



**ZUELLIG
PHARMA**

making healthcare more accessible



ZUELLIG PHARMA SUSTAINABILITY POLICY

2020

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MESSAGE FROM OUR CEO

Making healthcare more accessible in Asia has underpinned the Zuellig Pharma business throughout our history and seen us grow to become one of the largest healthcare services companies in our region. Our approach to business is aligned with the United Nation's principle of sustainability - looking beyond immediate needs to consider the long-term future of our employees, clients, customers, partners and suppliers.

Sustainability is paramount at Zuellig Pharma as our unique position in the healthcare ecosystem unlocks a tremendous potential to make a positive impact on the communities that we serve.

We have an unwavering sustainable vision to build a healthier future for Asia by focusing on four key pillars of **Improving Health Outcomes, Nurturing Talent, Respecting the Environment** and **Setting the Highest Standards of Integrity** that make up our sustainability framework.

Since establishing the framework, our progress on each of these pillars has shaped our **Sustainability Policy** to serve as a guide for how we define sustainable development at Zuellig Pharma. I hope that the principles articulated in this Policy lay out a clear guidance for how we can partner our stakeholders around this very crucial agenda for our world. This Policy will serve as an overarching document supported by robust existing environmental, social and governance policies.

We continue our firm commitment to driving a healthier future for all in the region, and I look forward to your continued partnership as we persevere on our sustainability journey.



John Graham
Chief Executive Officer
Zuellig Pharma

1. Key principles of Sustainability at Zuellig Pharma

1.1 Purpose of Zuellig Pharma’s Sustainability Policy

The Zuellig Pharma Sustainability Policy seeks to establish a clear picture of the vision we have for sustainability, and key commitments to progress founded on our sustainability pillars. This serves as an overarching generic policy for all our other sustainability-related policies, which have been included under the environmental, social and governance commitment sections of this document.

1.2 Scope

The commitments identified here are applicable for all employees, clients, customers, partners and suppliers. You are an integral part of our ecosystem, and we look forward to working collaboratively to build a healthier future for Asia.

This Policy is effective as of **26 Jan 2021** and supersedes all prior policies in effect throughout the Company. This Policy is owned by the Sustainability Team. In the event that any of the provisions of this Policy are deemed inconsistent with local ordinances or laws, the stricter standard must be followed (i.e. if the requirements of local ordinances or laws are stricter than the requirements of this Policy, then the local ordinances or laws shall prevail and must be followed). Any questions regarding interpretation or administration should be sent to Sustainability@zuelligpharma.com.

1.3 Zuellig Pharma’s commitment to building a healthier future for Asia

Making healthcare more accessible in Asia has underpinned Zuellig Pharma’s business throughout our hundred-year history and has seen us grow to become one of the leading providers of healthcare services in the region.

In alignment with how the United Nations (UN) defines sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”, our approach to business has always adopted a similar mindset of looking beyond our immediate needs to consider the long-term future of our stakeholders.

Zuellig Pharma recognises that with our extensive networks in Asia and reinforced digital capabilities, we have significant capability to positively impact the communities we serve. We commit to doing this in the way we know best – through a focused purpose on **making healthcare more accessible**. This mission will be realised through four key sustainability pillars of **Improving Health Outcomes**, **Nurturing Talent**, **Respecting the Environment** and **Setting the Highest Standards of Integrity**.

Sustainability Framework



2 Our commitment to align with International Standards

2.1 EcoVadis

Built into our sustainability strategy are core principles of Ethics, Labour, Environment and Sustainable Procurement as outlined by sustainability ratings specialist EcoVadis. Zuellig Pharma commits to focus on EcoVadis as a primary certifying body as its standards are widely used within the healthcare industry and beyond. EcoVadis also provides strong guidelines for progress as we continue our sustainability journey.

Our most recent EcoVadis scoring is located [here](#).

2.2 UN Global Compact

Zuellig Pharma will act in accordance with the Ten Principles of the UN Global Compact. Zuellig Pharma joined the UN Global Compact as a signatory in October 2019, and continuously commits to furthering these principles through submitting an annual Communication on Progress to the UN Global Compact.

Zuellig Pharma supports the mission of the United Nations Global Compact to

**MOBILIZE A GLOBAL MOVEMENT OF
SUSTAINABLE COMPANIES AND STAKEHOLDERS TO
CREATE THE WORLD WE WANT**



Our Communication on Progress reports are located [here](#).

2.2 GRI Standards

Zuellig Pharma will publish our sustainability reports in alignment with prevailing Global Reporting Initiative (GRI) Standards, in support of international efforts for consistent sustainability reporting.

Our latest Sustainability Reports are located [here](#).



3. Respecting the Environment Environmental Commitments

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

Respecting the Environment is a key pillar upon which our sustainability strategy is founded. It covers Zuellig Pharma's key material issues of **climate resilience, climate change mitigation and energy efficiency, responsible waste management, and environmental compliance**. Through addressing these material issues, our pillar goals are to:

Achieve lowest carbon impact on the environment

Build resilient infrastructure & systems

We are therefore committed to complying with environmental laws and regulations in all countries we operate in. We are 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.

In addition, we are proactively working on collecting and defining meaningful environmental indicators and investment strategies for our business in the areas of **Greenhouse Gas (GHG) Emissions, Water, Waste and Energy Consumption**.

In order to ensure our facilities and systems are resilient to climate changes and natural disasters, we partner closely with FM Global to conduct annual facility risk assessments for key facilities in each country, with recommendations actioned upon.

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

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

Our [Code of Conduct](#) and [Environmental Policy](#) set out how we maintain environmental standards at Zuellig Pharma. These policies are reviewed on a regular basis to ensure compliance to the latest international standards.

Should we identify any risks related to our environmental actions, we will take the necessary steps to mitigate these risks to the greatest possible extent possible. All suppliers will need to acknowledge our [Supplier Code of Conduct](#) that includes an expectation to operate in an environmentally friendly manner and in strict compliance with all applicable environmental laws and regulations.



4. Nurturing Talent Social Commitments

The cornerstone of Zuellig Pharma is our employees working across Asia and the suppliers we partner with. Their health, wellbeing and engagement is vital for the success of our business. We are committed to ensuring we attract, develop and motivate a diverse workforce. In doing so, we hope to encourage cultures and behaviours that will drive a sustainable business.

Nurturing Talent is a key pillar upon which our sustainability strategy is founded, covering Zuellig Pharma's material issues of **talent recruitment, development and retention, workplace health and safety, employee wellbeing and engagement** as well as **diversity and inclusion**. Through addressing these material issues, our pillar goals are to:

- Provide a conducive environment for work
- Enable individuals to become their best selves

Our social commitments are aligned with labour principles contained within the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the Pharmaceutical Supply Chain Initiative and ILO Core Conventions on Labour Standards. In accordance to the **United Nations Global Compact's Principles 1 to 6**, our commitments cover the following areas:

- **Freedom of Association & Collective Bargaining:** Zuellig Pharma respects an employee's right to join, form or not to join a labour union, seek representation, bargain or not bargain collectively in accordance with local laws and without fear of reprisal, intimidation, or harassment.
- **Elimination of Forced or Compulsory Labour:** Zuellig Pharma does not tolerate any form of forced labour, including debt bondage, indentured labour or involuntary prison, or any involvement in human trafficking. This includes transporting, harbouring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for labour or services. We will not unreasonably restrict workers' freedom of movement throughout company-provided facilities, nor unreasonably restrict workers' entering or exiting company-provided facilities.
- **Abolition of Child Labour:** Zuellig Pharma shall not employ children below the minimum age for employment according to applicable regional law, in any case not under the age of 15. We shall ensure that persons under the age of 18 do not perform any offshore duties or undertake any hazardous work that could jeopardize their health or safety, including night shifts and overtime.
- **Anti-Discrimination:** Zuellig Pharma does not tolerate discrimination based on race, gender, sexual orientation, religion, political opinion, nationality, social origin and status, indigenous status, disability, age or all other aspects unrelated to an individual's ability to perform work.

- **Diversity & Inclusion:** Zuellig Pharma strives to maintain an inclusive work culture where each employee is valued. We commit to offering equal opportunity to join and grow within the company according to performance and potential. This applies to practices on recruitment; selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and an ongoing development of a work environment built on the premise of diversity equity. Our supplier diversity strategy is closely aligned with our sustainability strategy. We are committed to sustaining relationships with diverse businesses, supporting suppliers from local communities where we operate.
- **Harassment & Abuse:** Zuellig Pharma does not tolerate disrespectful or inappropriate behaviour, unfair treatment, or retaliation of any kind. The organisation will protect workers from any acts of physical, verbal, sexual or psychological harassment, bullying, abuse or threats in the workplace by fellow workers or managers. This is guided by our *Anti-Discrimination & Harassment Policy*.

When an act of harassment is committed, the following channels are available for the complainant to report the incident: HR, Speak Up Channel and others. Any employee found violating the provisions of the Anti-Discrimination and Anti-Harassment Policy shall undergo disciplinary action or termination depending on the gravity of the offence. Employees found guilty of sexual harassment shall be terminated from employment.

- **Workplace Health & Safety:** Zuellig Pharma is committed to providing a healthy, safe and conducive work environment to all employees, contractors and suppliers and any others involved in or affected by its operations. We will do this through upholding the highest standards of operational excellence in our facilities and offices. We have a robust workplace health and safety programme in place that has enabled us to meet health and safety requirements across all our markets. This is driven by Health & Safety Managers in all countries and guided by our [Workplace Health & Safety Policy](#).
- **Working Conditions:** Zuellig Pharma treats all employees, contractors and suppliers fairly, whether on company premises or offsite under telecommuting agreements. Working hours comply with national laws. All employees are entitled to holidays and leave periods compliant with local laws and agreements. Our [Supplier Code of Conduct](#) states that suppliers are also expected to provide their employees with fair compensation and benefits, including minimum wages, overtime hours and other benefits mandated by law.

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



5. Setting Highest Standards of Integrity Governance Commitments

Zuellig Pharma's rich business tradition in Asia is fostered over decades of service to our partners and healthcare stakeholders, built upon the unwavering integrity of our employees and suppliers. Our important role in the healthcare industry demands that we uphold the highest ethical standards in all aspects of business, particularly in anti-bribery and corruption, data privacy and security, and product quality. Our commitment to these standards is a fundamental ingredient of business success, and the cornerstone of an unrivalled reputation for trust, transparency and service.

Setting the Highest Standards of Integrity is a key pillar upon which Zuellig Pharma's governance commitments are founded, including the material issues of **product quality and security, anti-bribery and corruption, data privacy and security, responsible sales and marketing, and sustainable procurement**. We are also leveraging our strong digital expertise by using blockchain to tackle **counterfeit products and parallel trade**. Through addressing these material issues, our pillar goals are to:

Remain a trusted partner for our stakeholders

Operate responsibly

Leverage unique capabilities to improve supply chain transparency

Our approach to setting the highest governance standards is outlined through the following commitments:

- **Product Quality & Security:** We operate a robust quality management system that ensures product integrity, product security, patient safety and a vibrant culture of quality. We commit to doing this through:
 - Adopting Best Practices (Internal Benchmarking)
 - Aiming for Best of Breed (External Benchmarking)
 - Digitising Processes and standardising Value-Driven Systems
 - Contributing organizational value with focused metrics for more proactive Quality Risk Management
 - Building a family of quality practitioners who uphold Zuellig Pharma's Culture of Quality

Our internal *Security Policy* sets out guidelines for how we maintain the highest level of supply chain security within our business.

- **Anti-Bribery & Corruption:** Zuellig Pharma takes a firm and uncompromising stance against all forms of corruption. We are committed to ensuring all interactions with clients, partners, suppliers and government are conducted with openness and transparency, in strict compliance with applicable anti-corruption laws. Our [Code of Conduct](#), [Anti-Corruption & Anti-Bribery Policy](#), [Conflicts of Interest Policy](#), [Interactions with Healthcare Providers Policy](#), [Gifts and Hospitality](#)

Policy and Third Party Anti-Corruption Due Diligence Policy set out how we maintain anti-corruption standards at Zuellig Pharma. There are compliance officers in all markets to ensure our employees and suppliers act according to the highest ethical standards and abide by the [Code of Conduct](#) and anti-corruption policies. Suppliers, in doing business with Zuellig Pharma are also required to adhere to our [Supplier Code of Conduct](#) that includes our expectations to uphold the right ethical standards and strict compliance with all applicable anti-corruption laws and regulations.

- **Responsible Sales & Marketing:** Healthcare companies are pivotal in helping the public make informed decisions on medicine usage. Through our *Interactions with Healthcare Providers Policy*, and by implementing robust *Promotional Materials Standard Operating Procedures* and *Pharmacovigilance Standard Operating Procedures*, coupled with the requirements of applicable local laws, regulations and industry codes, we ensure our sales and marketing personnel adhere to strict standards of compliance in their communications and interactions with healthcare providers and consumers alike.
- **Sustainable Procurement or Responsible Sourcing:** Our sustainable procurement goal is to have a positive environmental, social and economic impact across our supply chain, as we ensure cost efficiency and security of critical services. Our Global Sustainable Procurement Policy provides clear direction for employees who lead or take part in selecting and managing our external suppliers in terms of sustainability. Our priority areas include:
 - Upholding the Right Ethical Standards
 - Championing Fair Labour Practices
 - Caring for the Environment
 - Demonstrating Health and Safety
 - Showing Transparency Through Reporting and Governance

Suppliers are guided by our [Supplier Code of Conduct](#) and we have a pragmatic approach – we understand that smaller local suppliers may not be able to immediately comply with all our requests. For example, while some of our smaller local partners will not be able to comply immediately with all sustainability criteria, we take an inclusive approach by registering their willingness to comply with our requirements. We then work with them on a phased roadmap to achieve shared goals.

- **Data Privacy & Security:** Zuellig Pharma collects data from individuals and businesses in the course of its business in compliance with all applicable laws and regulations. We will treat all personally identifiable information and other confidential or sensitive information with fairness and respect and ensure its integrity, reflective of our stewardship responsibility for the information entrusted. Regarding data security, we aim to ensure the required level of confidentiality and integrity of any information is always maintained, with proper information available only to authorised users. Our data privacy and security practices are governed by the *Corporate Data Privacy Policy* and *Information Security Policy*.

These policies are reviewed on a regular basis to ensure compliance to the latest international standards. Should we identify any risks related to any of the material issues above, we will take the necessary steps to mitigate these risks to the greatest possible extent possible.



6. Beyond ESG: Improving Health Outcomes Making healthcare more accessible

Zuellig Pharma recognises the unique role we play in the healthcare ecosystem, and the inherent positive impact brought about by our work of making healthcare more accessible in Asia. For this reason, our Sustainability Policy goes beyond Environment-Social-Governance (ESG) commitments to highlight how we continue our crucial work of improving health outcomes.

Some of the poorest communities in Asia are struggling to access quality healthcare, including receiving much-needed treatments and vaccines. The region is also battling a rise in complex lifestyle diseases that are increasing the cost of healthcare. Strong partnerships will accelerate our collective impact in building a healthier future for Asia, and we hope that the following principles will give insights on the many ways that our clients, customers, partners and suppliers can work with us to build a healthier future for Asia.

Improving Health Outcomes is a key pillar upon which we define how we intend to address making healthcare more accessible in the region. The material issues we want to tackle are access to healthcare, affordability, community engagement, preventative care and enabling healthcare professionals. Through addressing these material issues, our pillar goals are to:

Reduce burden on the healthcare system

Harness partnerships and digital solutions to impact health of local communities

We strive to improve health outcomes through:

- **Access to Healthcare:** Zuellig Pharma will stay true to our time-tested principle of ensuring that physical access to medicines in our portfolio remains optimal through providing robust warehousing, logistics, registration and commercialisation services. We aim to apply an innovative approach towards developing last-mile solutions that bring vital medicines to remote populations, as well as creating digital solutions that will enable stakeholders enhanced healthcare reach.
- **Affordability:** Zuellig Pharma defines affordability as reducing the overall burden of costs on the entire healthcare ecosystem. Our payor initiatives will offer a sustainable way to bring the most efficient and waste-free gap closing solutions to stakeholders. We will also continue with our patient affordability programmes, including reimbursement and instalment programmes, to ease financial burdens on patients. We also seek collaboration on providing more disease management programmes, including early disease detection and prevention, all with the aim of easing overall healthcare costs for the healthcare industry.

- **Preventative Care:** Aligned with the United Nations Sustainable Development Goals 3.3 and 3.4, we aim to address the important issue of preventative care through working with stakeholders on disease awareness programmes and vaccination programmes for non-communicable and communicable diseases. We will also ensure pandemic preparedness readiness within Zuellig Pharma by putting in place robust business continuity plans in each country in case of an infectious disease outbreak.
- **Community Engagement:** When it comes to our community engagement programmes, Zuellig Pharma will focus our efforts on encouraging healthy behaviours, increasing disease awareness or improving access to healthcare. We seek to partner with clients, customers, suppliers and governments on the above areas in order to have a positive impact on employees, partners, patients and local communities.
- **Enabling Healthcare Professionals:** We believe that we have the tools at hand to provide healthcare professionals with enhanced reach and coverage. We seek to partner clients and customers in using our innovative technology solutions and applications to help healthcare service providers (doctors, nurses, pharmacists etc.) to improve access of healthcare services and information for patients in the region.



7. References

Related Online Policies and Guidelines

- [Zuellig Pharma Code of Conduct](#)
- [Zuellig Pharma Supplier Code of Conduct](#)
- [Anti-Corruption & Anti-Bribery Policy](#)
- [Workplace Health & Safety Policy](#)
- [Environmental Policy](#)
- [Sustainability GRI Report](#)

Partner with Zuellig Pharma on Sustainability and join us in making healthcare more accessible for all.

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