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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. It incorporates our sustainability pillars of **Nurturing Talent** and **Respecting the Environment** centred around **Improving Health Outcomes**, with the two hands representing the trust that our stakeholders put in us in **Setting the Highest Standards of Integrity**.

ABOUT THIS REPORT

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.

This first sustainability report reflects our commitment to operating with the mindset of long-term value creation and with accountability, as we embark on this sustainability journey in partnership with our clients, customers, suppliers and partners.

BOUNDARY AND SCOPE

102-46, 102-50, 102-51, 102- 52

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

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

REPORTING APPROACH AND FRAMEWORK

102-54, 102-56

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. A GRI Content Index detailing the specific standards applied and disclosures reported is available on our website, please refer to page 59 of this report.

The data included in this report has undergone a rigorous internal review. We have not sought external assurance for this inaugural report but plan to do so in future reports.



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

MESSAGE FROM OUR CEO

102-14

Dear stakeholders,

I am pleased to present to you our first Sustainability Report, which aims to capture sustainability in action at Zuellig Pharma and communicate how we are integrating sustainability into our business.

2020 has challenged the world in myriad ways, and the impact of COVID-19 has been felt in all the communities that we serve. I stepped into my new role as CEO during this unprecedented time when our mission of making healthcare more accessible was more pressing than ever. What was most heartening for me was witnessing the spirit and tenacity of our Zuellig Pharma employees and their daily commitment to living out this focused purpose.

As one of the largest healthcare services providers in Asia, we partnered with governments to ensure unhindered access to critical medicines for over 350,000 hospitals, clinics and medical centres that we serve across our 13 markets as they battled the pandemic. Beyond maintaining supply chain continuity, our priority was in ensuring the health and safety of our 12,000 employees, especially our frontline staff who worked tirelessly to fulfil critical operations roles.

As we continue in the global fight against COVID-19, sustainability remains paramount to Zuellig Pharma.

We will uphold the principle of sustainability in considering positive outcomes for future generations while meeting immediate stakeholder needs. We have laid a firm foundation with the development of a sustainability framework that outlines four key impact pillars.



John AG

JOHN GRAHAM
CHIEF EXECUTIVE OFFICER
ZUELLIG PHARMA

Having joined the **United Nations Global Compact** in 2019, we continue to build on our commitment to support the sustainable development agenda and actively work towards our vision of **building a healthier future for Asia**.

It has truly been a year of impact amidst the challenging times. We achieved the **EcoVadis Silver Medal 2020** for our sustainability efforts, placing us among the top 3% of companies in our industry assessed by the sustainability ratings specialist. We also embarked on an exercise to assess our carbon footprint and examine how we can reduce carbon emissions within our operations.

This has also been a year of firsts: Our inaugural **Sustainability Month** in November saw over 7,000 employees celebrate sustainability in action by participating in future-focused activities around each sustainability pillar. These were reinforced by **World Quality Day** and **Safety Week** initiatives which united our workforce behind these two important material issues. We also welcomed the active involvement of our suppliers in our first-ever **Supplier Sustainability Awards** held in conjunction with Sustainability Month. Our people are the heart of Zuellig Pharma, and I am glad to witness an immense passion and enthusiasm for sustainability within the organisation.

As we look back on the year, we take away lessons for the future but also remember how we stood strong as one **#ZPUnited**. I am immensely proud of the progress made, which would not be possible without our employees, clients, customers, suppliers and partners working alongside us to build a healthier future for the region.

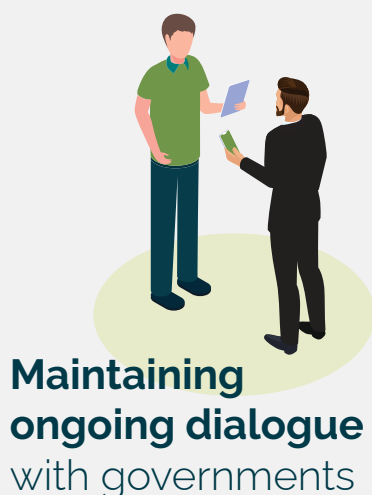
Launching this report is a significant milestone for us. I hope it provides you with a glimpse into **#SustainabilityInAction** at Zuellig Pharma and an understanding of our deep commitment to making healthcare more accessible in Asia for the long-haul.

I look forward to your continued partnership as we persevere on our sustainability journey.

JOINING THE FIGHT AGAINST COVID-19

The global COVID-19 crisis has brought about significant disruption around the world. It has been more important than ever for us to ensure that essential medicines continue to be available to those who need them most. At the same time, the health and safety of our people and communities are of utmost priority as we continue to fulfil our mission of making healthcare more accessible during the pandemic.

PREVENTING A LOGISTICAL LOCKDOWN TO OUR SUPPLY CHAIN



Working with governments and healthcare associations across the region has always been an integral part of our business. During this unprecedented time, it has been an even bigger priority to ensure the continued movement of critical medical supplies by maintaining an ongoing dialogue and close cooperation with relevant authorities.

In the face of lockdowns, we obtained exemption letters from governments to allow freedom of movement for our frontline employees and transport partners across checkpoints and provincial borders. This ensured that all land deliveries of essential medicines and healthcare supplies continued.

In geographically complex countries, we faced additional challenges like the suspension of domestic passenger flights. In the Philippines, we tackled the issue by working with the Philippine Air Force to charter flights to transport medication to the Visayas and Mindanao regions.



During this time, we expedited the launch of digital solutions like eZRx in several markets to enable our customers to place orders for prescription drugs, medical devices, or consumer health products virtually — anytime, anywhere.

To improve access to health services, we worked closely with local health authorities and doctor associations to launch eZConsult, a telemedicine application, to serve the large numbers of people seeking medical consultation online amidst lockdowns and social distancing measures.

Our data analytics team and wholly-owned subsidiary Klinify have also added several features to provide real-time insights about COVID-19 trends, helping doctors, customers and clients to improve patient outcomes.



Since the early onset of the pandemic, we have been firmly committed to preventing disruptions to the supply chains, while taking precautionary measures to protect our teams. Our Business Continuity Plans have been tested in real time and have held up well.

In Taiwan, our team worked closely with the Taiwan Center for Disease Control, and in Malaysia with Ministry of Health, to implement measures that minimise the risk of virus transmission within our premises. This includes comprehensive safe-distancing measures and regular communication with employees to ensure compliance.

PROTECTING AND CARING FOR OUR PEOPLE

The safety and wellbeing of our employees is our highest priority, and we launched numerous initiatives across our markets to help our employees feel secure and productive as they continue working to make healthcare more accessible. Frequent updates were sent to employees from senior management assuring them of company support and policies to safeguard health and wellbeing.



INDONESIA

Weekly updates with tips on how to work or learn from home and stay safe while commuting to work



HONG KONG & MACAU

Provision of care packages to all employees including vitamin C tablets, fruits, surgical mask and hand sanitisers



KOREA

Personalised message on the COVID-19 situation was sent to each employee, with an emergency mobile contact line being made available for issues or questions



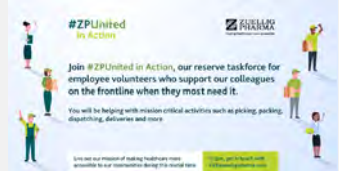
SINGAPORE

WhatsApp broadcast channel set up to allow employees to receive timely updates, especially for those with no convenient access to emails

A company-wide **#ZPUnited** movement was launched to recognise and encourage employees. Client appreciation notes were also shared with each country team.



The #ZPUnited campaign saw over 100 posts within a week on internal social platforms



A #ZPUnited in Action employee volunteer taskforce to support colleagues with mission-critical activities attracted over 2,000 volunteers

SUPPORTING LOCAL COMMUNITIES

We also sought to support frontline efforts and the communities in which we operate.

In Thailand, we provided free delivery and distribution of COVID-19 treatment medications to the Department of Medical Services and hospitals within the nation-wide network of the Ministry of Public Health.

In the Philippines, we launched Project Kaagapay with our partners, MDI, Go Negosyo and ABS-CBN, to provide personal protective equipment (PPE) for hospitals and ventilators for COVID-19 referral hospitals.

With donations from Zuellig Pharma and individual contributions from employees, our Myanmar team donated 800 sets of PPE and a significant amount of medical supplies to Myanmar's Containment and Emergency Response COVID-19 Committee and various medical institutions.

Much has happened and continues to unfold. We are proud that as #ZPUnited, we have adapted remarkably well in the face of change and challenges, and can only grow stronger together.

HIGHLIGHTS OF THE YEAR

Improving Health Outcomes

131
Patient Access Programmes for **229,768** patients




>76,000 patients supported through our Affordability Programmes

With **~ USD2.3 million** worth of redemptions for medication



> 2,000,000 vaccine doses administered at events across the region since Zuellig Pharma began operations




Improved health literacy for **>485,000** people

through **198** disease awareness programmes



Engaged **>40,000** healthcare professionals through **335** digital education programmes



Enabled **>86,000** healthcare professionals to better serve their patients with the adoption of digital solutions like eZRx and eZConsult



Nurturing Talent

Providing employment for **12,029** people in **13** markets



40 graduates from regional talent development programmes



340,806 hours in staff training to develop skills and competencies



>7,000 employees engaged through activities in our inaugural Sustainability Month



Zero fatalities as a result of work-related injury



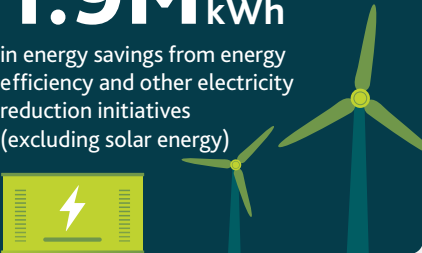
>600 employees attended our first Safety Week virtual event to learn about workplace health & safety



HIGHLIGHTS OF THE YEAR

Respecting the Environment

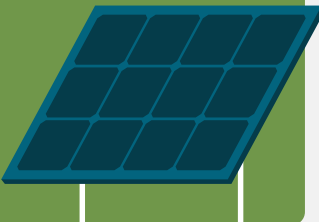
1.9M kWh
in energy savings from energy efficiency and other electricity reduction initiatives (excluding solar energy)



3R
Reduce-Reuse-Recycle programmes implemented in all our 13 markets to aim for **10%** yearly reduction in packaging waste



2M kWh
generated through pilot solar panels to power our own operations in Taiwan and Vietnam



27 operational locations reinforced with climate risk mitigation measures

Setting the Highest Standards of Integrity

5,000
units of our innovative cold-chain solution eZCooler deployed across Asia to protect integrity of temperature-sensitive products



6 operational sites certified by TAPA (Transported Asset Protection Association) assuring the security of our logistics supply chain.



36,000
downloads of our eZTracker app to help improve supply chain traceability and fight counterfeit drugs

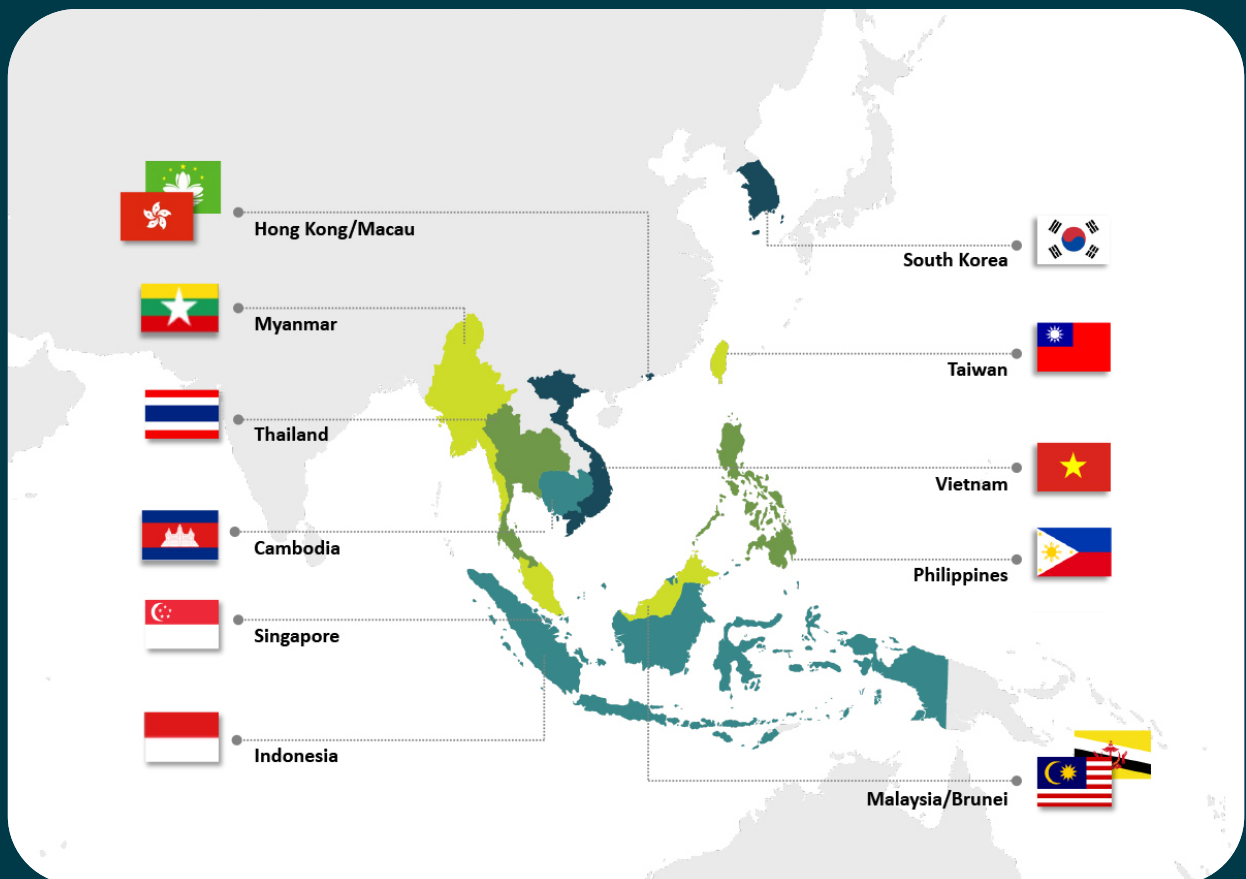


Communicated to **>12,000** employees on anti-corruption policies and procedures



ABOUT ZUELLIG PHARMA

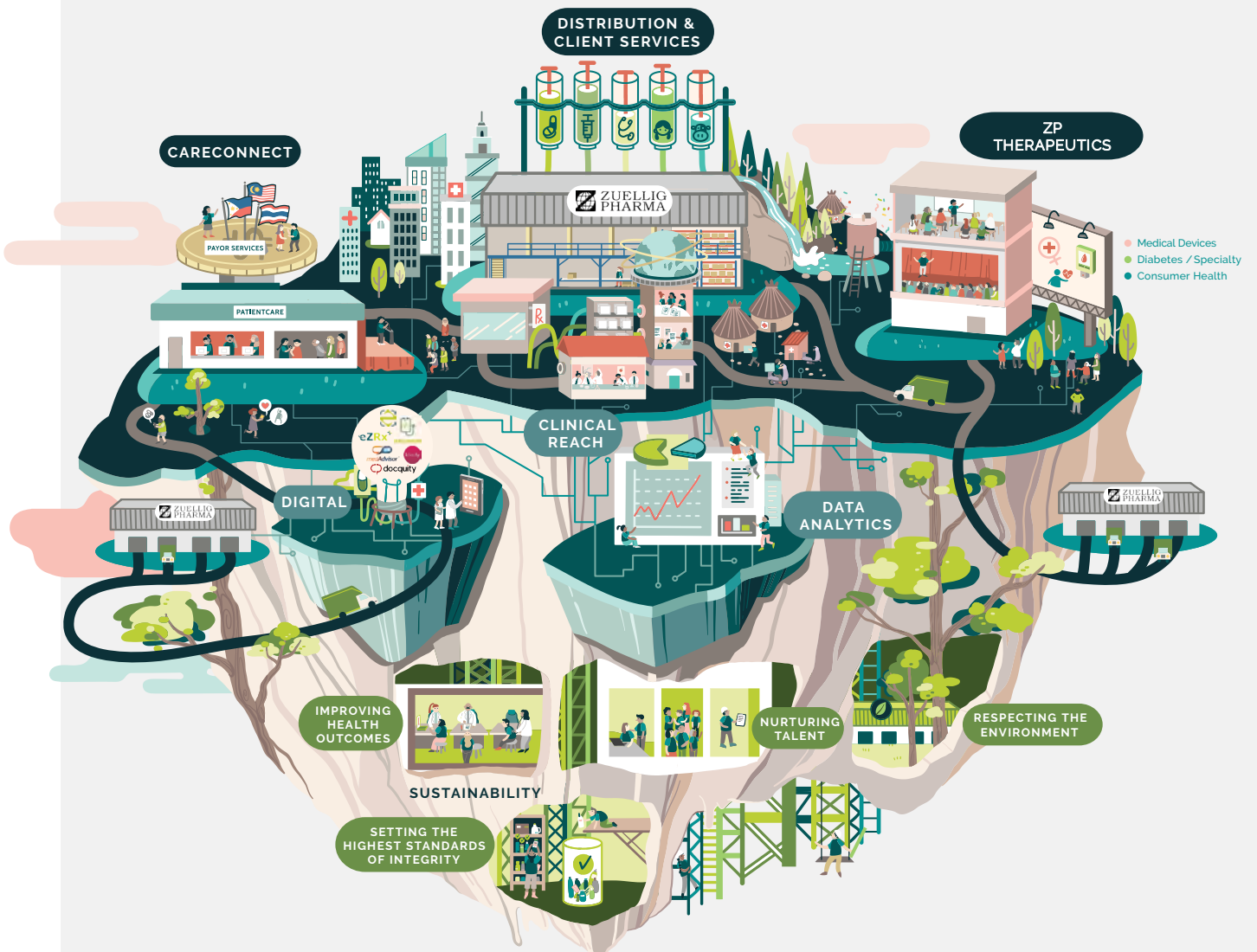
102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7



Zuellig Pharma is one of the largest healthcare services groups in Asia and is part of the Zuellig Group, a privately-owned company. We are headquartered in Singapore.

The company was started almost a hundred years ago and has grown to become a US\$13 billion business covering 13 markets with over 12,000 employees. We serve over 350,000 medical facilities and work with over 500 clients, including the top 20 pharmaceutical companies in the world.

Our focus in Asia since the beginning makes us familiar with its diverse cultures and needs, and how the healthcare environment is evolving. We recently launched the Zuellig Health Solutions Innovation Centre to develop new services and address pressing healthcare needs in Asia. These enable us to provide a suite of business solutions and services to support the growing healthcare needs in this region. They cover distribution, digital, commercial, clinical reach, patient care 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



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



PATIENT CARE

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

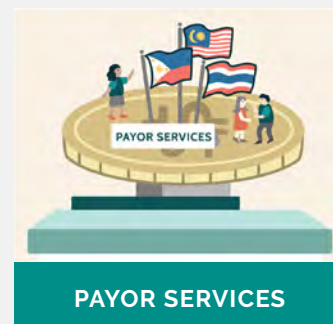
- Patient Education & Public Awareness
- Affordability Solutions
- Disease Management & Patient Engagement Programmes
- Mass Vaccinations



DATA ANALYTICS

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

- Market Intelligence
- Analytics Advisory



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



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

102-16

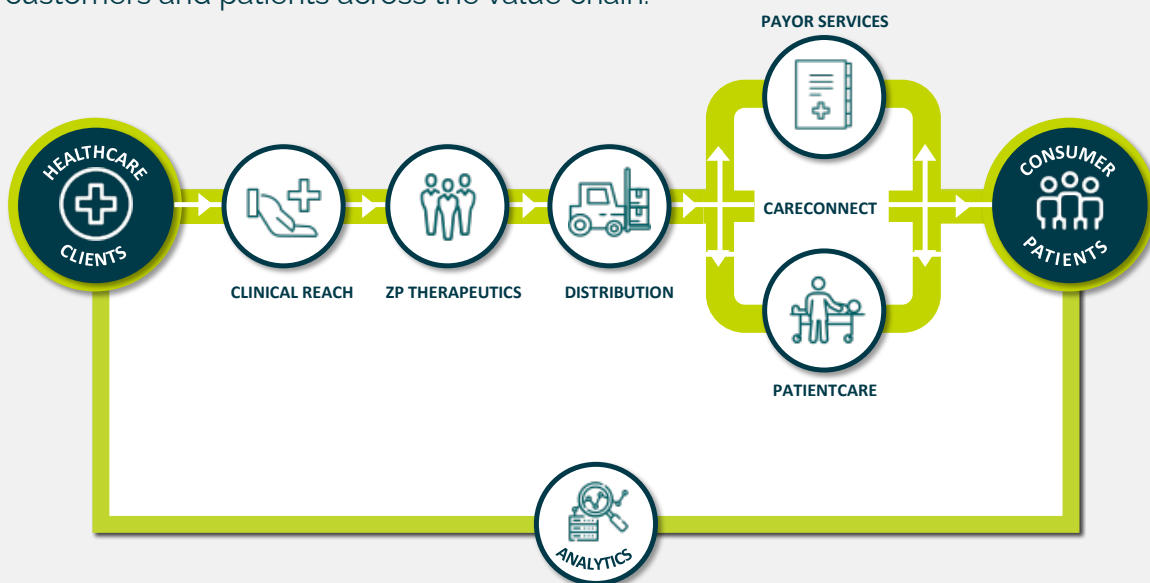
Being true to our mission of **Making Healthcare More Accessible** has led us to where we are today and will continue to guide us in our growth.

Our **Core Values** are the driving force behind who we are and what we do. They inspire us to always put the needs and wellbeing of the people and communities we serve first.

VALUE CHAIN OF OUR BUSINESS

102-9

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



- Integrity & Trust**
 BUILD OPEN HONEST RELATIONSHIPS
- Collaboration**
 BUILD PARTNERSHIPS INTERNALLY AND EXTERNALLY
- Innovation**
 BE CREATIVE AND OPEN-MINDED
- Passion for Excellence**
 BE DETERMINED TO DELIVER ONLY THE BEST
- Personal Growth**
 PURSUE PROGRESS AND LEARNING

OUR MEMBERSHIPS AND ASSOCIATIONS

102-12, 102-13



We joined the United Nations Global Compact 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 firmly committed to supporting the Global Compact and implementing its Ten Principles across our 13 markets.



CLICK HERE TO READ OUR LATEST COMMUNICATION ON PROGRESS.



We are part of the BSR Healthcare Working Group. BSR is a global non-profit organisation working to build a just and sustainable world. We contribute to develop research and resources that help overcome the major challenges to reducing the burden of disease and improving global health outcomes.



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



Zuellig Pharma received a Silver medal from sustainability ratings specialist EcoVadis for our commitment to driving sustainability within our business. This ranks Zuellig Pharma among the top 25% of all companies assessed by EcoVadis, and within the top 3% of its industry.

SUSTAINABILITY AT ZUELLIG PHARMA



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 key stakeholders.

In 2019, we embarked on a journey to formally embed this philosophy into our business and make sustainability an integral part of our long-term strategy with the development of a sustainability framework. As 2020 unfolded in unprecedented and unpredictable ways, our sustainability vision to build a healthier future for Asia has never been more important.

Working towards this vision, we identified 22 material sustainability issues on which we have significant environmental, social and economic impact. These material issues sit under four sustainability pillars which define what sustainability means to us. They form the foundation and focus of our efforts to drive long-term value for the business and our stakeholders.

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



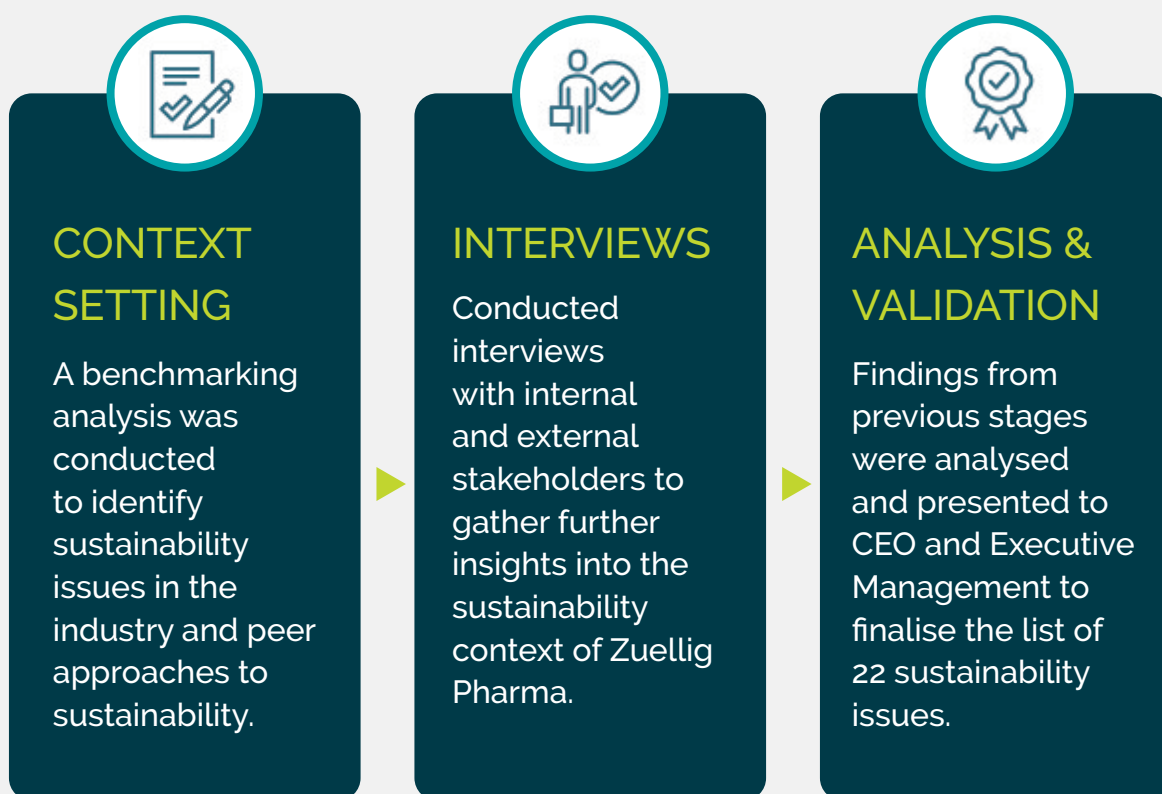
Setting The Highest Standards Of Integrity

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

MATERIALITY ASSESSMENT

We undertook a comprehensive process of identifying and assessing our material sustainability issues, as the basis to developing our sustainability framework.

As part of this process, we conducted 45 interviews with key internal and external stakeholders to understand their perspectives on the sustainability topics 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:



To ensure we remain relevant and are aware of any shift in importance of the current list of topics, we will conduct a light-touch review of our material topics each year, with more comprehensive assessments undertaken every few years.



OUR MATERIAL SUSTAINABILITY TOPICS

102-46, 102-47

ACCESS TO HEALTHCARE

Enable access to medicines through:

- Warehousing and logistics services to ensure geographical access, including innovative last mile solutions that bring vital medicines to remote populations
- Digital solutions that unlock greater efficiency and reach for healthcare professionals
- Registration and commercialisation of products not otherwise available in countries

AFFORDABILITY

Reduce overall cost of healthcare by:

- Minimising abuses and cost leakage across the supply chain
- Promoting patient adherence and disease management
- Providing patient assistance and instalment programmes

COMMUNITY ENGAGEMENT

Improving health outcomes of the communities we operate in by:

- Engaging our employees and local communities around sustainable healthy behaviours and access to healthcare

PREVENTATIVE CARE

Increase disease awareness, support access to vaccines and preventative healthcare services.

ENABLING HEALTHCARE PROFESSIONALS

Provide medical advancement to the healthcare community and expanding access to patients through ZP Therapeutics' innovative solutions and services, enriched by a deep understanding of the healthcare industry.

TALENT RECRUITMENT, DEVELOPMENT & RETENTION

Nurture talents by recruiting the right individuals and developing them to reach their best potential.

WORKPLACE HEALTH AND SAFETY

Create a safe working environment for all employees through:

- Implementing and enforcing proper safety training and education
- Upholding highest standards of operational excellence in facilities and offices

EMPLOYEE WELLBEING

Promote physical and mental wellbeing of all employees.

EMPLOYEE ENGAGEMENT

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

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

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

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.

OUR MATERIAL SUSTAINABILITY TOPICS (CONT.)

CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY

Reduce carbon emissions through:

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

RESPONSIBLE WASTE MANAGEMENT

Reduce and manage:

- Waste within facilities and offices

PRODUCT QUALITY AND SECURITY

Ensure product integrity, product security, patient safety and a vibrant culture of quality.

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.

BRIBERY AND CORRUPTION

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

RESPONSIBLE SOURCING

Engagement with our suppliers to institute, monitor and improve sustainable procurement practices that have a positive environment, social and economic impact across the purchasing and supply management lifecycle, whilst upholding company needs for cost efficiency and security of critical supply. These include addressing environmental challenges, promoting fair labour practices and partnering for innovation.

PUBLIC POLICY

Support 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.

COUNTERFEIT PRODUCTS & PARALLEL TRADE

Roll out eZTracker solution to empower all parties in the healthcare ecosystem (including patients) to detect and fight counterfeit products and parallel trade.

RESPONSIBLE SALES AND MARKETING

Enable patients to make informed decisions on medicine usage.

SUSTAINABILITY GOVERNANCE

102-18, 102-20

Driving sustainability throughout the organisation requires strong leadership support. This is why we have set up a governance structure with our Board of Directors, CEO and executive management team steering our sustainability agenda. 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 the material issues, and outline roadmaps to achieve desired goals for the pillar. An established network of regional and country project management officers provides support and coordination on local activities.

SUSTAINABILITY POLICY

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



DETAILS OF OUR POLICY COMMITMENTS CAN BE FOUND HERE.



STAKEHOLDER ENGAGEMENT

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

An important aspect of our approach to sustainability is engaging our stakeholders openly and regularly, to understand and respond to their concerns, as well as to obtain their opinions and feedback to help us improve our practices and performance.

Our key stakeholders are identified based on their influence on and relevance to Zuellig Pharma, as well as our impact on them. The table below summarises some of 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:

STAKEHOLDER GROUP	KEY TOPICS OF INTEREST	OUR RESPONSE
<p>CLIENTS <i>HEALTHCARE COMPANIES</i></p> <p>Engagement Method and Frequency</p> <ul style="list-style-type: none"> • One-on-one communication from client development team through emails, meetings, etc. (Regular) • Digital Magazine (Regularly updated here) • LinkedIn and website news updates (Regular) 	<p>General sustainability progress</p>	<ul style="list-style-type: none"> • Developed Sustainability Policy to provide an overview of our approach to sustainability • Developed GRI-aligned sustainability report 2020 and UN Communication on Progress • Provided information through sustainability brochure and EcoVadis rating report
	<p>Respecting the Environment Pillar</p> <ul style="list-style-type: none"> • Climate Resilience • Climate Change Mitigation & Energy Efficiency • Responsible Waste Management • Environmental Compliance 	<ul style="list-style-type: none"> • Developed GHG Policy
	<p>Improving Health Outcomes Pillar</p> <ul style="list-style-type: none"> • Access to Healthcare, particularly during COVID-19 • Community Engagement • Affordability • Preventative Care • Enabling Healthcare Professionals 	<ul style="list-style-type: none"> • Regular COVID-19 operational status updates to clients from client development team • Ongoing partnerships
	<p>Integrity Pillar</p> <ul style="list-style-type: none"> • Product Quality & Security • Data Privacy & Security • Anti-Bribery & Corruption • Responsible Sourcing • Counterfeit Products & Parallel Trade • Responsible Sales & Marketing • Public Policy 	<ul style="list-style-type: none"> • Communicated our policies, programmes and certification on <ul style="list-style-type: none"> • Quality management • Data privacy and security • Pharmacovigilance, sales and marketing standards • Shared about Zuellig Pharma Code of Conduct and Supplier Code of Conduct • Established Government Affairs regional function • Robust Quality Management System & TAPA certifications • Implemented Third party IntegrityNext supplier questionnaires and monitoring, GHG scope 3 tracking

TABLE CONTINUES NEXT PAGE ►

STAKEHOLDER GROUP	KEY TOPICS OF INTEREST	OUR RESPONSE
<p>CUSTOMERS <i>HOSPITALS, CLINICS, PHARMACIES, RETAILERS AND HEALTHCARE PROVIDERS</i></p> <p>Engagement Method and Frequency</p> <ul style="list-style-type: none"> • 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 	<p>Improving Health Outcomes Pillar</p> <ul style="list-style-type: none"> • Access to Healthcare • Enabling Healthcare Professionals 	<ul style="list-style-type: none"> • 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
<p>EMPLOYEES</p> <p>Engagement Method and Frequency</p> <ul style="list-style-type: none"> • Townhall session (Annually) • Sustainability Sharepoint (Updated regularly) • Sustainability Digest (Quarterly) • Internal communications regional newsletter (Quarterly) • Yammer updates (Regularly) • Employee appraisals (Annually) 	<p>General sustainability awareness</p>	<ul style="list-style-type: none"> • Initiated our inaugural Sustainability Month in 2020 that engaged and raised awareness on sustainability topics • Integrated sustainability awareness and information into on-boarding programmes for new joiners • Communicated sustainability information through quarterly webinars, regional newsletters and other internal communication platforms
	<p>Nurturing Talent Pillar</p> <ul style="list-style-type: none"> • Talent Recruitment, Development & Retention • Employee Engagement & Wellbeing • Diversity & Inclusion • Workplace Health & Safety 	<ul style="list-style-type: none"> • Training and development programmes • Employee engagement and wellbeing programmes • Organising 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.

TABLE CONTINUES NEXT PAGE ►

STAKEHOLDER GROUP	KEY TOPICS OF INTEREST	OUR RESPONSE
<p>LOCAL COMMUNITIES</p> <p>Engagement Method and Frequency</p> <ul style="list-style-type: none"> • Client partnerships (Ongoing) • Community engagement and CSR programmes (Ongoing) 	<p>Improving Health Outcomes Pillar</p> <ul style="list-style-type: none"> • Access to Healthcare, particularly during COVID-19 • Community Engagement • Affordability • Preventative Care <p>Integrity Pillar</p> <ul style="list-style-type: none"> • Product Quality & Security • Data Privacy & Security • Anti-Bribery & Corruption • Counterfeit Products & Parallel Trade • Responsible Sales & Marketing 	<ul style="list-style-type: none"> • Continue to conduct and participate in community engagement and CSR programmes, as well as patient access and disease awareness programmes • Patient access programmes • Corporate social responsibility programmes <ul style="list-style-type: none"> • Robust Quality Management System • Information Security and Data Privacy Programmes • Anti-bribery & corruption programmes • Developed eZTracker to enable supply chain visibility and product authentication • Established pharmacovigilance and sales & marketing standards

<p>SUPPLIERS</p> <p>Engagement Method and Frequency</p> <ul style="list-style-type: none"> • 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) 	<ul style="list-style-type: none"> • Responsible Sourcing • Workplace Health & Safety • COVID-19 pandemic resilience strategy • Welfare & working conditions • Ethics and Compliance • Environmental compliance • Governance 	<ul style="list-style-type: none"> • Annual Supplier Sustainability Awards Day • Communicated Supplier Code of Conduct and encouraged adoption of procurement policy
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UNITED NATIONS GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

Zuellig Pharma joined 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 firmly committed to supporting UNGC and implementing its Ten Principles progressively in our business.

Our Communication on Progress outlines Zuellig Pharma's commitments, management systems and activities in the areas of human rights, labour, environment and anti-corruption. In each of these areas, we have identified key performance indicators to measure and report annually. We recognise that sustainability is a journey and are committed to developing challenging but achievable targets for these indicators to achieve our goals.



CLICK HERE TO READ OUR LATEST COMMUNICATION ON PROGRESS.



We believe we have an important role to play in the global agenda for sustainable development to contribute to a better, more sustainable future for all, by taking action in support of the UN's Sustainable Development Goals (SDGs). In assessing which SDGs are most relevant for our business and where we can have a significant positive impact, we identified SDG 3 as the key focus for our efforts, followed by SDGs 5, 7, 8, 12, 16 and 17 as areas where we can contribute directly or indirectly to address pressing needs.



Going forward, we plan to map our material sustainability issues against the SDGs, as well as our business activities and initiatives against the goals and their underlying targets.

IMPROVING HEALTH OUTCOMES

MATERIAL ISSUES:

- + ACCESS TO HEALTHCARE
- + AFFORDABILITY
- + PREVENTATIVE CARE
- + ENABLING HEALTHCARE PROFESSIONALS
- + COMMUNITY ENGAGEMENT



Some of the poorest communities in Asia struggle to access quality healthcare, including receiving much-needed treatments and vaccines. The region is battling a rise in complex lifestyle diseases that are increasing the cost of healthcare. Zuellig Pharma's Improving Health Outcomes pillar underscores our commitment to UN SDG 3 of Good Health and Wellbeing, specifically to SDG target 3.8 of providing access to affordable and quality healthcare services, essential medicines and vaccines for all.

ACCESS TO HEALTHCARE

103-2, 103-3

Making healthcare more accessible is our core purpose and at the heart of our operations. Ageing populations and the evolving burden of disease are key contributors to rapidly increasing healthcare costs. In addition to battling the COVID-19 pandemic, Asia is also facing a significant rise in chronic illnesses such as diabetes and cardiovascular diseases. Despite massive efforts, many large rural populations still struggle to access healthcare services, due to underdeveloped infrastructure and a shortage of healthcare professionals.

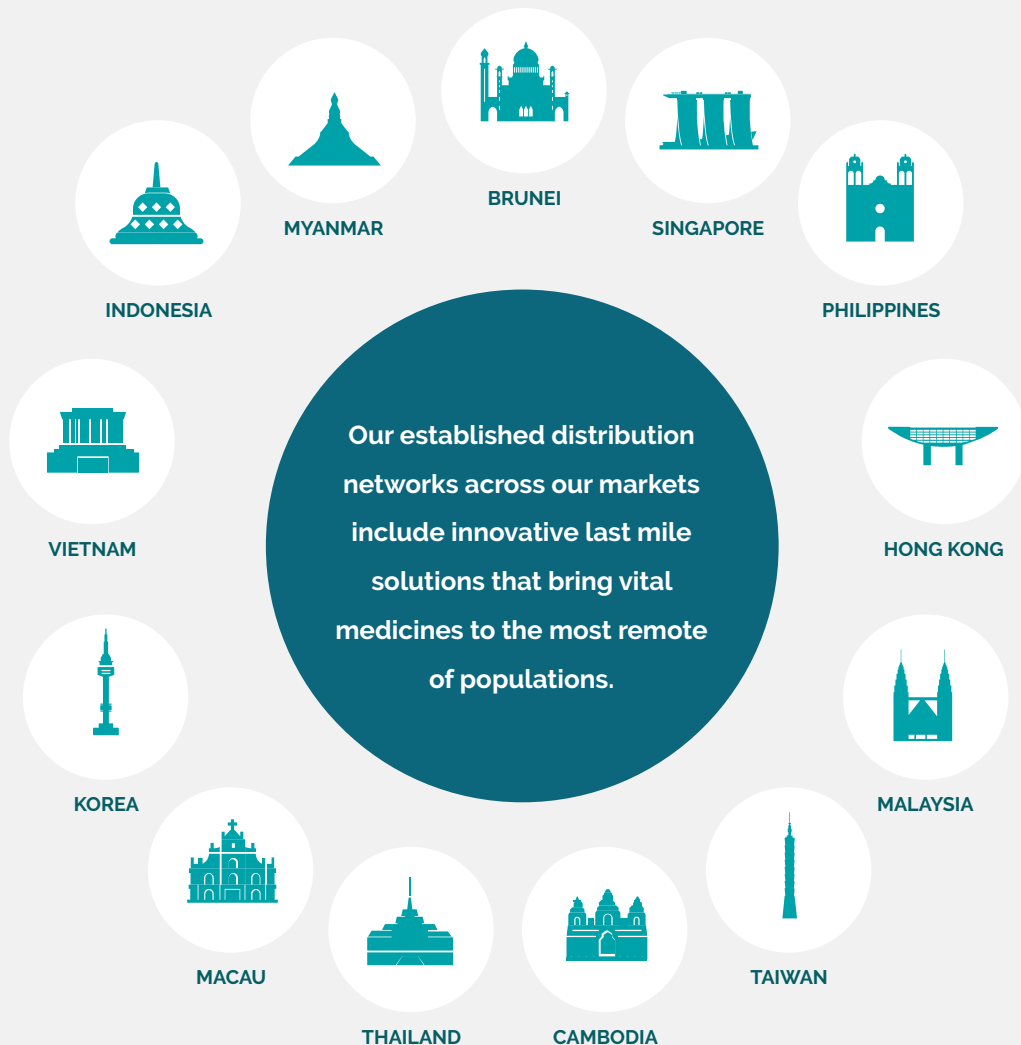
Given our unique position in the industry, Zuelig Pharma has been serving as a connector to drive collaboration across the healthcare ecosystem so that more parties can be involved to bring quality health services to anyone who needs it. We aim to enable access to medicines through:

Warehousing, logistics and digital services to ensure greater geographical access

Registration and commercialisation of products not otherwise available in countries

Leveraging technology for better health

GEOGRAPHICAL ACCESS



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 role to improve access to medicines, by leveraging our expertise to help pharmaceutical companies make these products available whilst offering special services for registration. Through our ZP Therapeutics and CareConnect capabilities, we aim to accelerate registration and commercialisation of new products not otherwise available.



ZP THERAPEUTICS

Our 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 also support local healthcare service providers in improving quality and compliance, two key components of access to medicines, by sharing our deep knowledge and expertise in order to enhance access to quality medicines for patients.

reach52

Our social enterprise partner reach52 connects underserved, low- and middle-income communities that cannot access traditional health services to doctors, pharmacies, insurers and affordable products from the healthcare industry to ensure they are receiving the quality care they need. It does this by combining an award-winning tech platform and ecosystem of businesses offering funding and affordable products and services; with trained in-community resources (97% of which are female, creating local jobs) to improve access to healthcare directly in a village or underserved region. The platform is currently active in the Philippines, India and Cambodia – offering over 7,500 affordable medicines in 500 communities, creating over 1,000 jobs.

PATIENT ACCESS PROGRAMMES

We seek to improve patient access both through physical as well as digital means. Our patient access programmes include named patient programmes, guidance, advisory and support on regional mass access programmes, ultimately enabling patients to gain access to better drug and treatment options.

Since CareConnect started, we have conducted **131 Patient Access Programmes** benefiting almost **229,768** patients.



For medicines that have not been commercially approved in-market, the CareConnect PatientCare team manages named patient programmes. The PatientCare team works closely with our regulatory pharmacist in supporting doctors' application for the medicines 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. For certain named patient programmes, patients are also supported through affordable payment options for their medicine.

● **LEVERAGING TECHNOLOGY FOR BETTER HEALTH**

The WHO estimates that about

20-40%

of total healthcare resources are wasted annually due to inefficiency.

Zuellig Pharma has invested heavily to build a digital infrastructure on our distribution foundations so as to gain benefits that technology can bring to our operations. The data analysis and custom solutions on 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 so as to promote efficiency throughout our supply chain.



AFFORDABILITY

103-2, 103-3

Affordability is one of the top challenges facing our healthcare industry today. Rising healthcare costs may result in people choosing to skip or delay medical attention. Affordability of prescription medication is also a major roadblock to patient adherence in chronic disease management.

Zuellig Pharma provides instalment payment plans to help patients who are facing affordability issues. We also implemented Patient Affordability Programmes which provide discounted medications or redemption offers to patients who have completed a guided enrolment process.

We have **served more than 76,000 patients** across all our markets in the first nine months of 2020, providing **redemption offers totalling almost USD2.3 million** in value.

i-Switch

i-Switch supports patient access and affordability programmes by helping patients manage the cost of their long term medication. The tool enables healthcare professionals to easily track patients' rebates and provides alerts when they are entitled to free medication. It also supports the patients' journeys by encouraging lifestyle changes to reduce the risk of chronic lifestyle diseases. Launched in December 2019, the platform has more than 7,600 patient users to date.

Helping more patients afford care does not just mean reducing prices as this is unsustainable for the whole healthcare system. We believe the true way forward to alleviate the healthcare burden in a sustainable manner is through minimising abuses and cost leakage in the supply chain, and improving patient adherence, especially in chronic illnesses.

We focus on promoting patient adherence through patient adherence and disease-management programmes. It includes providing easy to understand educational material and communication to patients, and supporting physicians and nurses to disseminate such information. We also provide large pharmaceutical companies with end-to-end services to support their patient programmes and deliver targeted education and support.

By addressing the key areas leading to patient non-adherence, we are able to markedly improve patient adherence rates and health outcomes. We served **137,817 patients through 49 patient adherence programmes** as of September 2020. To date, we have seen an increase in adherence by up to 300% in patients enrolled on our programmes.

We also 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.



iEMBRACE PATIENT ASSISTANCE PROGRAMME

To increase access to innovative medicines for metastatic breast cancer (mBC) patients in Malaysia, our local subsidiary MiCare Sdn Bhd partnered Pfizer and Tokio Marine Insurance Group (Asia) to launch iEMBRACE – a patient assistance programme to support the continuity of mBC patients' treatments for its policyholders.

Led by the entities and Zuellig Pharma CareConnect, this initiative expands the current reach to mBC patients, helping them manage their finances as they receive treatment for a better quality of life. It raises awareness of treatment types – a barrier to effective medical treatment cited by 70% of respondents in a survey by Breast Cancer Welfare Association Malaysia. This is done by matching medical solutions development capabilities with patient reach between the partners.

PREVENTATIVE CARE

103-2, 103-3

With chronic diseases on the rise and communicable diseases posing a very real and ongoing threat, disease prevention will be crucial in reducing the burden of diseases on health systems and organisations, contributing to their sustainability.

Increasing disease awareness within our company and the community is the first step towards mitigating health risks. 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. These programmes, some of which are done in collaboration with our global clients, support better healthcare outcomes and more efficient healthcare delivery, ultimately lowering healthcare costs.

We held **198 disease awareness programmes** across our various markets this year, **engaging more than 485,000 people** in the communities where we operate, with nearly 2,500 of our own employees participating.



RAISING AWARENESS OF OSTEOPOROSIS IN TAIWAN

In Taiwan, the prevalence of osteoporosis is rising due to an ageing population. To improve disease prevention, we worked with our clients to conduct over **616** nationwide disease awareness and bone mineral density screening events in hospitals and clinics over the past 3 years, reaching out to **54,265** individuals. Among total screened individuals, **25%** were found to be at risk and were supported with tailored educational information to help prevent the disease. A customised assessment tool was built to increase screening rate and volume in hospitals, while helping to reduce the workload of healthcare professionals in identifying high risk patients.

>2,000,000 doses administered at events across the region

Mass vaccination is an important means of achieving herd immunity against diseases, especially during the current COVID-19 pandemic. We have significant experience in running mass vaccination programmes, including registration and ordering, delivery, vaccine administration, evaluation of effectiveness, and patient management. By supporting institutions and communities with our expertise in administering end-to-end programmes, we seek to improve access to vaccines and ultimately health outcomes.



PHILIPPINES

- 12 million flu doses distributed via various mass vaccination programmes
- 117,000+ individuals vaccinated in ~100 branches of partner drugstores through co-organised programmes
- 10,000+ people vaccinated by our own HCPs across 13 neighbourhoods in Metro Manila
- Supported government in delivering vaccines to remote areas such as the Visayas and Mindanao



KOREA

- Appointed by Korea Centers for Disease Control & Prevention (KCDC) to distribute & administer 3.5 million flu vaccines across the nation in one week
- Reached 8,000 clinics and public health centres by mobilising over 40 employees and deployed 200 trucks daily



HONG KONG

- Supporting government vaccination programmes since 2017
- Administering flu and HPV vaccines to 350,000+ students in 600 schools in the territory.



MACAU

- Administered HPV vaccine to 34,000+ people in 2019 and 2020

ENABLING HEALTHCARE PROFESSIONALS

103-2, 103-3

Healthcare systems across Asia face multiple challenges, with access to basic primary care as one of the most pressing concerns. Zuellig Pharma is investing in the development of training and educational offerings for healthcare professionals (HCPs) by harnessing our strong suite of ZP Therapeutics multi-channel engagement (MCE) digital solutions customised to meet local needs. By upskilling HCPs, our goal is to positively impact the health needs of the local populations they serve.

The extraordinary circumstances this year meant we had to pivot to conducting more of such educational programmes virtually, successfully **concluding 335 digital engagement programmes** over the first nine months of 2020 and **reaching more than 40,000 healthcare professionals**.

We also enable these healthcare professionals to increase their reach and coverage through our digital solutions. **74 of such digital solutions were adopted** across our markets, **helping a network of more than 86,000 healthcare professionals** to better serve their communities. These include platforms for better connection and engagement with patients like eZRx and eZConsult.

LOCAL COMMUNITY ENGAGEMENT

103-2, 103-3

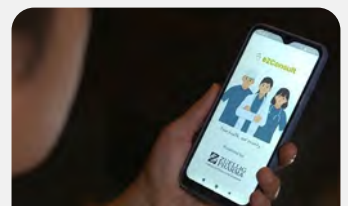
Our communities include employees and their families, targeted patient groups, local communities where our facilities are situated in and virtual communities of healthcare service providers that we are connected to.

Numerous community engagement programmes exist within each market as part of efforts to positively impact our local communities. However, we recognise our efforts can be better aligned and focused to leverage our resources and knowledge globally to create more meaningful and lasting impact for the local communities.

We 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 we operate in.



eZRx is our B2B eCommerce platform that offers a smarter and more convenient way to buy and sell healthcare products online.



eZConsult is a virtual care network giving patients access to comprehensive healthcare services wherever they are. It has been co-created with doctors and patients to make their healthcare experiences seamless, simple and safe.

● COMMUNITY ENGAGEMENT IN OUR COUNTRIES



To provide support to future doctors in Vietnam, our Vietnam team awarded scholarships to 56 Medicine students at the annual Nguyen Van Huong Scholarship ceremony. Zuellig Pharma Vietnam is one of the Scholarship's founding members and a main contributor to the Scholarship's fund for the past 22 years.



Teams across the region have organised and participated in regular blood donation drives. Our Thailand team's quarterly blood donation events for the past three years have seen an average of 80 participating employees. More than 500 of our Indonesia Team PT Anugerah Pharmindo Lestari (APL) colleagues have donated blood over the past one and a half years, and our Singapore team actively encourages and reminds employees to contribute safe blood to save lives.

OUR DEDICATED CHARITY PARTNER: **ACTION4DIABETICS**



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 South-East 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.

COVID-19 led to the cancellation of A4D's fundraising events, posing a severe risk to the lives of beneficiaries. To support these children during this challenging period, we organised the **#Mission4Type1 Asia Virtual Challenge**. Employees and clients put their best foot forward through running, walking, cycling or indoor aerobic exercise to raise funds. Zuellig Pharma sponsored the exercise of employees, pledging a donation for every km travelled, or for every hour of indoor aerobics exercise. As the company progressed

along the virtual route, participants learnt more about the T1D children that A4D is supporting, including the 14 children that each market is caring for under the charity's Sponsor-A-Child programme.

Over 1,000 participants shared more than 3,000 messages on internal platforms, enthusiastically posting workout pictures as well as sharing encouragement with all participants. Matching the distance travelled through exercise, Zuellig Pharma donated US\$40,000 to A4D. Together with a separate emergency contribution of US\$25,000 to the charity in April 2020, and personal funds gathered during the challenge through a GIVE.asia campaign page, we raised a sum of US\$89,500 which allowed the charity to provide for all 450 children under A4D's care with access to critical treatment for five months.

The success of the #Mission4Type1 Asia Challenge was a true showcase of our #ZPUnited spirit, and our determination to go the distance for those in need. We may be physically apart, but we remain one in our mission to make healthcare accessible to the communities in Asia.

NURTURING TALENT

MATERIAL ISSUES:

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



Our people form the foundation of Zuellig Pharma, driving our mission of making healthcare more accessible. Attracting, retaining and nurturing an engaged workforce is key to our continued success and ability to make an impact. We are driven by a genuine desire to make Zuellig Pharma a great place to work, where employees feel a sense of purpose and are inspired to be their best selves.

TALENT RECRUITMENT, DEVELOPMENT AND RETENTION

103-2, 103-3, 404-2, 404-3

We believe that every employee at Zuellig Pharma is a potential talent. We invest in recruiting the right individuals and in developing their knowledge and skills to support them in reaching their best potential. Our HR policies go beyond compliance with local regulations and legislation; we aim to be best-in-class in order to attract the best talent, empowering them to perform and grow personally and professionally.

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER

	CONTRACT	PERMANENT	TOTAL
FEMALE	519	5,260	5,779
MALE	575	5,675	6,250
TOTAL	1,094	10,935	12,029

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY REGION

REGION	CONTRACT	PERMANENT	TOTAL
INDONESIA	21	2,564	2,585
NORTH ASIA	318	2,254	2,572
PHILIPPINES	17	2,492	2,509
SOUTH EAST ASIA	738	3,559	4,297
OTHER COUNTRIES*	-	66	66
TOTAL	1,094	10,935	12,029

We currently
employ
12,029
staff in 13
markets



*Includes Australia, China, India and Japan - our Clinical Reach teams

DEVELOPING A PIPELINE OF TALENT

We put emphasis on building a strong employer brand to attract the right talent to Zuellig Pharma. Bringing in a diverse group of people who align with our values and culture sets a firm foundation for the company's sustainable growth and continued contribution to society.

We work with universities to connect and attract suitable young talents to Zuellig Pharma through internships, mentoring and fresh graduate programmes.

The **Advanced Management Programme (AMP)** partners with Singapore Management University to provide future executive leaders with a structured leadership and development programme. Each participant is personally mentored by a member of our senior management team to prepare them for their next role. In 2020, **21 participants** graduated from our Advanced Management Programme and we will welcome a new cohort in 2021.

The **Young Talent Programme (YTP)** is tailored for promising young talent in early leadership roles. Young Talents 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, **19 participants** graduated from the programme and we welcomed **30 young talents** to our newest cohort.



● PEOPLE DEVELOPMENT

We are committed to supporting our people and helping them to reach their best potential. Our functional trainings and skills development programmes seek to grow our employees both personally and professionally.

In 2020, 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. In the first three months after launch, 3,229 training hours were spent on LinkedIn Learning with an average of 1.7 hours per employee per month.

A performance evaluation and career development process is in place to prepare potential employees to assume expanded and upgraded roles within the organisation. Leadership training programmes are also rolled out in all countries.

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

In 2020,
our employees
undertook a total of
340,806
training hours



Vicha Tamara

COMMUNICATIONS SUPERVISOR
APL MANAGEMENT TRAINEE
PROGRAMME GRADUATE

Vicha is one of the 7 young talents chosen from over 5,000 applicants to be part of the exclusive 2019 APL Management Trainee Programme, kickstarted by our Indonesia Team to attract promising local graduate talent. She is currently working in APL's Communications team, helping to drive sustainability awareness among colleagues in Indonesia.

What I enjoyed most about my time in the Management Trainee Programme:

I had the opportunity to be directly involved in an end-to-end business project which saw direct positive impact on how we are making healthcare more accessible in Indonesia. I greatly appreciated the chance to learn tangible skills from inspiring project coaches and my mentor.

My most memorable event so far:

I was moved by the #ZPUnitedInAPL initiative during COVID-19, where I witnessed the APL team's solidarity and true commitment to serving the nation's healthcare needs.

DIVERSITY AND INCLUSION

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

We are committed to developing a diverse and inclusive workforce comprising motivated employees from the widest possible pool of available talent. We want to provide a workplace environment where people feel valued and empowered to realise their full potential regardless of age, gender, ethnicity, ability, sexual orientation and gender identity.

We have established an internal anti-discrimination and anti-harassment internal policy for all employees. 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.

There were no incidents of discrimination reported in 2020.

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.

APL's Women in Leadership sessions were organised to inspire colleagues around the journeys of our very own female leaders. Speakers from across the region shared their personal career journeys and provided guidance on important topics ranging from resilience to maintaining a healthy work-life balance.



BREAKDOWN OF EMPLOYEE CATEGORY BY GENDER

GENDER	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	GENERAL STAFF
FEMALE	32.37%	51.62%	46.84%
MALE	67.63%	48.48%	53.16%

Note: As a privately held company, Zuellig Pharma does not disclose Board member breakdown.

BREAKDOWN OF EMPLOYEE CATEGORY BY AGE GROUP

AGE GROUP	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	GENERAL STAFF
BELOW 30	8.67%	17.67%	36.33%
30 TO 50	56.65%	75.16%	56.84%
ABOVE 50	34.68%	7.17%	6.83%



Our Vietnam team conducts **Diversity and Inclusion workshops** for managers, equipping them with knowledge and facilitating discussion on how to build a more inclusive workplace. The interactive workshops cover topics around unconscious bias, eliminating micro-aggressions and respecting differences among colleagues.

As a company, we recognise that we need to bring more women into the organisation and into management positions. We have progressed in terms of overall gender diversity, with 48% of our employees made up of females and our middle management comprising 51.62% females. We will continue to seek ways to support the development of our female talent through professional development programmes, providing them opportunities for mentorship and platforms for their voices to be heard.

Spotlight on our Female Talent



Jannette Jakosalem

**CHIEF BUSINESS OFFICER
METRO DRUG INC. (MDI) &
ZUELLIG PHARMA CORPORATION (ZPC)**

My journey in MDI began in 2004, when I joined the company as Vice-President Finance. In the 16 years that have passed, Zuellig Pharma has brought me on an invigorating journey spanning multiple countries and functions, including my time as Chief Operating Officer in Hong Kong and Macau. Today, I lead a united 1PH team as the Chief Business Officer of MDI and ZPC.

I firmly believe that a diverse and inclusive culture promotes innovation and truly sustainable growth. I have received many valuable lessons from our team, who inspire me every day with their resilience, drive and creativity.

I look forward to building a pipeline of talent through initiatives such as our local and regional management programmes, and in doing so build a healthier future for our next generation.



Pucknalin Bulakul

**CHIEF EXECUTIVE
ZUELLIG PHARMA THAILAND**

I first joined Zuellig Pharma in 2006. I started as Finance Manager, and was steadily promoted to larger roles across various functions. I am now the Chief Executive of our Thailand business.

My Zuellig Pharma journey has been exciting, as I have had the opportunity to learn skills and perspectives. I am thankful to have met bosses who have guided and mentored me over the years, and allowed me to thrive both personally and professionally.

As the first Thai female to assume the General Manager role in our team, I hope to offer opportunities to empower my team to grow and develop similarly fulfilling careers within the company.



Tan Yan Ann

**CHIEF EXECUTIVE
ZUELLIG PHARMA SINGAPORE**

I have been in Zuellig Pharma for 20 years as of 2020. I joined as Finance Director, and have progressed to now become the Chief Executive of Zuellig Pharma Singapore. I lead my team daily in our earnest purpose of making healthcare more accessible.

What I have always appreciated about working in Zuellig Pharma is that the leadership recognises hard work and talent by empowering employees to grow and learn within the organisation.

Half of my executive committee is made up of talented female leaders who have helped to grow the business. I believe in the power of welcoming different personalities and perspectives, and am confident that we will continue to nurture capable talent by upholding the principles of diversity and inclusion.



EMPLOYEE ENGAGEMENT AND WELLBEING

103-2, 103-3, 403-6

We understand employee engagement cannot be a one-size-fits-all policy, because the factors that drive motivation, loyalty and attachment can vary from person to person. As such, we seek to identify these factors and implement different initiatives based on a country-level employee engagement strategy. Some of these engagement initiatives include company townhalls, recognition programmes, employee opinion surveys, workshops and communications platforms.

Closely related to employee engagement is the physical and psychosocial wellbeing of our employees. In order to promote health and wellbeing among our employees, we recognise we must design jobs and a working environment that is engaging, fulfilling and maximises an individual's full potential.

We go beyond meeting the statutory regulations in our markets to providing employee benefits and programmes that focus on holistic wellbeing. Among other initiatives, regular work-out sessions are organised in our warehouses and offices to promote sustainable healthy habits. In-country programmes to nurture mental wellbeing are readily available, particularly during these challenging COVID-19 times - including Employee Assistance Programmes and the availability of trained confidential counsellors.

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.



● ENGAGING EMPLOYEES AND BOOSTING WELLBEING THROUGH #SUSTAINABILITYINACTION

At Zuellig Pharma, it is important to us that sustainability permeates the whole organisation as a value and mindset. To increase employee awareness around sustainability, we held our inaugural Sustainability Month in November 2020. Over **7,000** employees were engaged in a series of activities around our four Sustainability pillars, elevating our shared commitment towards sustainability.



IMPROVING HEALTH OUTCOMES WEEK

1,100

employees exercised regularly or ate healthy meals

1.2

millions calories shed

4,000

healthy meals consumed

800

colleagues at The Great ZP Workout



INTEGRITY WEEK

2,997

employees took the Integrity Quiz

500

attendees from 16 countries attended "Operations & Supply Chain Resilience" Webinar

230

participants in the Champions of Integrity Finals



NURTURING TALENT WEEK

3,380

affirmations exchanged between colleagues via ZP Post Office

424

employees virtually met a new colleague through ZP Connects

300

nominated employees mentored by 42 members of the leadership team



ENVIRONMENT WEEK

2,000

trees planted in ZP Forest adopted by employees (ZP matched 1:1)

625

tonnes CO2 sequestered

US\$3,490

donated by employees

400

participants at the Inspire Session on Fighting Climate Change

100

participants in Litterati Challenge

2,500+

pieces of litter collected

With COVID-19 having a considerable impact on everyone's lives, it has been even more important to safeguard our employees' mental wellbeing. We are listening to sentiments on the ground to roll out new initiatives and providing avenues of support to manage stress and anxiety.



Celebrates
World Mental
Health Day



That Promote Employee
Wellbeing at Zuellig Pharma



Healthy Living events, including exercise and healthy eating, to encourage employees to take time from their daily schedules to upkeep their physical health and thereby mental health.



Brown Bag Club and Lunchbox Sessions to provide employees a break from work while receiving training and enrichment.



Regular employee communication to raise awareness on mental health issues, including adapting to working from home, wellness breaks and more.



MedTalks and Health Talks to raise awareness on the importance and interrelation of different aspects of health.



Podcasts, webinars and TikTalk series to support employees as they navigate the pandemic and address their concerns and anxieties.



Employee Assistance Programme and counselling services to provide employees and their closed ones access to professional counselors and psychologists to deal with stress from work, familial and personal issues.



Family Day in workplaces to allow employees' families to better understand their family member's job and how they can lend support.



Celebrating employees' birthdays through wishes and gifts to express care for employees as individuals and remind them that they are valued.



Employee trips and outings to foster stronger bonds within the organisation for a happier workplace.



Charity events that encourage employees to take time off work to focus on doing good, promoting mental health.

Workplace Awards achieved in 2020

HONG KONG:

Promoting Happiness Index Foundation's Happy Company Award

Joyful@Healthy Workplace Best Practices Awards

MALAYSIA, SINGAPORE, CORPORATE OFFICE, APL:

HR Asia's Best Companies to Work in Asia Award

TAIWAN:

Public Relations Award, Internal Communications Sector

VIETNAM:

Top 100 Best Places to Work in Vietnam, #7 in our industry

WORKPLACE HEALTH AND SAFETY

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

HEALTH AND SAFETY MANAGEMENT SYSTEMS

Our utmost priority is in providing a safe working environment for all employees while they strive daily to make healthcare more accessible. We always put safety first and minimise risk to life, which will also positively affect productivity and service quality.

A robust Workplace Health and Safety policy and guidelines driven by a dedicated team of Health, Safety and Environment (HSE) managers ensure that we can implement and enforce workplace health and safety practices and comply with health and safety requirements across all our markets. All HSE Managers have access to an internal portal of comprehensive safety procedures.

We have developed and rolled out a set of mandatory HSE requirements to all the markets as a minimum, which include proper safety training and education. These requirements ensure compliance with prevailing statutory regulations and align us with global industry standards. Regional HSE Programme roll out to our markets is at an average of 100% compliance to the checklist of HSE requirements across our 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.

We are working on a phased roadmap to have all sites in our respective markets meet the standards of the ISO45001 Occupational Health and Safety certification. Currently, our ZPC Philippines sites, Canlubang, Sun Valley Cold Chain and Cebu Distribution Centres, are ISO45001-certified, while Metro Drug Inc (MDI) Philippines and Singapore teams are in preparation to achieve ISO45001 certification by 2021. Our Malaysia team has also received the Gold Award 2019 from the Malaysian Society for Occupational Safety and Health (MSOSH).

HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

All markets have completed a Hazards Identification and Risk Assessment on each site. The overall risk assessment is reviewed every 3 years or when there are changes to the local health and safety regulations. We also regularly update and develop preventative 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 preventive actions, and are shared across markets as best practices.

We have an open reporting structure for employees to report any work-related hazards and hazardous situations. All 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 incidents, first aid cases, and near misses and conclude on preventive actions to be implemented. A periodic Safety Gemba Walk is performed to look out for any hazards on-site.

In 2020, there was **zero fatalities** as a result of work-related injury, and we aim to maintain this every year. There were 2 incidents of high-consequence work-related injury and 6 cases of recordable work-related injuries. These were mainly due to ergonomics hazards, equipment handling errors and accidental slip and fall incidents. Immediate actions were taken to rectify the hazards and re-train employees. Our lost-time Injury Frequency Rate (LTIFR) is 0.42 (for every 1 million hours worked) in 2020.



● TRAINING ON HEALTH AND SAFETY

We also emphasise the importance of embedding a safety culture, providing regular trainings on awareness and identification of hazards, as well as on specific work-related hazards, hazardous activities, or hazardous situations.



SAFETY WEEK 2020

We held our inaugural Safety Week in September 2020, themed around "Safety as a Culture" and with activities to shine a spotlight on workplace health and safety. The virtual event was attended by over 600 employees and included webinars around cultivating a safe working culture and environment to ensure compliance with our robust Workplace Health and Safety policies.

We also celebrated achievements like consecutive months of zero lost time incidents and first aid cases and presented awards for excellent workplace health and safety standards. This generated much enthusiasm and many meaningful discussions among our employees.

Our Thailand team received the Moral Business Award organised by the Thai government's Moral Promotion Center, Thai Health Promotion Foundation and Volunteering Health Foundation, in recognition of implementation of good workplace safety practices to prevent the spread of COVID-19. The team also spearheaded a One Heart, One Health programme to keep employees physically and mentally healthy at work.

This is to ensure our employees have the appropriate skills and mental preparedness to anticipate and respond to any health and safety issue. **4,464** employees have completed workplace health and safety trainings in 2020.

RESPECTING THE ENVIRONMENT

MATERIAL ISSUES:

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



As a company, we are committed to protecting the environment and taking action to mitigate climate change. It is our responsibility to play a part by reducing the carbon footprint of our logistics operations, minimising waste and conducting our business according to international standards of environmental protection. This is an important area of focus because it not only affects us as a business but also the communities around us.

CLIMATE CHANGE MITIGATION AND ENERGY EFFICIENCY

102-11, 103-2, 103-3

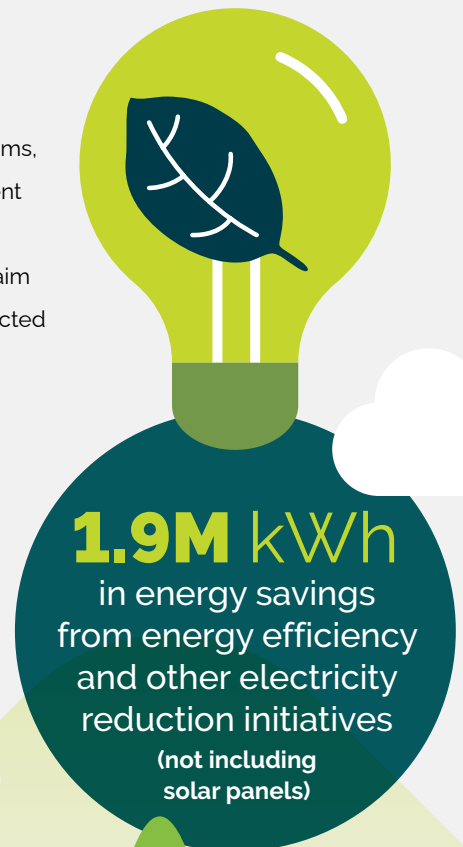
Climate change is a reality that affects all of humanity and directly impacts our ability to make healthcare more accessible. Zuellig Pharma is committed to doing its part in combating climate change by increasing energy efficiency and reducing carbon emissions within our operations.

ENERGY EFFICIENCY

302-1, 302-3, 302-4

As of 2020, we have piloted energy efficiency initiatives such as LED lighting and intelligent lighting systems to reduce our overall energy consumption.

Each country has also implemented their own electricity reduction measures such as switching off the air-conditioning system after office hours, installing electricity power saving systems, or upgrading our air-conditioning systems to more energy-efficient equipment. A more significant round of investment is also being rolled out, based on a transition towards renewable energy. We aim to do this through the installation of photovoltaic systems in selected operational sites.



Our Clinical Reach team launched their first-ever **Earth Day challenge** on Yammer, encouraging employees to carry out eco-friendly activities and to tag their colleagues to take on the challenge.

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 have joined and are on the Board for Green Freight Asia, a non-profit industry association connecting corporates, governments and non-governmental organisations to improve energy efficiency and reduce emissions across supply chains.

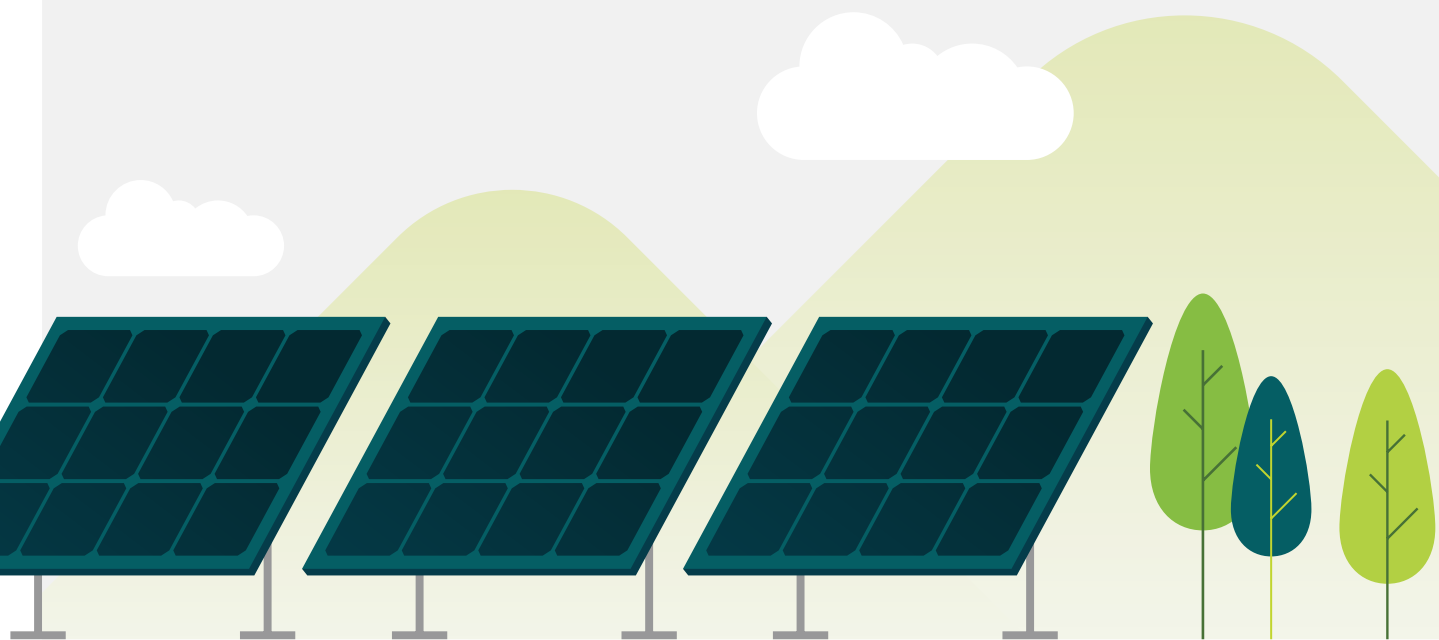
We piloted solar panels installation at selected distribution centres in Taiwan and Vietnam, generating almost 2,000,000 kWh to power our operations. New solar installations in Malaysia, Cambodia, Indonesia, Philippines, Thailand, Vietnam and Myanmar are all scheduled for 2021, with the intent of switching 40% of our electricity consumption to solar in our Distribution Centres.

With these measures, we are working towards the goal of setting an energy consumption target across the company and having 30% of our energy needs supplied from renewable energy resources by 2030.

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

TOTAL ENERGY CONSUMPTION (IN MILLION JOULES, MJ) (fuel, electricity & renewable)	FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES (diesel and petrol)	ENERGY CONSUMPTION FROM ELECTRICITY	ENERGY CONSUMPTION FROM RENEWABLE SOURCES	ENERGY INTENSITY (includes fuel, electricity and renewable energy)
436,054,585 MJ	123,662,239 MJ	303,162,973 MJ	9,229,373 MJ	0.16 MJ/PIECE

** based on no. of pieces of goods delivered*



GREENHOUSE GAS (GHG) EMISSIONS

305-1, 305-2, 305-3, 305-4

We are taking active steps to define a firm strategy around reducing our GHG emissions. This commitment has led us to develop our first-ever GHG Report. It covers an in-depth analysis of our Scope 1, 2 and 3 emissions, as well as a review of the overall energy consumption across our various sites of operations. We have included, in our computation of greenhouse gas (GHG) emissions, fuel consumption from vehicles that we lease and own, as well as facilities that we lease and own. For energy consumption, we have included energy consumed from non-renewable sources, such as fuel and electricity, and energy consumed from renewable sources such as solar energy generated from our sites in Taiwan and Vietnam.

The bulk of our Scope 1 and 2 emissions results from operating our transport fleet for our distribution

business as well as running our distribution centres and warehouses. This is why a big part of our efforts is directed towards greening our fleets and facilities. We continue to monitor our progress in this area and identify opportunities for improvement, together with setting ambitious but achievable targets within a roadmap for upcoming years.

Scope 3 emissions form a considerable portion of our GHG emissions as we work with a large network of third-party sea, land and air transport to provide end to end fulfilment orders for our customers. While we do not have direct control over their operations, we do have the unique opportunity to influence their policies and behaviours. A good part of our efforts is directed at educating our suppliers on greening their fleets and training them on eco-driving.

2020

All data compiled is for Jan - Dec 2020 except for Scope 3 emissions which covers Jan - Sept 2020

SCOPE 1 EMISSIONS (kg CO ₂ e)	SCOPE 2 EMISSIONS (kg CO ₂ e)	SCOPE 3 EMISSIONS (kg CO ₂ e)	TOTAL SCOPE 1 & 2 EMISSIONS (kg CO ₂ e)
9,217,520	51,337,848	49,853,904	60,555,369
GHG Emissions Intensity (kg CO ₂ e/piece)*			0.022

* based on average per piece of goods delivered to our customer of Scope 1 & 2 emissions
 Scope 1 and 2 emissions are computed based on actual energy consumption factored by energy mix specific to each country, using an operational control consolidation approach.
 Scope 3 emissions include our downstream transportation and distribution and is computed using a spend-based approach for our 3rd party logistics spend (Scope 3 Evaluator online tool by GHG Protocol and Quantis)

Emission factors for fuel were sourced from GHG Protocol Emission Factors for Cross Sector Tools (March 2017)
 Grid Emission Factors for Singapore, Taiwan and Hong Kong were obtained from country specific energy market authorities: Singapore - Energy Market Authority, Taiwan - Bureau of Energy, Ministry of Economic Affairs, Hong Kong - CLP Power Hong Kong.
 Grid Emission Factor for Myanmar was sourced from European Investment Bank. (Pg.33)
 Grid Emission Factors for other countries were sourced from Institute for Global Environmental Strategies (2019). List of Grid Emission Factors, version 10.7.

ENABLING GREENER, MORE EFFICIENT LOGISTICS

Our Transport Management System (TMS) enables us to operate more sustainably in complex logistics networks. A TMS provides visibility across all logistics operations, intelligent tracking and transport route optimisation, which helps improve cost efficiency and reduce emissions. The platform is currently live in Singapore, Malaysia, Vietnam, the Philippines, Hong Kong, Indonesia and Thailand.

In 2021, we will expand on these targets and publish our GHG report.

CLIMATE RESILIENCE

103-2, 103-3

While we take action on climate change mitigation, we are also working on climate adaptation. Building our resilience to climate change events is crucial because it directly affects our ability to deliver critical medicines to the communities we serve. We aim to increase the ability of our business to prepare for and recover from climate impacts, especially in vulnerable locations.

We have worked with our partner **FM Global** on a company-wide assessment of “high-risk” locations, defined as those 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 all **27** of these locations, we have put in place natural hazard mitigation plans and loss prevention measures. An annual local facility risk survey is conducted to assess any gaps. All existing sites also conduct an annual local BCP training and simulation exercise to test and refresh their plans. 36 of such training and simulation exercises have been conducted this year. All new build facilities will also incorporate mitigation against climate change and natural hazards in their site selection and design.

RESPONSIBLE WASTE MANAGEMENT

103-2, 103-3, 306-1, 306-2, 306-3

Responsible waste management is an important part of the urban infrastructure as it ensures the protection of the environment and reduction of pollutants. The source of waste generation in the company comes mainly from packaging materials for the products that we distribute. We recognise our responsibility in minimising waste to landfill.

Each of our markets has ongoing 3R – Reduce, Reuse and Recycle – programmes. The initiatives include 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, etc. We will be focusing our efforts on scaling and adopting best practices across our markets, through our regular sustainability digests to internal stakeholders.

Our Sustainable Procurement Policy also mandates the evaluation and monitoring of suppliers based on their environmental management performance, including their 3R and waste management practices.

We are working to establish a baseline for measuring our waste reduction from such initiatives and will be able to evaluate our performance better next year. Our goal is to achieve a 10% yearly reduction in packaging waste generated through our 3R programmes.

**TOTAL WASTE
GENERATED IN
METRIC TONS**

4058.09

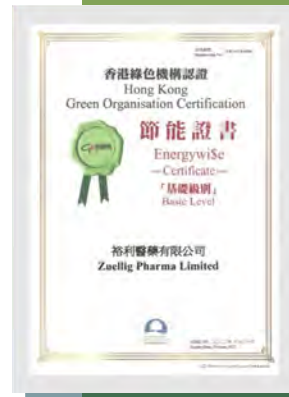
NON-RECYCLABLE WASTE

3010.84

RECYCLABLE WASTE

1047.25

Our Hong Kong Team received Wastewi\$e and Energywi\$e certificates from the government's Environmental Protection Department and Environmental Campaign Committee, in recognition of substantial achievements in green management and the adoption of environmental practices. The concerted energy-saving efforts of the team such as light switch timers, energy efficient fluorescent lamps and green certified electronics, led to a reduction in energy consumption by 11% from 2019. The team cut down waste generated by discouraging the use of plastic bottles and paper towels and unnecessary printing while promoting recycling of paper.



ENVIRONMENTAL COMPLIANCE

103-2, 103-3, 307-1

Diverse environmental regulations and standards exist across each of the Asian markets that we operate in. It is crucial for Zuellig Pharma, as a key stakeholder in the healthcare industry, to ensure that we conduct our operations in conformance with local environmental laws. We have put in place policies and guidelines to comply with local governmental regulations, and to track any non-compliance. Our Environment Policy requires all employees and partners to adhere to local regulations as well as minimise the company's impact on the environment.

We also seek to meet appropriate international environmental standards. We are planning a phased roadmap and an internal system for our sites to align to the ISO14001 standard as a framework that the entire company can follow for effective environmental management, regardless of the markets we operate in. As of 2020, our Canlubang, Sun Valley and Cebu Distribution Centres in the Philippines have attained ISO14001 certification, and our newly built MDI Santa Rosa Distribution Centre is Leadership in Energy and Environmental Design (LEED) certified.

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

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



Besides internal compliance, we require our supply chain partners and service providers to operate in compliance with all relevant environmental legislation and to minimise the potential impact of their operations on the environment. All suppliers will need 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 in the High Standards for Integrity chapter for more information.*

In 2020, 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.

SETTING THE HIGHEST STANDARDS OF INTEGRITY

MATERIAL ISSUES:

- + ANTI-BRIBERY & CORRUPTION
- + PRODUCT QUALITY & SECURITY
- + PARALLEL TRADE & COUNTERFEIT PRODUCTS
- + RESPONSIBLE SOURCING
- + RESPONSIBLE SALES & MARKETING
- + PUBLIC POLICY



Zuellig Pharma's rich business tradition in Asia has been fostered over decades of service to our 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 our business. Our commitment to these standards is a fundamental ingredient of business success, and the cornerstone of our unrivalled reputation for trust, transparency and service quality.

ANTI-BRIBERY AND CORRUPTION

103-2, 103-3, 205-2, 205-3

We take a serious stance against bribery and corruption, as it stands against our core value of upholding our integrity and the trust placed in us by our stakeholders. Our Compliance Programme includes an Anti-Bribery and Anti-Corruption (ABAC) framework to prevent, detect and respond to bribery and corruption, with a dedicated compliance team to drive this agenda throughout the organisation. This framework ensures we conduct our business with the highest ethical standards in accordance with all laws and regulations in our markets. It sets out the standards of conduct and business practice that must be followed when representing Zuellig Pharma during interactions with external parties. This applies to all employees and material third parties.

Our Code of Conduct clearly outlines the guidelines and standards around how we conduct our business in an ethical manner. It is the responsibility of every person who represents Zuellig Pharma to understand and comply with our Code. All employees are regularly assessed on the Code of Conduct and Anti-Bribery and Corruption (ABAC) Framework.

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 websites 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. 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.

Our firm stand against bribery and corruption is a key part of our corporate governance, underlying our commitment to ethical conduct in every part of our business.

TOTAL NUMBER OF EMPLOYEES WHO HAVE BEEN TRAINED AND RECEIVED COMMUNICATIONS AT COUNTRY LEVEL ON ANTI-CORRUPTION POLICIES AND PROCEDURES	SENIOR MANAGEMENT	MIDDLE MANAGEMENT	GENERAL STAFF
	173	3,543	8,313



Our Taiwan team achieved the prestigious Transparency and Integrity Award at the Taiwan Corporate Sustainability Awards (TCSA) ceremony in December, in recognition of transparent corporate culture and the highest standards of integrity in our operations.



PRODUCT QUALITY AND SECURITY

103-2, 103-3

Ensuring the end-to-end product integrity and security of our supply chain is our responsibility and a commitment we make to clients, customers and patients.

We operate a robust Quality Management System (QMS) which is proactively managed to address rapidly evolving changes to applicable regulations, industry practices and supply chains. Our process flows, warehouse designs, standard operating procedures and employee training modules are updated regularly to ensure they are aligned with global best practices.

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.

All our warehouses are audited annually to certify good distribution practices and compliance with ISO standards. As of 2020, **6 country operations** are TAPA (Transported Asset Protection Association) certified, providing assurance of the security of our logistics supply chain.

Quality Assurance staff also 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". This programme is also open to employees from other functional areas, for which there were **115** certifications issued for 2020. Annual internal Quality awards are held to recognise and motivate outstanding team members for upholding top standards of quality in our operations. Zuegg Pharma's Quality leaders reach out to all colleagues monthly with short messages on various quality topics.

We celebrated World Quality Day 2020 across the region with educational activities like webinars and quizzes to rally employees around our quality culture and demonstrate our commitment to creating value for stakeholders through upholding quality standards.

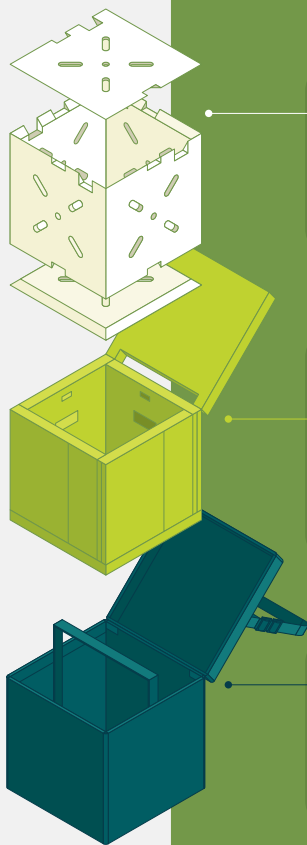
We are continually investing in new cold-chain solutions to broaden our cold-chain coverage, to drive healthcare access even in the more rural or remote areas. This is particularly key to the successful deployment of the upcoming COVID-19 vaccines. One of them is the eZCooler solution – a unique cold chain packaging system that ensures integrity of temperature-sensitive products to the last mile of transportation.

EZCOOLER



The eZCooler solution is a thermal insulation system that can be customised to provide temperatures of down to -40 °C 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 four days. Currently, **5,000 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.

What's inside the eZCooler solution?



How it works

Benefits

Coolant

Phase-change material acts as an energy source to cool the storage space

More stable and long-lasting cooling performance

Thermal insulation box

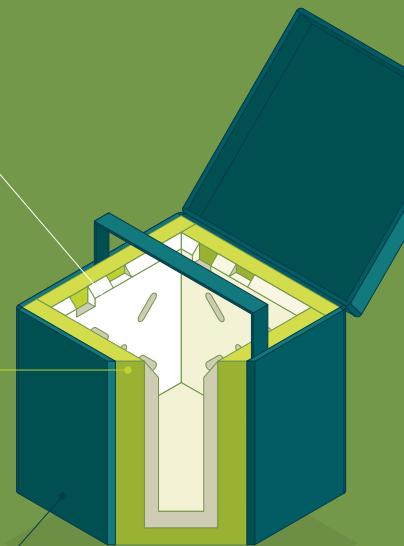
Vacuum insulation panels act as a shield, blocking external heat transfer to storage space

Superior heat resistance that is 10 times more resistant to heat than a foam box

Outer packaging

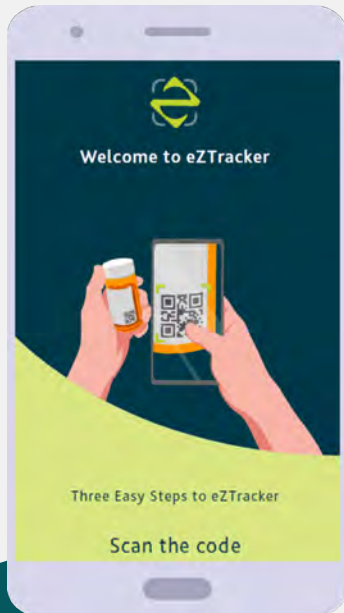
Fabric casing protects the shipper box and facilitates delivery handling

Shipper box has enhanced durability and reusability and is easy to handle



PARALLEL TRADE AND COUNTERFEIT PRODUCTS

103-2, 103-3



eZTracker

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



READ THIS ARTICLE TO LEARN HOW OUR EZTRACKER SOLUTION HAS BEEN ENHANCED TO INCLUDE VACCINATION TRACKING.

One in 10 drugs sold in developing countries is estimated to be fake or substandard.¹ The human toll from such counterfeit drugs is enormous. 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.

The rising prevalence of counterfeiting as well as parallel trade of pharmaceutical products in the region is a serious issue, with grave consequences for the health and safety of patients as well as a loss of trust in product quality assurance. 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 that the healthcare industry urgently needs to fight back by leveraging the latest technology. In 2019, Zuellig Pharma invented **eZTracker - the first application in Asia that allows any user to instantly trace a product's origin and authenticity just by scanning its packaging.** 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, Zuellig 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. While previous efforts would have taken weeks to detect and withdraw a defective batch of drugs from a market, the eZTracker provides an immediate solution to notify patients.

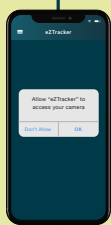
With the ability to confirm product authenticity in real-time, doctors can administer drugs with confidence and patients can trust that they are receiving legitimate products. The eZTracker also provides information about the medicine, including expiry dates and storage instructions. The application is downloadable on Google Play Store and the App Store. As of 2020, the app has been downloaded 36,000 times. eZTracker has been in use in Hong Kong, Thailand and the Philippines since April 2020, with close to 11,200 scans by patients and doctors verifying the authenticity of their medicines.

¹ 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>

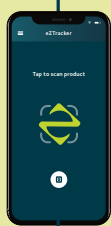
How eZTracker works



Download eZTracker



Allow camera and location access



Scan QR Code on product packaging



eZTracker authenticates every scan against this information in the blockchain



SUPPLIER



MANUFACTURER



DISTRIBUTOR



HEALTHCARE PROVIDER

RESULTS



IMPORTED BY AUTHORIZED DISTRIBUTOR

Indicates the packaging is authorised to be distributed in your location.



NOT RECOGNISED BY EZTRACKER

Please fill in the form in the app to help us verify your product. Your information will be shared with the manufacturer for follow up.



CODE NOT SUPPORTED

Indicates that the product scanned is currently not supported by eZTracker.

RESPONSIBLE SOURCING

103-2, 103-3

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 aims to be a force for good, educating our suppliers on the need for sustainability, while promoting supplier diversity, equality, and inclusion.

We recognise that this is a journey and that we need to educate ourselves and our suppliers on how to implement positive environmental, social and economic impact, whilst also upholding company needs for cost efficiency and security of critical supply. This engenders trust and confidence in our services and in our relationship with our suppliers.



SUPPLIER SUSTAINABILITY AWARDS

To inspire and recognise suppliers who are collaborating with us and sharing innovative solutions for a healthier future, our procurement team organised Zuellig Pharma's first-ever Supplier Sustainability Awards in end-2020.

The resulting awards ceremony saw close to 300 participants actively discussing how to drive Sustainable Procurement in our relationships with our suppliers. This included discussions with the winners and our leadership team as well as training sessions with guest speakers from United Nations Global Compact local networks and Accelerate Sustainable Procurement in ASEAN Pledge (ASAP).



SUSTAINABLE PROCUREMENT POLICY

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 employees 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 lies in ensuring execution of supplier pre-contract due diligence, and regular supplier monitoring activities, which include relevant questionnaires, clauses and supplier audit scope discussion topics to understand and monitor the current state of supplier sustainability, as well as actions and plans to improve.

100% of internal buyers received training on sustainable procurement in 2020. All Procurement Staff have a Sustainable Procurement performance objective included in their annual reviews.

We adopt a risk-based approach that is driven by the value and strategic importance of what we procure from our suppliers and have identified nine key spend categories as critical for the operation of our Company, as well as having the biggest impact on the environment and labour practices. These categories are: Transportation, Packaging, Temporary Labour, Consulting & Professional Services, Office Supplies, IT Hardware/Software, Leases, Construction and Material Handling Equipment.

SUPPLIER CODE OF CONDUCT AND ASSESSMENT

Zuellig Pharma's Supplier Code of Conduct provides clear guidance about our expectation on sustainability to our suppliers with the same priority areas. We work with our suppliers to ensure their commitment to the principles of the Supplier Code of Conduct.

We segment our suppliers based on risk levels and apply a robust supplier sustainability assessment to measure supplier compliance to our Supplier Code of Conduct.

To access our key suppliers' adherence to our commitment to sustainability and comply with all relevant sustainability legislation, regulations and standards, we created the Supplier Evaluation Questionnaire. 60% of our suppliers by value have acknowledged the Supplier Code of Conduct and completed our questionnaire.

Based on the questionnaire results, we request for suppliers to work with us on sustainability trainings and initiatives, upskilling them to embark on joint and selective Supplier Sustainability Development Programmes.

In 2021, Zuellig Pharma will introduce an independent Supplier Sustainability Monitoring platform - IntegrityNext, for obtaining sustainability assessments and certificates from our suppliers. We envisage that through this platform, we can automate the supplier sustainability assessment process, increase coverage and track supplier's sustainability practices more efficiently and independently. This platform also undertakes regular supplier sustainability news monitoring which will enable us to track any adverse news regarding their sustainability practices.

RESPONSIBLE SALES AND MARKETING

103-2, 103-3, 417-3

As a healthcare company playing an integral role in serving the needs of the general public, it is our responsibility to have sales and marketing practices that 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. All sales and marketing employees are trained on, and expected to understand and adopt the IHCP Policy and pharmacovigilance SOPs. Our IHCP Policy is built upon industry standards that set out the requirements that our

employees must adhere to when conducting sales and marketing activities with HCPs.

With the roll out of the IHCP policy, corresponding e-learning training is made available in relevant local languages. Training completion is tracked as part of the compliance scorecard of both senior management and sales and marketing personnel. An events management system eZFlow was developed to automate the approval process. eZFlow has controls developed in conjunction with control requirements set forth in the IHCP policy.

We also ensure that promotional materials from all markets meet industry standards regarding disclosure of relevant information that will help healthcare providers and patients make fully-informed choices. This is detailed in our promotional materials SOP.

There was no incident of non-compliance with regulations and/or voluntary codes concerning marketing communications in 2020.

PUBLIC POLICY

103-2, 103-3

Public policy directly impacts the health outcomes of the communities Zuellig Pharma serves. Our approach to public policy, particularly in the areas of healthcare reform, population health, healthcare financing and disease management, seeks to build a trusted relationship with relevant authorities and stakeholders. 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.



Under a project with the National Institute for Control of Vaccines and Biologicals (NICVB) and National Institute of Hygiene and Epidemiology (NIHE) to expand access to vaccines in Vietnam, Zuellig Pharma donated **US\$600,000** worth of eZCoolers to 7 rural provinces. Training sessions were also organised for over **200** provincial healthcare professionals on Good Storage Practices for cold chain supply management and usage of eZCooler.

DATA PRIVACY AND SECURITY

103-2, 103-3, 418-1

Zuellig Pharma has established a customised cybersecurity framework 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 and align our approach to managing these identified risks.

These frameworks help Zuellig Pharma to secure the increasing amount of information we protect on behalf of our clients and customers. We maintain a consistent drive to pursue robust cybersecurity and data privacy programmes and to adapt to an ever-evolving cybersecurity landscape. We continuously

aim to increase our cybersecurity and data privacy maturity levels and overall security posture to counter global cybersecurity threats and avoid data breaches.

Our information security team supported by IT teams across the region regularly monitor and report metrics, activities and initiatives relating to our Cybersecurity and Data Privacy Framework and Policy Compliance.

The team also conducts quarterly random phishing simulation exercises to keep employees constantly alert to the latest cybersecurity threats and were able to observe a concerted decrease in click rates on phishing emails in 2020.

There were zero complaints received concerning breaches of customer privacy during the reporting period, and no data and security breaches.



Zuellig Pharma is ISO 27001 (ISMS) Certified in **more than half of Zuellig Pharma markets**, with countries being audited annually for re-certification every three years by third-party auditor BSI.

GRI CONTENT INDEX

102-54, 102-55

This report has been prepared in accordance with the GRI Standards: Core option.



**PLEASE CLICK HERE TO ACCESS
OUR GRI CONTENT INDEX**

which details the specific standards applied and where the information can be found in the report. Where we were not able to meet any disclosure requirements, we have included the reason for omission.





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.