoided.

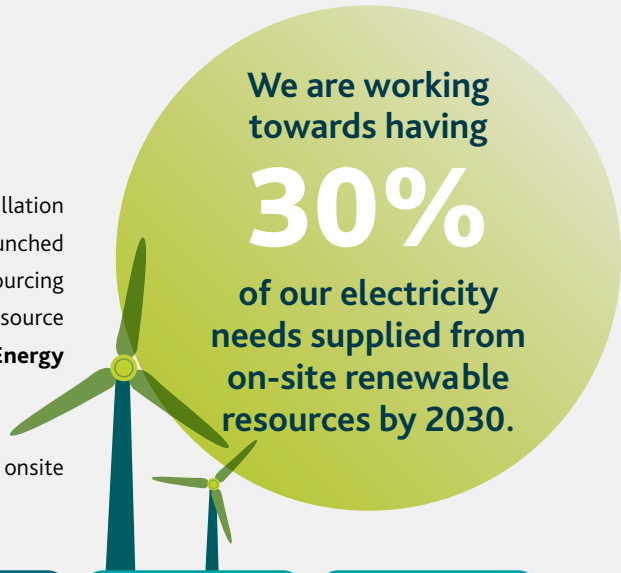
Our efforts to expand solar panel installations have led to a **75% increase in renewable energy use**, which in turn reduced our electricity-related emissions by 6.5% in 2021

These initiatives contributed to **4M kWh** in energy savings in 2021, equivalent to the avoidance of **2,644 tonnes of CO<sub>2</sub>e**



To complement our onsite solar panel installation programme, our teams in the Philippines launched Zuellig Pharma's first offsite renewable energy sourcing initiative in October 2021, through which they source **5% of their electricity through Renewable Energy Certificates (RECs)**.

With this initiative Zuellig Pharma now purchases onsite or offsite renewable energy across 4 markets.



ENERGY CONSUMPTION (MJ)	2020	2021
Fuel consumption	25,480,746	28,245,732
Electricity consumption	305,425,325	294,190,965
Electricity from renewable sources	9,229,373	16,125,972
Total energy consumption	340,135,444	338,909,889
Energy intensity (MJ/piece)	0.148	0.144



**MAKING THE MOST OF NATURE'S ENERGY**

Zuellig Pharma Taiwan has installed nearly 8,600 solar panels to meet the energy needs of its distribution operations and today, they own the largest solar panel system amongst companies in the local healthcare sector in Taiwan.

These solar panels help to generate close to 1,266,000kWh of energy which is equivalent to the average electricity consumption of 361 households\* in Taiwan in a year.



\*Based on Taipower's average household electricity consumption data



*We are proud to be playing a part in protecting the environment of Taiwan. A well-preserved environment is key to sustaining our business in making healthcare more accessible.*



**JOHN CHOU**  
CHIEF EXECUTIVE  
ZUELLIG PHARMA TAIWAN





## CLIMATE RESILIENCE

GRI 103-1, 103-2, 103-3

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

We have been working with our partner FM Global on a company-wide assessment of material locations with high exposure to natural hazards such as earthquake, floods, high winds, etc., or located near the ocean front without adequate mitigation plans to counteract rising sea levels. For the identified locations, we put in place natural hazard mitigation plans and loss prevention measures. An annual local facility risk survey is conducted to assess any gaps. All

**56 climate risk assessments, simulations and trainings have been run across the region in 2021. All our sites have performed an environmental risk assessment**

existing sites also conduct an annual local BCP training and simulation exercise to test and refresh their plans. 56 such training and simulation exercises have been conducted in 2021. FM Global also conducts loss prevention training for Zuellig Pharma employees.

All new build facilities incorporate mitigation against climate change and natural hazards during site selection and design. Zuellig Pharma teams work closely with FM Global during any project design phase to understand best practice requirements on loss prevention and endeavour to implement their recommendations wherever possible. For example, at the MDI National Distribution Centre in Santa Rosa, which opened in 2020 in the Philippines, the team worked with FM Global on the design of the warehouse which is 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 regularly audited against FM Global's rigorous property loss prevention standards and recognised with risk management excellence awards. Our progress over the years is a testament to our commitment to ensure resilience of our facilities, with two of them achieving the highest accolade for excellence in loss prevention programmes & comprehensive risk mitigation measures.



### FM GLOBAL RISK MANAGEMENT EXCELLENCE AWARDS RECEIVED

Our progression over the years



MOST IMPROVED AWARD

SILVER AWARD

GOLD AWARD

PLATINUM AWARD



(Due to the pandemic, no site audits were done in 2020 and 2021, and no awards given out).



## RESPONSIBLE WASTE MANAGEMENT

GRI 103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5

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

In 2021, we generated a total of 5,471 tonnes of waste, almost **20% less than in 2020**. Most of our waste generated is non-hazardous, with only batteries categorised as hazardous waste, and is disposed of through professional waste management service provider.

WASTE GENERATED IN METRIC TONNES	2020	2021
Total waste generated	6,824	5,471
Total non-hazardous waste	6,747	5,435
Total hazardous waste	77	36
Waste incinerated	2,998	2,855
Waste to landfill	3,821	2,610
Waste intensity (kg/piece)	0.00297	0.00233

Each of our markets has ongoing 3R – Reduce, Reuse and Recycle – programmes, including paper and electronics recycling in offices, use of recyclable or eco-certified paper products, pallets and biodegradable bags for transporting goods, reusing void fillers from incoming packages where possible, recycling toners, etc



### WE PLEDGE CAMPAIGN

The We Pledge campaign was launched one year ago in Zuellig Pharma Singapore (ZPSG) to drive 3R awareness and encourage departments to commit to a 3R pledge. As part of their one-year anniversary celebration of the campaign in December 2021, 17 teams across ZPSG shared a video update on their progress, which included the following highlights:

- **FINANCE TEAM:** more than 10,000 pcs of paper saved monthly through automation & digitisation, launched eZPay customer e-payment
- **HR AND CLIENT SERVICES TEAM:** reduced paper usage by adopting digital signatures and online document sharing
- **WAREHOUSE TEAM:** implemented collapsible tote boxes as a sustainable alternative to carton boxes and recycled up to 120 pallets and 100 pieces of bubble wrap per month from vendors





In addition to recycling efforts, we use eco-friendly ways, such as thermal destruction, to dispose of any remaining waste. Our APL Bandung team in Indonesia has even started a gardening initiative, growing a variety of apothecary plants and fresh vegetables on unused land in their premises, converting waste into organic compost to improve the soil. This not only reduced the amount of waste going to landfill but also provided employees with green space to unwind and grow their own plants.

**4 markets** have already moved away from landfill. As a priority in 2022, we will expand this best practice to deliver on our goal of zero waste going to landfill by 2030.

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

## We commit to achieve **zero waste** going to landfill by 2030





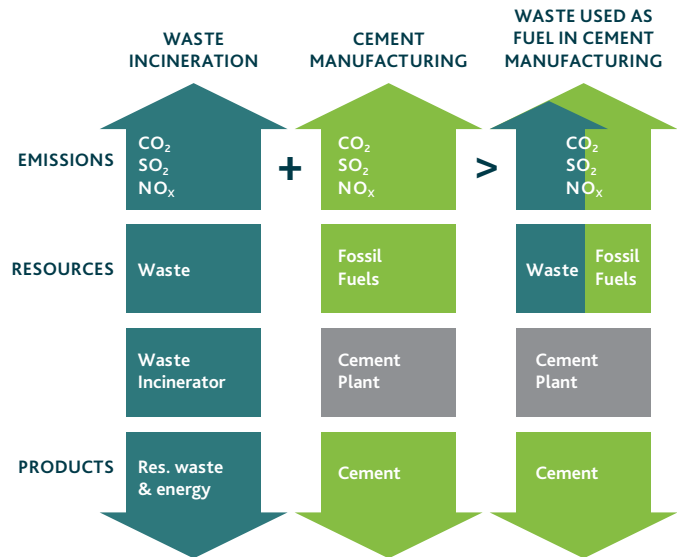
## CO-PROCESSING WASTE – A SUSTAINABLE SOLUTION

Co-processing is the use of waste as raw material, or as a source of energy, or both, to replace natural mineral resources (material recycling) and fossil fuels such as coal, petroleum and gas (energy recovery) in industrial processes.

Zuellig Pharma Cambodia works with an appointed third party so that waste is disposed through a unique process combining thermal destruction and cement clinker manufacturing. Co-processing not only completely destroys waste materials through flame temperatures of 1800-2000°C but also avoids the formation of toxic substances like dioxins and furans due to the specific temperature profile. There is no ash residue formed as all materials are retained in the clinker produced.

This solution is a sustainable alternative to incineration, reducing GHG emissions while also conserving natural resources by producing clinker from waste material. It is a practice recognised by international bodies such as **US EPA** and **Stockholm Convention**.

## EMISSIONS REDUCTION BY CO-PROCESSING WASTE MATERIALS



## WAREHOUSE AUTOMATION FOR WASTE REDUCTION

Warehouse operations can trigger manual, paper-based workflows. At Zuellig Pharma Korea KDS warehouse, we implemented a warehouse automation system that reduces processing time by 35% while improving picking accuracy and on-time delivery. Order handling capacity is also expanded, strengthening our competitive advantage.

More importantly, it makes **95% of the operations paperless, reducing operating costs as well as waste generation. We are saving approximately 3.4 million sheets of papers, equivalent to 300 trees, each year.**

Approximately **3.4 million** sheets of papers, equivalent to **300 trees**, are saved each year

Besides reducing waste in our own operations, we work with partners in our value chain to explore circular business solutions to reduce waste and maximise resource use. While we do not handle the medical waste of our clients after delivery to customers, we seek to help them identify waste minimisation opportunities.



## PLASTICS RECYCLING INITIATIVE



### PVC BAG SEGREGATION TRAINING

Training material will be prepared by BCSD Malaysia. Patients will receive the training materials and instructions from Baxter Team.



### REVERSE LOGISTICS

Through Zuellig Pharma, transporters collect the used PVC bags when they deliver new products and perform **visual inspection**.



### COLLECTION

The PVC bags are taken to logistics hubs and stored in large skip containers ready for **collection**.



### PROCESS

Collectors transport skip containers directly to recyclers for **crushing**.



### REPORTING

Using **IOT technology**, data of the recycled product is being collected, ensuring **traceability** and **transparency**.

In Malaysia, Zuellig Pharma supplies Baxter's peritoneal dialysis solution to more than 3,000 home patients. With 120 PVC bags per patient per month, this triggers 260 metric tonnes of high-grade plastic waste.

Together with Baxter and the Business Council for Sustainable Development (BCSD) Malaysia, we are piloting an initiative that aims to collect non-contaminated used PVC bags from patients' homes to recycle them into secondary raw material that can be used in the manufacture of new products like garden hoses, vinyl flooring and playground equipment.

The goal is to ultimately extend this initiative to all hospitals in Malaysia to upcycle all non-contaminated plastic waste, which makes up about one-third of the total waste generated by hospitals.



## USING TECHNOLOGY TO MINIMISE WASTE

Our eZTracker app, used to enhance supply chain visibility, now features functions that help in waste minimisation.

**STOCK MANAGEMENT & AUTO-REPLENISHMENT:** flags low stock levels so that clinics can anticipate reorders and maintain in generally lower & stable stocks levels. This helps reduce the risk of expiry and discard of precious treatment options.

### COLD CHAIN MONITORING:

tracks serialised product information to verify and monitor that the products are stored at optimal temperatures. This prevents drug wastage where they are thrown away in the event of sub-optimal storage conditions and serves to protect patient health





## ENVIRONMENTAL COMPLIANCE

GRI 103-1, 103-2, 103-3, 307-1

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

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

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

We have also planned for a phased roadmap for our sites to get ISO14001 certified. **3 markets** are already certified.

2 new markets **ISO14001** certified in 2021  
(Hong Kong and Singapore)

Besides internal compliance, we require our supply chain partners and service providers to acknowledge our [Supplier Code of Conduct](#), which includes an expectation to operate in an environmentally friendly manner and in strict compliance with all applicable environmental laws and regulations. Please refer to the section on Responsible Sourcing on page 76 for more information.

Zuellig Pharma did not incur any fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in any of our markets during the year.

We aim to achieve ISO14001 certification across all 13 market distribution networks by 2024







- ➔ **Zuellig Pharma's Metro Drug, Inc. (MDI) National Distribution Centre (NDC)** at Santa Rosa, Laguna was certified as a Leadership in Energy and Environmental Design (LEED) warehouse by the U.S. Green Building Council in November 2021 and is the only LEED certified pharmaceutical grade warehouse in the Philippines.

MDI NDC is built to handle pharmaceutical products. This mandates a reliable source of energy to ensure warehousing at optimal conditions. This is enabled by the space-saving rooftop installation of 10,000 sqm solar panels which covers 19% of MDI's energy requirement, generating 113,982kWh of clean energy and reducing MDI's carbon emissions by 81.16 tonnes each month.

Furthering its drive towards climate change mitigation, MDI partnered with MPower, a local Retail Electricity Supplier that draws at least 5% of their energy from sustainable sources such as wind energy. Through this, an additional 20,700kWh of clean energy is produced each month which is equivalent to a reduction of 14.7 tonnes of carbon emissions.

In addition, motion sensor and LED intelligent lighting were installed at the warehouse to conserve energy. Thermal control and temperature sensors were placed per zone to ensure 100%

temperature control for products and to control air flow, maintain good air quality, and keep the ambience conducive to employees.

Cooling water towers and chilled water system were installed to sustainably cool the refrigerants needed by the air-conditioned warehouse and cold room chambers. To conserve water, indoor water management system (pumping system) and building-level water metering were put in place.



*Our NDC not only exhibits our operational efficiency, but also improves our company's reputation as an innovative and green business entity and showcases our commitment to sustainable business growth.*



**AGNES G. RAFIÑAN**  
MDI GENERAL MANAGER



## WATER STEWARDSHIP

GRI 303-1, 303-5

Our water impact, though relatively small, is also an area on which we wish to reduce our impact and build sustainable practices. In 2021, we consumed 370,272m<sup>3</sup> of water across our operations, mainly for air-conditioning and maintenance purposes. We are pleased to report that we are now **3% more efficient** with our water use regionally. In addition to various reduction efforts that have started, our long-term commitment is to launch a rainwater harvesting programme by 2025, to offset the use of water our organisation requires for our operations.

# SETTING THE HIGHEST STANDARDS OF INTEGRITY



## MATERIAL ISSUES:

- + PREVENTING BRIBERY AND CORRUPTION
- + RESPONSIBLE SALES AND MARKETING
- + RESPONSIBLE SOURCING
- + PRODUCT QUALITY AND SECURITY
- + FIGHTING COUNTERFEIT PRODUCTS
- + COUNTERING PARALLEL TRADE
- + DATA PRIVACY AND SECURITY
- + PUBLIC POLICY

"Zuellig Pharma's reputation is built on our firm commitment to ethical business conduct and high integrity standards of our Employees and Business Partners. We take great pride in our role in the Healthcare industry, being regarded as an "essential service provider" and critical contributor to access of life saving products and services to society. As such, we set ourselves an exceptional standard in the performance of our duties and put place a high value on trust, 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 we are privileged to serve."

### MAIJA BURTMANIS

HEAD OF LEGAL & COMPLIANCE  
INTEGRITY PILLAR LEAD



## UPHOLDING ETHICAL BUSINESS PRACTICES

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

### ANTI-BRIBERY AND CORRUPTION

GRI 103-1, 103-2, 103-3, 205-2, 205-3

We take a zero-tolerance stance towards bribery and corruption. Our Anti-Bribery and Corruption (ABAC) Framework and the Code of Conduct, which all employees have the responsibility to understand and comply with, form part of our Compliance Programme. A dedicated compliance team drives the programme throughout the organisation to prevent, detect and respond to bribery and corruption. This ensures we conduct our business with the highest ethical standards in accordance with all laws and regulations in our markets.

All employees receive training on business ethics issues and the Code of Conduct upon joining Zuellig Pharma, including on anti-bribery and corruption, and are regularly assessed on their knowledge of the policies and guidelines. The guidelines and policies on ethical business conduct are also communicated to all material business partners and third parties. Corruption risk assessments are run across markets. Our control procedures are regularly audited to prevent corruption and bribery. A systematic and automated approval framework is in place for sensitive transactions.

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



We have a Speak Up policy and Speak Up communication channels to enable our employees and third parties to report any suspected or occurring violations to our Code of Conduct or policies. The hotlines and [website](#) are operated by an independent third party and allow reports to be submitted anonymously and confidentially. These channels are available 24 hours a day, 7 days a week and are available in the local languages of the countries where we operate. The Speak Up Programme emphasises acting and investigating any credible issues raised about potential misconduct in any market in which ZP operates in. We have a strict no-retaliation policy for anyone who submits a report in good faith. All relevant reports are reported to our Audit Committee to ensure appropriate follow-up action is taken.

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

## RESPONSIBLE SALES AND MARKETING

GRI 103-1, 103-2, 103-3, 417-3

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

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

Our Code of Conduct, Interactions with HCPs (IHCP) Policy and pharmacovigilance SOPs govern our practices. **100% of our salesforce are trained on IHCP Policy and pharmacovigilance SOPs.** We also ensure that promotional materials from all markets are reviewed by relevant channels to meet industry standards regarding disclosure of relevant information that will help healthcare providers and patients make fully informed choices. This is detailed in our promotional materials SOP.

Four cases of marketing misconduct in which specific product-related materials had not yet been fully pre-approved before dissemination have been identified in 2021, investigated and resolved in line with our Code of Conduct and Compliance HR policies. These rare cases also provided Zuellig Pharma with an opportunity to take preventive action to reinforce the adherence to policies by our teams and enhance cooperation between departments.

We review our SOPs regularly with our partners and implement updates based on their inputs. The IHCP Policy and pharmacovigilance SOPs were updated in 2020 and 2021 respectively. We have more recently automated our IHCP processes to ensure better compliance and risk control.



## RESPONSIBLE SOURCING

GRI 103-2, 103-3, 102-9, 308-1, 414-1

Sustainable procurement is key to our commitment to protect the environment and to uphold fair labour practices and human rights in the supply chain. Our procurement team implements sustainable procurement practices and engages with suppliers to ensure positive environmental, social and economic impact across the purchasing and supply lifecycle.

### 14% of Zuellig Pharma supplies originate from sustainable sources

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

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

Our procurement practices are guided by our internal Global Sustainable Procurement Policy outlining our approach in these priority areas:

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

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

Zuellig Pharma's Supplier Code of Conduct provides clear guidance about our expectations on sustainability to our suppliers with the same four priority areas as our internal policy. We work with our suppliers to ensure their commitment to the principles of the Supplier Code of Conduct. 57% of our suppliers by value have acknowledged the Supplier Code of Conduct.

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

## All procurement staff are trained on the **Sustainable Procurement Policy** and have Sustainable Procurement performance objectives included in their annual reviews

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



### SUSTAINABLE PROCUREMENT IN ACTION

We proactively work with suppliers who integrate sustainability into their business:

- Our Material Handling Equipment (MHE) provider supplies equipment with less toxic and more energy efficient batteries and supports our MHE fleet conversion.
- Under a joint Value Partnership Integrated Supply Programme (VPIS), we worked with our packaging supplier to use alternative packaging made of 100% recycled materials for carton boxes, which still met our specifications while being more environmentally friendly and economical.
- Our office space providers are selected based on sustainability criteria, such as ability to lower energy consumption, ability to support health and safety and worker wellbeing, usage of recyclable products and environment-friendly cleaning solutions, and waste-minimising actions.

Our 34 sustainable procurement initiatives are now

**54%**  
implemented across markets



➔ **Supplier Sustainability Risk Assessment**

We adopt a risk-based approach that is driven by the value and strategic importance of what we procure from our suppliers. In January 2021, we created the Supplier Sustainability Risk Assessment Guide to ensure that essential goods and services are purchased from suppliers of known capability and risk profile. Our spend categories are mapped onto a risk assessment matrix to determine high-risk spend categories that require in-depth assessments in the form of regular Supplier Sustainability Assessments and on-site audits. These spend categories are: Transportation Services, Temp Labour, Consulting and Professional Services, IT Hardware and Servers, Packaging, Construction, Leases, MHE, and Office Supplies. The Guide also provides a clear and transparent set of sustainability criteria to assess supplier performance.



**MEKONG CLUB**

Zuellig Pharma has joined The Mekong Club in 2021. The Mekong Club is a non-profit organisation that fights modern slavery using private sector approaches. The Mekong Club also provides up-to-date information and expert training on issues pertinent to their industry, there is also Industry-specific working groups where companies meet regularly to learn and share best practices and are given access to numerous tools and resources.

As part of the membership, we are also given access to The Mekong Club audit platform where we are gearing up to pilot 2nd tier worker rights and safety audits to examine the working conditions of supplier's staff in our facilities.

In early 2022, the audit platform will be in pilot phase in two key markets. The membership is especially important as we are seeking to develop digital platforms that enable remote audit activities to continue 2nd tier supplier audits, which had to be scaled down due to the pandemic in the regions we operate in and the necessity to prioritise keeping our staff safe. It will be a new digital social audit solution in 6 markets or more in 2023.

➔ **IntegrityNext platform**

In 2021, we partnered with a company called IntegrityNext (INX) to automate the supplier sustainability assessment process, which 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), Cybersecurity, Health & Safety, Quality Management and GHG emissions.

INX also conducts real time data monitoring on the above topics which enable us to track any adverse news regarding suppliers' sustainability practices. We have prioritised the assessment for our top suppliers by value and then ensuring that all new suppliers above USD75,000 in contract value are being assessed. To date we have assessed over 300 suppliers (57% by value). We raise red flags and improvement areas uncovered to the suppliers and our leadership, and work with them to mitigate issues through ongoing dialogue, education or through structured Sustainability Development Programmes (SDP). The SDP seeks to drive concrete and timebound actions that Zuellig Pharma and the supplier undertake to ensure significant sustainability improvements from the suppliers are tracked, reported and reviewed year on year. Besides this, we also work with suppliers on one-off sustainability initiatives. For instance, we co-developed the use of solar panels to power refrigeration units in delivery vehicles in Malaysia and electric-powered fleet in South Korea which reduce our carbon footprint and increase fuel efficiency.

**18%** of our supplier base is covered by a Sustainability Development Program (SDP)

We also recognise suppliers for their sustainability effort and performance. Our Supplier Sustainability Awards was held for the second year and the virtual event drew more than 300 stakeholders. We held panel discussions with the three winners who shared on their efforts in the provision of clean energy, reduction of greenhouse gas emissions, responsible warehousing and logistics, and waste management, using the assessment criteria of Impact, Innovation, Insight, and Initiative.



*It has become very clear that operating as a sustainable business is core to our ways of working. It is a demand of governments, clients, customers, our employees, and the communities we serve. However, these stakeholders don't just look at our company in isolation, they are scrutinising how we drive sustainability within our supply chain and ecosystem. Our suppliers play a key role in supporting our sustainability pledge and during the 2021 Supplier Sustainability Awards, we celebrate the partnerships we forged with those suppliers.*



**VICTORIA FOLBIGG**  
VICE PRESIDENT, PROCUREMENT,  
ZUELLIG PHARMA



**SUPPLIER SUSTAINABILITY AWARD**

SUSTAINABILITY LEADERS



Testament to our efforts to drive sustainability in our procurement practices and within our supply chain, Zuellig Pharma was shortlisted for the **World Sustainability Award (WSA) 2021- Sustainable Supply Chain Award**, among other companies like Mars Wrigley and Givaudan SA. The awards are organised by Sustainability Leaders, with the aim to recognise teams that are adopting innovative methods to identify sustainability issues in their supply chain and working collaboratively with their suppliers to effect change.





## ENSURING SUPPLY CHAIN INTEGRITY AND SECURITY

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

### PRODUCT QUALITY AND SECURITY

GRI 103-1, 103-2, 103-3

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

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

We aim to be TAPA-certified across 12 markets by 2025

All our warehouses are audited annually to certify good distribution practices and compliance with ISO standards. As of 2021, Zuellig Pharma has received **6 TAPA (Transported Asset Protection Association) certifications**, providing assurance of the security of our logistics supply chain.



### ELECTRONIC QUALITY MANAGEMENT SYSTEM (eQMS)

Zuellig Pharma's Quality 4.0 framework is the bedrock of our Quality Management System (QMS) and is driven by three strategic themes of People, Process and Technology.

Our aspiration of Quality 4.0 is to implement electronic workflow processes, move away from traditional paper-based approach in managing our QMS and embark on a predictive technology-enabled approach. To do this, the Regional Quality Assurance team has taken the initiative to design, develop and validate an electronic Quality Management Systems (eQMS). In Zuellig Pharma Singapore and Zuellig Pharma Malaysia, eQMS has been progressively rolled out since October and November 2020 respectively.

eQMS has helped automate the compliance process and improved document control and data integrity. In addition, it is able to capture massive volumes of data and provide real-time data visibility as well as predictive analytics. High quality data directly facilitates better decision making and process improvements, enabling us to maintain high levels of quality management and accelerate our move towards digitisation.



DATA INTEGRITY



INCREASED EFFICIENCY



STATISTICS/ VISIBILITY



NOTIFICATIONS



EASE OF COLLABORATION





We are continually investing in new cold chain solutions to broaden our coverage and drive healthcare access even in the more rural or remote areas while still ensuring product integrity. One of them is the eZCooler solution – a passive packaging technology for temperature sensitive products. The solution does not require an external energy source, and significantly extends storage time of products in transit from two days with a traditional system to five days. **Currently, 6,200 units have been deployed across Asia.** The eZCooler reduces freight costs by being much lighter than traditional cold storage packaging solutions, is reusable and 100% recyclable, minimising our environmental impact.



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



### FACILITATING VACCINE DISTRIBUTION WITH COLD-CHAIN SOLUTIONS

The eZCooler solution is a unique cold chain packaging insulation system that can be customised to provide temperatures of down to -40 °C for temperature sensitive products. The solution significantly extends the storage time of temperature-sensitive products in transit from two days with a traditional system to **five days**, which helps to drive healthcare access and enable greater reach across Asia in countries like Vietnam, Malaysia, the Philippines and Indonesia where it is currently deployed.

In the Philippines, Zuellig Pharma was appointed to handle the distribution of Moderna vaccines vials, which are required to be kept between -25 degrees Celsius and -15 degrees Celsius. These were delivered using the eZCooler packaging system, ensuring the integrity of these temperature-sensitive vaccines. They were stored in ZPC's existing pharma-grade cold chain facility which can accommodate pharmaceutical products with temperature requirements ranging between -80°C to +25 °C. **By end December 2021, 13.8 million doses were delivered.**



*Together with the national government, the ICTSI Foundation, and Moderna, Zuellig Pharma Corporation bolsters its commitment in making healthcare more accessible to the communities we serve, helping Filipinos access these vaccines through effective, secure, and sustainable cold-storage facilities.*



**MAIKEL KUIJPERS**  
CEO AND EXECUTIVE VICE  
PRESIDENT OF ZPC

Quality Assurance staff and related functions go through a progressive Quality Assurance Competency Certification programme to promote competency development and skills acquisition with 5 levels of recognition from "Practitioner" to "Master". Annual internal Quality Awards are held to recognise and motivate outstanding individuals and groups for upholding top standards of quality in our operations. Zuellig Pharma's Quality leaders reach out to all colleagues monthly with short messages on various quality topics.



**CELEBRATING SUSTAINABILITY THROUGH WORLD QUALITY DAY 2021**

**1st Poonnisa Tuaprakhon**  
Corporate QA Business Partner, ZP Therapeutics



World Quality Day was established to bring attention to the significance of quality management in our lives and raise quality awareness across the world. This year a special focus was brought to how Quality and Sustainability can work hand in hand.

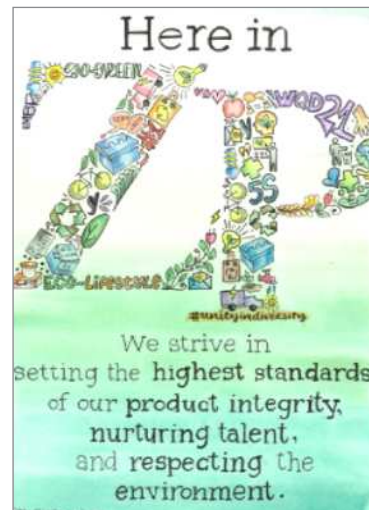
We commemorated this day through the angle of Sustainability with a poster making contest organised by the Quality Assurance team to continue building a culture of quality and reinforce its importance in anchoring our vision of delivering a healthier future for Asia.

The winning entries captured and showcased the essence of quality culture at Zuellig Pharma and impressed everyone with their great messages and beautiful visuals.

**2nd Patricia Arellano**  
Management Trainee, Human Resources, ZPC Philippines



**3rd Rizza Tiglao**  
Quality Assurance Lead Singapore



## FIGHTING COUNTERFEITS AND PARALLEL TRADE

GRI 103-1, 103-2, 103-3

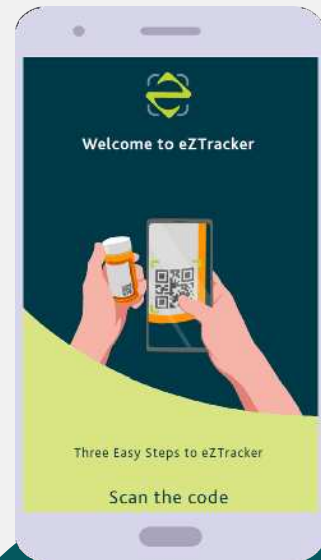
One in 10 drugs sold in developing countries is estimated to be fake or substandard. Counterfeiting as well as parallel trade of pharmaceutical products in the region is a grave issue that can adversely impact the health and safety of patients as well as trust in product quality assurance. These dangerous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

We believe the healthcare industry urgently needs to leverage technology to fight back, by enhancing supply chain traceability that will prevent counterfeiters and grey market perpetrators from entering a global marketplace that continues to grow. That is why in 2019 we launched the **eZTracker - the first application in Asia that uses blockchain technology to enable any user to trace a product's origin and confirm its authenticity in real-time just by scanning its packaging.** This way, doctors can administer drugs with confidence and patients can trust that they are receiving legitimate products.

### >1.2M products onboarded on blockchain technology

By harnessing the power of blockchain, we are able to drive greater traceability in the pharmaceutical supply chain and in doing so, protect patients' safety. If an unregistered product is detected, Zuegg Pharma and the drug's legitimate manufacturer are immediately notified and can bring this up with the relevant authorities. The eZTracker is also useful in supporting product recalls as it provides an immediate solution to notify patients whereas previous efforts would have taken weeks to detect and withdraw a defective batch of drugs from a market.

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



## eZTracker

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

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

eZTracker is downloadable on Google Play Store and the App Store. In 2021, eZTracker has been implemented in 4 markets, with **41,938 app users** and **174,989 scans** by patients and doctors verifying the authenticity of their medicines.

In 2021, eZTracker identified a total of **66,858 potentially unregistered, grey market or counterfeit products.**

**EZTRACKER HAS BEEN RECOGNISED INTERNATIONALLY:**



**FINALIST AT ENTERPRISE BLOCKCHAIN AWARDS 2021**

for delivering blockchain solutions that transform clients' operations, supply chains, or ecosystems with tangible and long-term change to infrastructure.



**FINALIST AT DIGITAL TRANSFORMATION & OPERATIONAL EXCELLENCE INDUSTRY AWARDS 2021**

for 3 categories:

- (i)** Best Achievement in Operational Excellence to deliver Business Transformation,
- (ii)** Best Achievement in Operational Excellence to deliver Digital Transformation,
- (iii)** Best Achievement in Operational Excellence to deliver an outstanding Value Creation or Innovation Execution project



**KOREA MINISTRY OF HEALTH AND WELFARE AWARD FOR CONTRIBUTION TO TRANSPARENT DRUG DISTRIBUTION**

In recognition of the efforts in the maintaining transparency in our distribution of medical products



**EZTRACKER IN ACTION**

**THAILAND**

eZTracker worked with a pharmaceutical client distributing dermal fillers in Thailand to contribute to the national fight against counterfeit beauty products with the following functionalities:

- Allow verification of product in real-time
- Provide quality assurance to patients
- Educate consumers via in-app content
- Track and report potential fakes

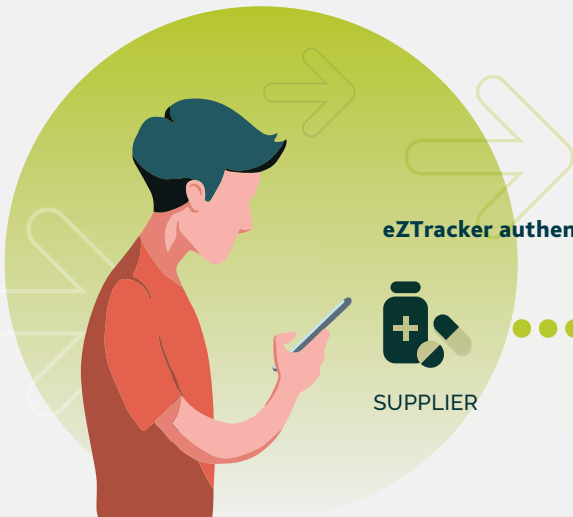
**HONG KONG**

Zuellig Pharma formed a tripartite alliance with a pharmaceutical client and Clinic Management Systems to drive greater efficiencies for healthcare organisations. Through eZTracker, we were able to equip clinics with a streamlined inventory re-ordering process and track patient behaviour to better understand the order cycles while still providing track and trace capabilities.



*If patients come back with any questions about (the) vaccine, it's easier to trace the path and report back to the pharmaceutical company with a serial number, not just a lot number – a positive impact (for) the clinic.*

HEALTHCARE PRACTITIONER, HONG KONG



**eZTracker authenticates every product scan against information in the blockchain**





## DATA PRIVACY AND SECURITY

GRI 103-1, 103-2, 103-3, 418-1

With increasing digitalisation of business and work processes hastened by the work-from-home situation of the pandemic, we recognise the need to respond to the evolving cybersecurity landscape and to continually develop robust cybersecurity and data privacy programmes to protect client, customer and patient data.

Zuellig Pharma has established a Cybersecurity and Data Privacy Framework and Policy aligned with the National Institute of Standards and Technology (NIST) Framework. The controls and standards of NIST are implemented through our Information Security Management Systems (ISMS) founded on ISO 27001: 2013. It provides a common language for understanding, managing, and expressing cybersecurity risks to internal and external stakeholders to reduce cybersecurity risks and align our approach to managing these identified risks.



**Zuellig Pharma is ISO 27001 (ISMS) Certified in more than 80% of our markets, with countries being audited for re-certification every three years by third-party auditor BSI. We target to get all markets certified by 2025.**

These frameworks help Zuellig Pharma secure the increasing amount of information we protect on behalf of our clients and customers. We continuously aim to increase our cybersecurity and data privacy maturity levels and overall security to counter global cybersecurity threats and avoid data breaches. We underwent a Cybersecurity Maturity Assessment conducted by a third-party assessor against the NIST Framework and scored above average for the Global Pharmaceuticals Industry Benchmark.

Our information security team supported by IT teams across the region regularly monitor and report metrics, activities and initiatives involving Cybersecurity and Data Privacy Framework and Policy Compliance. Data privacy concerns can also be escalated through Speak Up communication channels.



### ELEVATING OUR CYBER-DEFENCE CAPABILITIES

The COVID-19 pandemic has seen the global healthcare industry fall victim to cybercriminals taking advantage of the chaos. COVID-19 response efforts, including vaccine research and supply chain were the largest focus of these targeted campaigns.

In 2021, Zuellig Pharma took the step to work with CYFIRMA, a threat discovery and cyber-intelligence platform company to mitigate cyber threats and digital risk as we accelerate digitalization efforts.

We use DeCYFIR, a cloud-based, AI-powered cybersecurity platform, to gain further visibility into external threat landscape to uncover hacking campaigns and avert cyberattacks. This will help accurately uncover cyberattacks at the early planning stage and take remedial actions to close vulnerabilities before hackers can compromise the network.

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

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

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.



*As a healthcare services company delivering life-saving medicines to those who need them the most, we own and operate some of the most advanced cold chain facilities, managing temperature-sensitive medicines through innovative and digitalized processes. The rapidly evolving threat landscape in the healthcare industry has shown us the importance of managing cybersecurity in dynamic ways, particularly as we continue rolling out more digitalization initiatives. CYFIRMA's DeCYFIR will guide us in our response to cyber risks by providing us with real-time insights and early warnings to malicious activities."*



**MIKE BREWSTER**  
VICE PRESIDENT  
TECHNOLOGY,  
ZUELLIG PHARMA



## PUBLIC POLICY

GRI 103-1, 103-2, 103-3

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

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

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

We have been partnering with governments to get their populations vaccinated by supporting the end-to-end management of vaccination campaigns – from procurement and supply planning to delivering and tracking. We have also forged partnerships to supply or distribute COVID-19 Vaccines in Southeast Asia, Hong Kong, Macau and Taiwan. Across all markets, our teams have actively engaged with governments to identify new other areas of partnership and to participate in public health initiatives. Throughout 2021, **60 employees** have been trained on various government affairs matters across **40 working sessions** with markets.

We also work actively as part of the EU ASEAN Business Council and US ASEAN Business Council to drive discussions at regional level, through events, white papers and direct engagement with Governments. Through these platforms Zuellig Pharma also regularly interacts with its clients to be able to join a unified conversation focused on enhancing the wellbeing of the patients we serve.

**In 2021, Zuellig Pharma has collaborated with Governments through 31 public policy platforms, partnerships, and activities.**



**SELF-CARE DEVELOPMENT AS CORNERSTONE TO HEALTHCARE**

**Current macroeconomic and disease trends faced by healthcare systems globally necessitate the exploration of supplementary care delivery strategies.** As populations age and non-communicable and lifestyle-based diseases spread, the burden on healthcare systems increases. As the COVID-19 pandemic has shown, infectious diseases can deal a hammer blow to health systems already facing significant pressure on their capacity to care for patients.

**As part of the Consumer Healthcare Committee at PHAMA (Malaysian Pharma Industry Association), Zuellig Pharma Malaysia has helped produce a Position Paper proposing directions to develop Self Care in Malaysia:**

1. Government policies to regulate self-care
2. Boosting self-care uptake through enhanced health literacy
3. Platforms that encourage healthcare providers to support and facilitate self-care
4. Publicity campaigns, both online and offline
5. Engage directly with communities
6. Engage patient groups



**This Position Paper was published and presented during the International Self Care Day in July 2021.**



**GIVING A VOICE TO HEALTHCARE WITHIN ASEAN**

In October 2021, our CEO John A. Graham was invited to the ASEAN Business and Investment Summit 2021, organised by ASEAN Business Advisory Council 2021. Together with other panellists, John shared about the future of ASEAN and its preparations for changes in the areas of work, education health and travel. Insights on new business models, supply chain shifts and other key issues, such as digitisation as a way to overcome barriers to healthcare were also covered to define the shape of things to come.

John Graham emphasised the key role of collaboration amongst stakeholders throughout the healthcare supply chain to ensure lifesaving medical products and vaccines can be delivered and administered efficiently. The pandemic also saw the value of Zuellig Pharma working closely with local government units, beyond healthcare bodies to deal with transportation and access challenges.

*“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 sector and private sector, we develop ties that are even stronger across ASEAN to collaboratively leverage on one another’s strengths and offer a unified response to crises, such as the current one. The unified response should be 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.”*



# GRI CONTENT INDEX

GRI 102-54, 102-55

The table below presents our GRI content index, which specifies each of the GRI Standards used in the report with a reference to where the information can be found. Where we were not able to report against the disclosure requirements, we have included in the table the reason for omission.

We have included additional disclosures this year that we were not able to report on last year (102-41, 404-1, 412-2, 306-4, 306-5, 303-5, 308-1, 414-1).

GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>GENERAL DISCLOSURES</b>			
<b>GRI 102:</b> General Disclosures 2016	<b>ORGANISATION PROFILE</b>		
	102-1	Name of the organisation	9
	102-2	Activities, brands, products, and services	10-11
	102-3	Location of headquarters	9
	102-4	Location of operations	9
	102-5	Ownership and legal form	9
	102-6	Markets served	9
	102-7	Scale of the organisation	9-10, capitalisation index is excluded due to Zuellig Pharma confidentiality policies on financials
	102-8	Information on employees and other workers	43-44
	102-9	Supply chain	76
	102-10	Significant changes to the organization and its supply chain	There were no significant changes to our organisation and supply chain in reporting period.
	102-11	Precautionary Principle or approach	18
	102-12	External initiatives	26
	102-13	Membership of associations	26
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	5-6	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behaviour	12, 75	
102-17	Mechanisms for advice and concerns about ethics	75	
<b>GOVERNANCE</b>			
102-18	Governance structure	18	
102-20	Executive-level responsibility for economic, environmental, and social topics	18	

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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>STAKEHOLDER ENGAGEMENT</b>			
	102-40	List of stakeholder groups engaged	19-22
	102-41	Collective bargaining agreements	43
	102-42	Identifying and selecting stakeholders	19
	102-43	Approach to stakeholder engagement	19-22
	102-44	Key topics and concerns raised	19-22
<b>REPORTING PRACTICE</b>			
	102-45	Entities included in the consolidated financial statements	9, list of entities is excluded due to Zuellig Pharma confidentiality policies on financials
	102-46	Defining report content and topic Boundaries	3, 16-17
	102-47	List of material topics	16-17
	102-48	Restatements of information	3 (refer to Boundary and Scope)
	102-49	Changes in reporting	3 (refer to Boundary and Scope)
	102-50	Reporting period	3
	102-51	Date of most recent report	SR2020 was published in Feb 2021
	102-52	Reporting cycle	3
	102-53	Contact point for questions regarding the report	3
	102-54	Claims of reporting in accordance with the GRI Standards	3, 88
	102-55	GRI content index	88
	102-56	External assurance	3, 99

<b>MATERIAL TOPICS</b>			
<b>→ IMPROVING HEALTH OUTCOMES</b>			
<b>ACCESS TO HEALTHCARE</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	30-33
	103-3	Evaluation of the management approach	30-33
<b>AFFORDABILITY</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	34-35
	103-3	Evaluation of the management approach	34-35

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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>PREVENTATIVE CARE</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	35-36
	103-3	Evaluation of the management approach	35-36
<b>ENABLING HEALTHCARE PROFESSIONALS</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	37-38
	103-3	Evaluation of the management approach	37-38
<b>LOCAL COMMUNITY ENGAGEMENT</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	39-41
	103-3	Evaluation of the management approach	39-41
<b>NURTURING TALENT</b>			
<b>TALENT RECRUITMENT, DEVELOPMENT AND RETENTION</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	45-48
	103-3	Evaluation of the management approach	45-48
<b>GRI 401:</b> Employment	401-1	New employee hires and employee turnover	46
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45
<b>GRI 404:</b> Training and Education 2016	404-1	Average hours of training per year per employee	47
	404-2	Programs for upgrading employee skills and transition assistance programs	47-48
	404-3	Percentage of employees receiving regular performance and career development reviews	46
<b>DIVERSITY AND INCLUSION</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	52-53
	103-3	Evaluation of the management approach	53-55
<b>GRI 405:</b> Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	53 As a private organisation, Zuellig Pharma does not disclose details about its Board of Directors

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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>GRI 406:</b> Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	53
<b>GRI 412:</b> Human Rights Assessment	412-2	Employee training on human rights policies or procedures	53
<b>EMPLOYEE ENGAGEMENT</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	49-51
	103-3	Evaluation of the management approach	49-51
<b>EMPLOYEE WELLBEING</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	49-51
	103-3	Evaluation of the management approach	49-51
<b>GRI 403:</b> Occupational Health and Safety 2018	403-6	Promotion of worker health	49
<b>WORKPLACE HEALTH AND SAFETY</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	56-58
	103-3	Evaluation of the management approach	56-58
<b>GRI 403:</b> Occupational Health and Safety 2018	403-1	Occupational health and safety management system	56
	403-2	Hazard identification, risk assessment, and incident investigation	56
	403-3	Occupational health services	56
	403-4	Worker participation, consultation, and communication on occupational health and safety	56
	403-5	Worker training on occupational health and safety	58
	403-9	Work-related injuries	57

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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>RESPECTING THE ENVIRONMENT</b>			
<b>CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	60-66
	103-3	Evaluation of the management approach	60-66
<b>GRI 302:</b> Energy 2016	302-1	Energy consumption within the organisation	66
	302-3	Energy Intensity	66
	302-4	Reduction of energy consumption	65
<b>GRI 305:</b> Emissions 2016	305-1	Direct (Scope 1) GHG emissions	62
	305-2	Energy indirect (Scope 2) GHG emissions	62
	305-3	Other indirect (Scope 3) GHG emissions	61, 62
	305-4	GHG Emissions Intensity	62
<b>CLIMATE RESILIENCE</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16
	103-2	The management approach and its components	67
	103-3	Evaluation of the management approach	67
<b>RESPONSIBLE WASTE MANAGEMENT</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	68
	103-3	Evaluation of the management approach	68-71
<b>GRI 306:</b> Waste 2020	305-1	Waste generation and significant waste-related impacts	68
	305-2	Management of significant waste-related impacts	68-71
	305-3	Waste generated	68
	305-4	Waste diverted from disposal	69
	306-5	Waste diverted to disposal	68
<b>ENVIRONMENTAL COMPLIANCE</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	72
	103-3	Evaluation of the management approach	72-73

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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>GRI 307:</b> Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	72
<b>GRI 303:</b> Water and Effluents	303-1	Interactions with water as a shared resource	73
	303-5	Water consumption	73

**→ SETTING HIGH STANDARDS OF INTEGRITY**

**ANTI-BRIBERY AND CORRUPTION**

<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	75
	103-3	Evaluation of the management approach	75
<b>GRI 205:</b> Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	75
	205-3	Confirmed incidents of corruption and actions taken	75

**RESPONSIBLE SALES AND MARKETING**

<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	76
	103-3	Evaluation of the management approach	76
<b>GRI 417:</b> Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	76

**RESPONSIBLE SOURCING**

<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	76-79
	103-3	Evaluation of the management approach	76-79
<b>GRI 308:</b> Supplier Environmental Assessment	308-1	Percentage of new suppliers that were screened using environmental criteria	78
<b>GRI 414:</b> Supplier Social Assessment	414-1	Percentage of new suppliers that were screened using social criteria	78

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GRI STANDARD	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PAGE REFERENCES/ REASONS FOR OMISSION
<b>PRODUCT QUALITY AND SECURITY</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	80-82
	103-3	Evaluation of the management approach	80-82
<b>COUNTERFEIT PRODUCTS</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	83-84
	103-3	Evaluation of the management approach	83-84
<b>PARALLEL TRADE</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	83-84
	103-3	Evaluation of the management approach	83-84
<b>DATA PRIVACY AND SECURITY</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	85
	103-3	Evaluation of the management approach	85
<b>GRI 418:</b> Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	85
<b>PUBLIC POLICY</b>			
<b>GRI 103:</b> Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17
	103-2	The management approach and its components	86
	103-3	Evaluation of the management approach	86-87



## UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

Zuellig Pharma joined the Global Compact Network Singapore (GCNS), the local chapter of the United Nations Global Compact (UNGC) which calls on all companies to take action in support of the SDGs and align their practices with ten universally accepted principles in the areas of human rights, labour, environment and anticorruption.

We are committed to support UNGC by incorporating the Ten Principles in the way we do business. This sustainability report serves as our Communication on Progress Report (COP) to the UNGC. Please refer to the UNGC COP reference table below for coverage of our efforts in relation to the Ten Principles.

### → HUMAN RIGHTS

We commit to conducting our business in a manner consistent with the principles contained within the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labour Standards. This commitment requires that we work continuously to integrate the following human rights-related principles into our daily business with our employees, partners and suppliers, in the areas of diversity and inclusion, non-discrimination, workplace health and safety, and employee wellbeing.

<b>PRINCIPLE 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights; and	<b>Page 53, 76-78</b> <a href="#">Sustainability Policy</a>
<b>PRINCIPLE 2</b>	Businesses should make sure that they are not complicit in human rights abuses.	

### → LABOUR

Zuellig Pharma's labour commitments are aligned with the principles contained within the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labour Standards. Our commitments require that we integrate the principles of freedom of association, anti-discrimination and eradicating child, forced or compulsory labour into our operations as well as extend these expectations to our suppliers.

<b>PRINCIPLE 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<b>Page 43, 53, 76-78</b> <a href="#">Sustainability Policy</a>
<b>PRINCIPLE 4</b>	Businesses should uphold the elimination of all forms of forced and compulsory labour;	
<b>PRINCIPLE 5</b>	Businesses should uphold the effective abolition of child labour; and	
<b>PRINCIPLE 6</b>	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	



**→ ENVIRONMENT**

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

<b>PRINCIPLE 7</b>	Businesses should support a precautionary approach to environmental challenges;	<b>Page 18, 60-73</b> <b><a href="#">Sustainability Policy</a></b>
<b>PRINCIPLE 8</b>	Businesses should undertake initiatives to promote greater environmental responsibility; and	
<b>PRINCIPLE 9</b>	Businesses should encourage the development and diffusion of environmentally friendly technologies.	

**→ ANTI-CORRUPTION**

Zuellig Pharma takes a firm and uncompromising stance against all forms of bribery and corruption. We are committed to ensuring all interactions with clients, partners, suppliers and government are conducted with openness and transparency and in strict compliance with anti-corruption laws.

<b>PRINCIPLE 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery.	<b>Page 75</b>
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2020 COMMUNICATION  
ON PROGRESS REPORT**





## NOTES TO PERFORMANCE DATA

GRI 102-48

### ENVIRONMENTAL PERFORMANCE

#### EMISSIONS

We use the operational control approach based on the GHG Protocol to calculate our Scope 1, 2 and 3 emissions.

##### Scope 1 and 2

Our Scope 1 emissions come from the burning of diesel and petrol in our generators and vehicles as well as the leakage of refrigerants. Emissions from fuels were calculated using actual fuel consumption. Refrigerant top-up has been used as an indicator of leakage. Emission factors for conversion of activity data to emissions were sourced from the United Kingdom Department for Business, Energy and Industrial Strategy (DEFRA), 2021.

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

Grid/Market emission factors for Singapore, Hong Kong, Malaysia, Vietnam, Korea, Thailand and Taiwan were obtained from country specific market authorities or energy provider: [Singapore – Energy Market Authority](#), [Hong Kong – HK Electric](#), [Malaysia – Tenaga Nasional](#), [Vietnam – Department of Climate Change](#), [Korea – Korea Climate and Environment Network](#), [Thailand – Ministry of Energy](#) and [Taiwan - Bureau of Energy, Ministry of Economic Affairs](#). Grid emission factors for other countries where we operate were sourced from the [International Energy Authority \(IEA\), 2020](#). Emission factors for 2021 were not available at the time of this reporting.

We report both location 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 \(IPCC\)](#).

We are currently in the process of including direct emissions from fuel and electricity consumption in our Brunei office. Given that the site has a negligible impact over our total emissions, we have chosen to exclude it under this parameter.

Our GHG emissions intensity is based on Scope 1 and 2 (market-based) GHG emissions in kilograms over total number of pieces of goods delivered.

##### 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 and investments.

A spend-based approach was used to calculate emissions from purchased goods and services, capital goods, and upstream transportation and distribution. Emission factors were sourced from the US Environmentally-Extended Input-Output (USEEIO) v.1.1. USEEIO which provides an extensive list of categories. Well-to-tank emissions have also been included in emissions from upstream transportation and distribution, based on conversion factors provided by DEFRA, 2021.

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, 2021. All other business travel emissions were calculated using emission factors sourced from USEEIO v1.1.

Employee commuting data was collected via a survey conducted in 2022. Emissions were calculated using emission factors sourced from DEFRA, 2021 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 for electricity) and waste generated in operations. Emission factors were sourced from DEFRA, 2021 or the IEA 2021 for transmissions and distribution losses for each country.

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

We are currently in the process of including indirect emissions from fuel and electricity consumption in our Brunei office. Given that the site has a negligible impact over our total emissions, we have chosen to exclude it under this parameter. Emissions from investments have been excluded from the data due to confidential reasons. We have conducted a screening and emissions from this category is deemed negligible.

#### RESTATEMENTS OF EMISSIONS

2020 data in this report has been recalculated and restated based on the above methodologies, to include refrigerants-related emissions as well as all relevant scope 3 categories, for consistency. Scope 3 emissions for 2020 has also been updated for the full 12 months (data in SR2020 covered Jan to Sept 2020).

#### 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). Renewables sources include solar panels installed at our distribution centres in selected countries.

We are working on including electricity consumption from our office in Brunei. Given that the site has a negligible impact over our total emissions, we have chosen to exclude it under this parameter.

Our energy intensity is based on total energy consumption in megajoules over total number of pieces of goods delivered.

#### 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.

Our waste intensity is based on total waste generated in kilograms over total number of pieces of goods delivered.

### ➔ SOCIAL PERFORMANCE

#### NUMBER OF EMPLOYEES

Workforce data is compiled based on headcount, and total numbers at the end of the reporting period. 3rd party personnel refer to individuals who are sub-contracted through 3rd party agencies.

#### WORKPLACE HEALTH AND SAFETY

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

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

Lost-time Injury Frequency Rate (LTIFR) is the number of lost-time injuries per million hours worked. Total manhours worked were 19,250,747 for 2020 and 29,109,807 for 2021. The significant increase in total manhours worked between 2020 and 2021 can be attributed to the expansion of the scope for LTIFR tracking. In 2021, the scope of workforce was expanded to include office staff and locations not reported in 2020.

#### SUSTAINABLE PROCUREMENT

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

## INDEPENDENT LIMITED ASSURANCE STATEMENT

To: THE STAKEHOLDERS OF ZUELLIG PHARMA HOLDINGS PTE LTD



### INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas Quality Assurance Pte Ltd, Singapore (Bureau Veritas) has been engaged by ZUELLIG PHARMA HOLDINGS PTE. LTD. to provide limited assurance on its Sustainability Report 2021 (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 2021 ('the Report') for the period 1st January 2021 – 31st December 2021, (the 'Selected Information') as listed below:

- General Disclosure (Core Indicators) Performance for 2021
- Performance data for 2021 for indicators marked as assured in the summary of main performance indicators table starting on page 88 of Sustainability Report:
  - 302-1 Energy Consumption within the organization,
  - 305-1 Greenhouse gas (GHG) emissions - Scope 1;
  - 305-2 Greenhouse gas (GHG) emissions - Scope 2;
  - 305-3 Greenhouse gas (GHG) emissions - Scope 3;
  - 306-4 Waste diverted from disposal; and
  - 403-9 Occupational health and safety Percentage of employees who completed training of labour and human rights
  - Percentage of staff trained on sustainable procurement
  - Percentage of supplier by spent who have acknowledged the supplier code of conduct
  - Percentage of employees trained on code of conduct
  - Percentage of BU's with ISO 27001

### 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;

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- Other information included in the Report other than scope defined above;
- Verify financial statements and economic performance for the reporting period mentioned in the scope of work; and
- Verify positional statements (expressions of opinion, belief, aim or future intention by ZUELLIG PHARMA (ZP)) and statements of future commitment

The following limitations should be noted:

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

#### **RESPONSIBILITIES**

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

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

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

#### **ASSESSMENT STANDARD**

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

#### **SUMMARY OF WORK PERFORMED**

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

To reach our conclusions we undertook the following activities:

- Assessing the data collection and consolidation processes used for gathering and reporting of the information listed in the assurance scope above;

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- Conducting remote data verification of sampled four sites plus ZP HQ, deploying a risk based approach as mentioned in the point above –Singapore Market, Malaysia Market, South Korea Market, Taiwan Market;
- Conducting interview with ZUELLIG PHARMA (ZP) personnel responsible for data collection, collation and reporting;
- Testing of the sample data and reviewing evidence provided through a risk based approach;
- Comparing the information presented in the Report with corresponding evidence in the source materials to ensure the reported data is supported by underlying records;
- Assessing the disclosure and presentation of the selected information to ensure consistency with assured information.

#### **CONCLUSION**

Based on the procedures we have performed and the evidence nothing has come to our attention that causes us to believe that the selected information presented in ZUELLIG PHARMA (ZP)'s 2021 Sustainability Report is not fairly stated in all material respects.

#### **KEY OBSERVATIONS**

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

- ZUELLIG PHARMA (ZP) continued to embed principles of Corporate Responsibility into its standard business activities and day-to-day operations by further integrating these into senior management's objectives and other job descriptions / appraisals;
- Market level materiality assessment is conducted wherever applicable;
- Zuellig's efforts and practices resulted in well balanced Gender Diversity in work force.
- ZUELLIG PHARMA (ZP) formalized its approach for consulting and communicating with stakeholders at HQ on issues deemed of material importance, and is now developing a system for capturing this information in a more structured manner;
- Significant scope exists for Zuellig Pharma to improve the understanding and increase awareness on sustainability at the market levels.
- Sustainable procurement practices are driven by the procurement team with an active involvement to expand the scope of sustainability in procurement practices and supply chain;
- Expanded the scope of sustainability by incorporating information on additional markets in the sustainability report;
- Introduced new Key Performance Indicators in areas of material interest to stakeholders such as expanding the Scope 3 GHG emissions to include all relevant categories and becomes signatory to initiatives like SBTi;
- Committed to get all markets certified under ISO 27001 by 2025;
- ZUELLIG PHARMA (ZP) achieved Platinum rating under EcoVadis
- Annual code of conduct training with mandatory minimum pass requirement is a good practice

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

##### **Inclusivity**

**Zuellig Pharma Holdings Pte Ltd.** has processes in place for engaging with a range of key

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stakeholders including clients, customers, employees, local communities, governments and suppliers and has undertaken a number of formal stakeholder engagement activities in 2020 – 2021 covering a range of topics such as Access to Health Care, Preventive Care, Product quality and Security, Counterfeit Product & Parallel Trade, Diversity and inclusion, Responsible Sourcing, COVID-19 pandemic resilience strategy, Ethics & Compliance, Governance, Welfare and working conditions. Work place health & Safety, Human Rights and Environment, Climate Change Mitigation & Energy Efficiency, Responsible Waste Management etc. Zuellig Pharma has implemented several continual improvements programs through such stakeholder consultation and this is demonstrated through key successful projects such as:. Recycling project in Malaysia, and they achieved the EcoVadis platinum award.

## 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 highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. Zuellig Pharma conducts a full materiality assessment on a regular basis. Zuellig Pharma undertook with experts from the Business Social Responsibility (BSR) organization a comprehensive process of identifying and assessing material sustainability issues in 2019, as the basis to developing its sustainability framework.

Based on this and Bureau Veritas own assessment, we believe that the materiality assessment conducted by Zuellig Pharma in 2019 continues to be relevant and is appropriate to Zuellig Pharma reporting in 2021. The Report would benefit from showing a clearer linkage between Zuellig Pharma's material issues previously identified and the ESG performance indicators being reported on moving forward.

## 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 organisation 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 practises with the goal of improving patient health outcomes. For instance, the Zuellig Pharma Medical Affairs team in Vietnam engaged leading experts in the management and treatment of iron deficiency and iron deficiency anaemia to gain a better understanding of unmet clinical needs and to assist in the establishment of centres of excellence in patient blood management in the country.

Since warehousing and transportation is 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 i.e. efforts directed towards greening Zuellig Pharma's fleets and facilities. These include modernizing vehicles with new technologies in terms of emissions capture and fuel efficiency. To enhance transport efficiency, Zuellig Pharma uses a blended model of contracted, owned and brokered truck capacity, with increased opportunity and flexibility to select the optimal transportation solutions for each customer. Installing Solar Panels on DC's to reduce dependence on non-renewable energy sources.

Finally, material sustainability issues are addressed by the sustainability strategy which is managed by the committee, through 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

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on the impacts of initiatives such as Supply Chain management, Employee inclusivity, Community engagements, Climate resilience and energy efficiency, Zuellig Pharma plan, projects to create awareness amongst vendors and supplier for improved or responsible sourcing, COVID-19 related community help and awareness, manage waste disposal responsibly, reduce carbon foot print etc.

During reporting period 2021 it is demonstrated that Zuellig Pharma has achieved 7% overall carbon emission reduction. Further it is observed that Zuellig Pharama's efforts to expand solar panel installations have led to a 75% increase in renewable energy use, which in turn reduced electricity-related emissions by 6.5%.

#### **STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE**

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

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

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



**Bureau Veritas Quality Assurance Pte. Ltd.**

**Singapore**

**Date: 31/03/2022**

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ON SUSTAINABILITY AND JOIN US IN MAKING  
HEALTHCARE MORE ACCESSIBLE FOR ALL.

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