



HEALTHIER LIVES, MEANINGFUL DIFFERENCE

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COVER RATIONALE

As the world fully recovers from the pandemic, we do so strengthened by a number of important lessons learnt. Key among these is the fact that we live in ecosystems that need to be monitored and protected to prevent imbalances that could cause untold damage. We at Duopharma Biotech are keenly aware of the role that we can play in this regard, and are committed to fulfilling our responsibility to nurture healthier lives. With roots firmly anchored on our core values of Passion, Excellence, Teamwork, Integrity and Responsibility and Respect (“PETIRR”), we strive not only to provide affordable and accessible treatments (as represented by the products on the branches) but also to uplift marginalised communities and protect the environment. By managing important issues, we seek to make a meaningful difference to everyone.



Basis of This Report

SCOPE AND BOUNDARY

This report covers the sustainability performance of all companies in the Duopharma Biotech Berhad group where we have a majority shareholding and substantial influence. This includes our operations in Malaysia as well as in Singapore, the Philippines and Indonesia. The data presented is for the period from 1 January until 31 December 2023, consistent with our financial reporting year, unless stated otherwise. The last Sustainability Report was published in April 2023 for the period from 1 January to 31 December 2022. Where relevant, quantitative data are provided for a three-year performance period. All monetary values are expressed in Ringgit Malaysia ("RM"), in line with the Malaysian Financial Reporting Standards.

REPORTING PRINCIPLES & FRAMEWORKS

Contents of this report have been developed according to Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Main Market Listing Requirements ("MMLR") with reference to the Global Reporting Initiative ("GRI") Standards and Bursa Malaysia's Sustainability Reporting Guide (3rd Edition). Other frameworks and guidelines taken into consideration include:

- Bursa Malaysia's Common Sustainability Matters
- Task Force on Climate-related Financial Disclosures ("TCFD") recommendations
- FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance ("ESG") indicators
- Sustainability Accounting Standards Board ("SASB") Standards
- United Nations' Sustainable Development Goals ("UN SDGs")

All greenhouse gas ("GHG") emissions data disclosed are guided by and refer to:

- 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories, including the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- International Energy Agency's CO₂ Emissions from Fuel Combustion 2020 Edition
- Latest emissions factor as provided by the relevant energy authority in each country: Malaysia (Suruhanjaya Tenaga); Singapore (Energy Market Authority); Indonesia (Directorate General of Electricity, Ministry of Energy and Mineral Resources); and Philippines (Department of Energy)

This year we have restated our GHG emissions data from 2019-2022 to address the updates in the electricity emission factor (Scope 2). The updated data can be found in the "Climate Performance" Section on page 53 and pages 56-59.

In this report, you will find progress and updates, all of which are geared towards providing clarity on our strategies and initiatives, as well as how well we have performed in terms of meeting our objectives.



Integrated Annual Report & Corporate Governance Report 2023

Scan QR Code to read the online report



Sustainability Report 2023

Scan QR Code to read the online report



Basis of This Report

MATERIALITY

In this report, we provide disclosure on matters that are material to our stakeholders as well as to Duopharma Biotech. 17 material sustainability matters were identified using the materiality approach, of which 10 were prioritised considering the principle of Double Materiality to analyse our impact on society and the environment, as well as the impact of social and environmental factors on our financial performance.

ASSURANCE

To ensure the integrity of the report and presentation of balanced, accurate and meaningful information, the data have been meticulously prepared by relevant departments while the contents have been reviewed by the Group Management Committee and further deliberated for final approval by the Board Committee (Halal and Sustainability Committee) and Board of Directors.

Independent assurance has been obtained from Carbon Check (I) Pvt. Ltd., verifying that our disclosures have been prepared with reference to the selected topic-specific GRI indicators and Bursa Malaysia's Common Sustainability Indicators. The limited assurance was conducted using AA1000 Assurance Standard (AA1000AS v3).

This report has also been internally reviewed and audited by the Duopharma Biotech Berhad Group Internal Audit which has verified that the initiatives and data disclosed are accurate and acceptable.



Please refer to page 123 for the assurance statement.

ACCESSIBILITY AND FEEDBACK

This report should be read together with our Integrated Annual Report 2023 and other publicly available resources on our corporate website. We welcome feedback and look forward to receiving your comments/ suggestions on our sustainability efforts via email to: sustainability@duopharmabiotech.com.

ENHANCEMENTS TO THE REPORT

Various enhancements have been made to our report this year to effectively showcase our sustainability performance and initiatives. Key enhancements include:

Section	Key Enhancements
Duopharma Biotech Berhad at A Glance	<ul style="list-style-type: none"> Introduced "About Duopharma Biotech Berhad" to provide an overview of the company in terms of business sectors, market presence, vision, mission, total workforce, and economic performance
Sustainability at Duopharma Biotech	<ul style="list-style-type: none"> Integrated discussion on sustainability framework and governance together with stakeholder engagement, material matters and strategy to provide a holistic overview of our approach in adopting sustainability Introduced "Sustainability Risks, Opportunities & Strategy" and "Value Creation Business Model" for an overview of our potential risks and opportunities for each material sustainability matter, their potential impacts, strategies to address these risks and opportunities and how we are creating value through our ESG Strategy and operations Included a summary of progress/performance in 2023 in each Key Focus Area of the Short-term ESG Strategy
Our Sustainability Performance – Climate Performance	<ul style="list-style-type: none"> Included a summary of progress made with regard to TCFD recommendations, to demonstrate our progress towards full disclosure in SR2025
Performance Data Table	<ul style="list-style-type: none"> Included "Performance Data Table" - performance data summary extracted from Bursa Malaysia's ESG Reporting Platform, which must be disclosed in the listed issuer's Sustainability Statement/ Sustainability Report

About Duopharma Biotech Berhad

Duopharma Biotech Berhad (“Duopharma Biotech” or “the Group”) is a Malaysia-based pharmaceutical company engaged in the manufacture and distribution of pharmaceutical products, primarily in Malaysia and the region, with a reach extending to 31 countries globally. In addition to manufacturing a range of consumer healthcare and pharmaceutical products at our three plants in Malaysia, we also distribute the products of international partners. For over 45 years, we have solidified our position as Malaysia’s leading generics manufacturer, driven to make quality medicines affordable and accessible to everyone.

We have pioneered a number of firsts in Malaysia, becoming the first local pharmaceutical company to produce cancer drugs and the first to fill and finish biosimilars. All products from our manufacturing plants are halal-certified.

We employ close to 2,000 people in our corporate and manufacturing plants in Malaysia, as well as our regional offices in Singapore, the Philippines and Indonesia. Listed on Bursa Malaysia in 2002, we have a market capitalisation of about RM1.2 billion as at 31 December 2023.

At Duopharma Biotech, we continue to push the boundaries of pharmaceutical innovation to better serve the healthcare needs of communities, both locally and globally.

Market reach
extending to

31

countries
globally



OUR BUSINESS SECTORS

Consumer Healthcare Business

Involved in the manufacturing, marketing and distribution of over-the-counter products e.g., vitamins, supplements, etc

Classic Pharmaceutical Business

Comprises more than 300 generic drugs manufactured by the Group to serve patients in different therapeutic classes e.g., cardiovascular, respiratory, etc.

Specialty Pharmaceutical Business

Focuses on drugs for targeted conditions as well as medical devices and consumables. We have also diversified into the biosimilars space with technology and commercialisation collaborations with international partners.

About Duopharma Biotech Berhad



VISION

Providing Smarter Solutions for a Healthier Life



MISSION

Leading Healthcare Group
Providing Quality & Innovative Solutions



Our Core Values of PETIRR form the basis of how the team operates

- P** Passion
- E** Excellence
- T** Teamwork
- I** Integrity
- R** Responsible
- R** Respect



CORPORATE CULTURE

Our Corporate Culture guides all personnel in executing our business strategy and its goals

- Performance-driven
- ESG Compliance
- Innovation
- Global Mindset



OUR BUSINESS VALUE CHAIN COMPRISES

- Research & Development
- Manufacturing
- Logistics & Distribution
- Sales & Marketing

OUR KEY MANUFACTURING PLANTS



Duopharma Manufacturing (Bangi) Sdn Bhd

- Located in Bangi, Selangor.
- Manufactures a wide range of Ethical and Consumer Healthcare ("CHC") products, mainly in Oral Solid Dosage ("OSD"), liquid and cream forms.



Duopharma (M) Sdn Bhd

- Located in Klang, Selangor.
- Manufactures oral solids, haemodialysis & sterile Small Volume Injectables ("SVI") products.



Duopharma HAPI Sdn Bhd

- Located in Glenmarie, Selangor.
- Manufactures Highly Potent Active Pharmaceutical Ingredients ("HAPI").

TOTAL WORKFORCE IN 2023

Total no. of employees
(as at 31 December 2023)

1,940

No. of male employees

1,135 (59%)

No. of female employees

805 (41%)

FINANCIAL HIGHLIGHTS IN 2023

Revenue

RM704.73 million

Profit before tax

RM63.27 million



Please refer to our Integrated Annual Report and corporate website <https://duopharmabiotech.com/> for more details on our corporate and governance structures, and leadership team.

Sustainability Performance Highlights

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

CLIMATE PERFORMANCE

Established **Net Zero Transition Plan** to drive our efforts towards Net Zero Carbon Emissions by 2050

Achieved **0.36%** reduction in **total carbon emissions intensity** from 2022

SUSTAINABLE SUPPLY CHAIN

Conducted corruption and bribery due diligence on **329** new business associates

ESG knowledge sharing sessions with **16** vendors during Program Vendor Duopharma Biotech

ACCESS TO MEDICINE

Invested in **The Live Green Co**, which specialises in wellness and plant-based functional foods

Partnering with **UE LifeSciences Sdn Bhd** to distribute handheld breast screening devices, iBreastExam, for early detection of breast cancer

Expanding digital health portfolio with **RenalWorks Malaysia's cloud-based dialysis patient and clinic management platform**

DIVERSITY AND INCLUSION

Established **Diversity, Anti-Discrimination & Anti-Harassment Policy** in February 2023

Learning & Development sessions on diversity, anti-discrimination & anti-harassment were conducted by HR personnel via physical & virtual sessions

Employee Engagement Index ("EEI"):



88%
(2022:84%)

GOVERNANCE

Revised **Whistleblowing Policy and Whistleblowing Investigation Procedure** in accordance with ISO 37002 and 37008 requirements

Trained **29** **Bumi Agents** on Anti-Corruption related subjects including Whistleblowing, Gift and Hospitality, Conflicts of Interest, etc.

Sustainability Performance Highlights

Established **GHG Scope 3 baseline data** in 3 categories

5,926.36 m³ of water recycled within operations

5.099 tonnes of biodegradable plastics used within operations to replace single-use plastics

Solar panel installation at 3 main manufacturing sites

Increased recycling rate by **4%** from 2022

Diverted **19%** of non-scheduled waste from landfills

Implemented 36 Continual Improvement ("CI") projects, leading to **RM5.48 million** savings, exceeding target of RM4 million

On-Time In-Full ("OTIF") performance:



94.8%
(Target: 85%)



99.4%
(Target: 97.6%)

Reduction in Total Recordable Case Frequency ("TRCF"): **1.09** (TRCF 2022: 2.10)

Achieved penetration rate of **91.4%** in the private sector for Ethical Classic product range

Over **4,000** patients benefiting from Lebreta breast cancer treatment monthly

Expanded paracetamol distribution points including **1,133** clinics and **1,500** general trade outlets

Awaiting award of new APPL tender cycle for **3 years** (2023 - 2026)

Submitted in excess of **50** new product registrations to bring to market, local and overseas combined

Invested **RM1.60 million** in learning & development in 2023 (increase by 48.6% from 2022)

Average training hours per employee: **22.0** (2022: 24.0)

Total of **57** training hours on ESG Awareness

Total contribution to community development programmes: **RM1.92 million**

Certified with **ISO 37001:2016** Anti-Bribery Management System after Recertification Audit was completed in September 2023 without any Non-Compliance findings

45.5% women directors on our Board



Completed revision of the Company's Board Charter, Terms of Reference of all Board Committees, the Policy of External Auditors, and Personal Data Protection Compliance Policy and Manual

Adopted a new **Directors' Code of Ethics**

Sustainability Performance Highlights

Sustainability Awards and Recognition in FY2023

Duopharma Biotech was honoured to receive a number of sustainability-related awards in 2023, reflecting our commitment to upholding ESG principles throughout our operations and business.

- 1 **Sustainability & CSR Malaysia Awards 2023**
Company of The Year (Pharmaceutical) Community Care Award

Organised by:
CSR Malaysia Publications

- 2 **The Edge ESG Awards 2023**
Gold Award in Healthcare category

Organised by:
The Edge Publications

- 3 **Talentbank Graduates' Choice Award**
2023 Most Preferred Graduate Employers To Work For (Pharmaceutical)

Organised by:
Talentbank



Sustainability Performance Highlights

4 UNGCMYB The Forward Faster Sustainability Awards

1. Partnership For the Goals Recognition
2. Pioneer Sustainable Development Action Recognition

Organised by:

United Nations Global Compact Network Malaysia & Brunei ("UNGCMYB")

6 National Annual Corporate Report Awards ("NACRA") 2023 Excellence (Silver) in less than RM2 Billion Market Cap category

Organised by:

Bursa Malaysia, Malaysian Institute of Accountants ("MIA") and Malaysian Institute of Certified Public Accountants ("MICPA")

5 World Cleanup Day

Best Agency in the Private Sector

Organised by:

Ministry of Local Government Development and SWCorp



Message from Chairman and Group Managing Director

DEAR SHAREHOLDERS,

It gives us great pleasure to present Duopharma Biotech's standalone Sustainability Report for the year 2023. While being a very challenging year financially, we made great strides in strengthening our sustainability framework and have been pleased to see some early wins in terms of enhanced performance and recognition. Most importantly, we have observed greater awareness of the importance of sustainability within the Group as well as among our suppliers and vendors. This is very positive as the success of sustainability programmes rests ultimately on the people who implement them.



**LEONARD ARIFF BIN
ABDUL SHATAR**
Group Managing Director

**TAN SRI DATIN PADUKA SITI
SA'DIAH BINTI SH BAKIR**
Non-Independent, Non-Executive
Chairman

Message from Chairman and Group Managing Director

Going for Zero

A key development this year was the launch of our Net Zero Transition Plan ("NZTP") to guide the Group towards becoming a net zero carbon emissions organisation by 2050. NZTP is anchored on three areas: decarbonising emissions within our operations; accelerating reduction within the value chain; and adopting carbon offsets through avoidance and removal. In 2023 itself, we have started to make progress in each area.

In terms of decarbonisation, we are investing in renewable energy with the installation of solar roof panels on all three manufacturing sites, i.e., Klang, Bangi and Glenmarie. These panels have a total generation capacity of 2,558 kilo watt peak ("kWp"), meaning that at peak performance they can generate an average of 3,267,845 kWh of clean energy annually. Reducing Greenhouse Gas ("GHG") emissions across the value chain (our Scope 3 emissions) is challenging as it involves identifying and managing emissions from non-core operations. We began the identification process in 2022 with the development of our Scope 3 reporting roadmap, and in 2023 developed baselines for three categories – emissions from waste generated in operations (Category 5), business travel (Category 6) and employee commuting (Category 7). By the end of 2024, we will have done the same for three more categories, namely: purchased goods and services (Category 1), upstream transportation and distribution (Category 4), and end-of-life treatment of sold products (Category 12).

Meanwhile, recognising the need to complement our carbon reduction initiatives with offsets in order to meet our carbon neutrality by 2030 target, we continue to purchase renewable energy certificates ("RECs"). This year marked our second year of purchasing 12,000 RECs, which is equivalent to 12,000 MWh of electricity generated from renewable sources. These offsets are specifically to help lower our operational emissions which we have committed to reducing by 10% annually.

"With our entire ecosystem working together to foster environmental, social and governance value, we are confident of achieving greater business value and meaningful outcomes in the coming years."

Guided by the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, we are also looking to strengthen our resilience against climate change risks. Accordingly, our Risk Management and Sustainability team has worked closely with our operational team to identify the physical and transition risks that may impact our operations and businesses. These have been entered into our Risk Register and will be closely monitored, with progress and updates shared at the Board level every quarter.

Our decarbonisation journey will necessarily take years to accomplish, and we will keep finetuning our strategies along the way. Nevertheless, it was encouraging to see results from our early steps, with our carbon emissions intensity reducing from 56.48 tCO₂-e/RM million of revenue in 2022 to 56.28 tCO₂-e/RM million of revenue in 2023.



Electric Vehicle ("EV") Charger Installation

We have laid the foundation for smarter, more reliable and reduced-emissions mobility by installing EV chargers for our staff. The aim is to support a reduction in our GHG Scope 3 emissions.

Message from Chairman and Group Managing Director



Enhancing Access to Medicines & Digital Healthcare

As a pharmaceutical company in Malaysia, we will always be driven to making the most efficacious treatments available and affordable locally and in the region. Already the biggest manufacturer and distributor of generics in the country, we continue to expand our portfolio of products in collaboration with leading biotechnology partners. During the year, we started to commercialise our second cancer molecule, Trevive, at our Highly Potent Active Pharmaceutical Ingredients (“HAPI”) plant in Glenmarie – for the treatment of cancer of the bone marrow. At the same time, we are carrying out stability studies on the third cancer drug to be rolled out from the HAPI plant.

It is also with pleasure to share that we are nearing completion of another manufacturing facility in Klang, codenamed K5, which will be used for bulk production of biosimilars and vaccines. This would have the dual benefits of reducing the price of biosimilars in Malaysia while making the country self-sufficient in vaccine production. The latter is critical towards national preparedness in the event of any future healthcare emergency.

While building our oncology portfolio, we have also introduced a device that would help significantly in the early detection of breast cancer, saving women from having to undergo more expensive treatment. iBreastExam, developed by US-based innovator company UE LifeSciences Inc., is a hand-held scanner that is very easy and convenient to use. We used it to scan over 6,600 women over a period of a month in conjunction with the National Cancer Society Malaysia (“NCSM”)’s Pink Unity campaign in November 2023. Soon, we hope to make it available in government and private hospitals as well as clinics.

Other than iBreastExam, we are collaborating with a computer software development company, Renalworks, to introduce a cloud-based digital system that will enhance the management of patients’ data as well as data related to the running of dialysis centres.

Creating Diversity Through Inclusivity

Within Duopharma Biotech, we are strengthening our policies and procedures to ensure a workplace that celebrates diversity and that protects the rights of everyone, irrespective of age, gender, cultural, racial or national backgrounds. We feel it is important to promote gender equity as well as to prevent any discrimination based on race or nationality given that we operate in a multi-racial country and employ foreign employees. In February 2023, we established a Diversity, Anti-Discrimination & Anti-Harassment Policy which underlines our commitment to equal opportunities for everyone and our zero tolerance for any form of harassment. Further supplementing this policy, in 2024 we will be introducing a Human Rights Policy.

We also continue to monitor the level of stress experienced by our employees and are intensifying efforts to provide those who need it with coping mechanisms. Since the pandemic, we have been carrying out a Burnout Survey. Although the surveys have consistently demonstrated that most employees are coping well, this year, there was a slight increase in number of respondents who show some risk of burnout. As a result, we have been enhancing mental health literacy and awareness, as well as initiatives to empower our employees to overcome mental health issues in collaboration with partners such as Naluri, Monash University, PM Care and hospitals.

Message from Chairman and Group Managing Director

Creating a Culture of Sustainability

We feel deeply that to accelerate the momentum we have already achieved in our sustainability agenda, we need to infuse a sustainability mindset among the entire Duopharma Biotech value chain, from employees on the ground to our suppliers and vendors.

Internally, we are intensifying efforts to create awareness of sustainability issues, especially those that are pertinent to our operations, via training and other means. Throughout the year, 114 ESG training sessions (equivalent to 57 training hours) were held for employees on a variety of topics in Klang, Bangi and Glenmarie. In addition, we publish a monthly ESG Bulletin, which is shared via email and posted on our online learning management system, MyDuopharma Learning ("MDL") for convenient access by all employees. To facilitate progress in our TCFD journey, training was conducted in November 2023 for Sustainability Council members and key departments for better organisational understanding of climate-related risks. The Group Managing Director ("GMD") and the Chief Legal Officer and Group Company Secretary have also successfully

passed and obtained the Sustainability and Climate Risk (SCR) Certificate administered by the Global Association of Risk Professionals (GARP), as part of our initiative to enhance sustainability knowledge capability within the organisation.

Externally, we are expanding the focus of programmes conducted for our suppliers/business associates from integrity/anti-corruption to broader sustainability practices. We are also playing a bigger role in the transition of the Malaysian economy to a low-carbon economy. During the year, Duopharma Biotech was invited to be part of the United Nations Global Compact Network Malaysia & Brunei ("UNGCMYB") delegation to a discussion with the Minister of National Resources, Environment and Climate Change ("NRECC") on carbon emissions reduction strategies. We also met the Ministry of Economy (Energy Division) to gain deeper insights into the recently published National Energy Transition Roadmap ("NETR"), which helped us to shape our NZTP. In addition, we engaged with various sustainability leaders such as Maybank, TNB, our shareholders PNB and EPF, as well as universities to share and benefit from best sustainability practices for the benefit of everyone.

Awards & Recognition



It is with pleasure to share that our efforts to ingrain sustainability into our everyday business and operations is not only gaining traction but also industry recognition. During the year, we received a number of awards, key among which were a **Gold** in the Healthcare category at The Edge ESG Awards 2023; and being named

Company of the Year for Community Care

(Pharmaceutical category) at the Sustainability & CSR Malaysia Awards

2023. Most reassuringly, our rating in the **FTSE4Good Index** increased significantly from 3.9 in 2022 to **4.4** in 2023.

Acknowledgement

Every year Duopharma Biotech has been steadily building our sustainability platform to create value for our internal and external stakeholders. Our successes to date have been the results not only of the work of our Sustainability Team, but also the continuous support of our Board of Directors and Senior Management, suppliers/vendors and business associates, as well as the commitment of all employees. With the continued collaboration of everyone, we are confident of our ability to contribute towards the delivery of *Healthier Lives, and making a Meaningful Difference* for many more years to come.

Sustainability Framework

SUSTAINABILITY FRAMEWORK



Sustainability Framework

Our Sustainability Framework guides the integration of sustainable practices across Duopharma Biotech, providing a structured approach to addressing ESG considerations in decision-making and business practices. Adoption of the framework enhances our business resilience, minimises risks and contributes to the well-being of society and the planet.

The framework encompasses our Sustainability Policy which guides our actions towards a more sustainable future focusing on the following three key elements:



SUSTAINABILITY-LED BUSINESS COMMITMENT

We integrate sustainability into our core business practices and decision-making to create long-term value for our stakeholders while minimising adverse impacts on the environment.



PLANET PERFORMANCE

We monitor and improve our environmental performance through effective resource management, pollution prevention and waste reduction with the aim of protecting the planet and conserving natural resources.



OUR WORKFORCE AND COMMUNITY

Recognising the significance of our employees and the communities we operate in, we prioritise the well-being and development of our workforce and support initiatives that contribute positively to society.



For more details on our Sustainability Policy, please refer to our corporate website: <https://duopharmabiotech.com/esg/governance-and-policies/>

To balance our economic performance with positive environmental and social outcomes, we established a 5-Year ESG Strategy (2022-2026) encompassing five key focus areas that serve as the pillars of Duopharma Biotech's sustainability initiatives. Each focus area addresses identified material sustainability matters, ensuring the mitigation of risks associated with ESG factors. While meeting our internal business objectives, we also ensure alignment with the global agenda via the UN SDGs.

Our 5-Year ESG Strategy and Sustainability Policy underline Duopharma Biotech's comprehensive approach to sustainability. Implementation of the strategy and adherence to the policy are closely monitored by our comprehensive sustainability governance structure.

Sustainability Governance

Sustainability at Duopharma Biotech is governed by the highest body in the Group, namely our Board of Directors. The Board plays a crucial role in integrating sustainability in the Company's strategic direction, oversees our sustainability implementation and is ultimately responsible for ensuring we have the resources and capability to manage our sustainability commitments to create long-term value for our stakeholders and entrench the Group's own sustainability.

Sustainability matters are discussed by the Halal and Sustainability Committee ("HSC"), which is kept updated by quarterly reports from the Group Sustainability Department. These reports include proposals on sustainability strategy-related initiatives for HSC's endorsement and recommendation to the Board. The Group Management Committee reviews and deliberates on the progress of our ESG Strategy every month. Meanwhile, a management-level Sustainability Management Council oversees the implementation and progress of sustainability programmes, providing guidance to the Group Sustainability Department and other key departments driving the ESG Strategy who, in turn, work closely with individual operational units in implementing all the necessary initiatives.

Sustainability Governance Framework



Sustainability Governance

Throughout 2023, the Board and HSC each convened five times to discuss and deliberate the following key topics:

5-Year ESG Strategy and initiatives

Key initiatives under our 5-Year ESG Strategy and Roadmap were presented to the HSC and Board of Directors every quarter for their information and feedback.

Net Zero Transition Plan ("NZTP")

HSC and the Board reviewed and deliberated on the NZTP, and approved the finalised strategic plan.

FTSE4Good assessment results

Reviewed outcomes of the FTSE4Good assessment and ESG ratings performance reports, including Duopharma Biotech's plans to improve our overall FTSE4Good score.

Sustainability Reporting

Updated on the development of Sustainability Report 2022 ("SR2022"), including the external assurance by auditors (Carbon Check (I) Pvt. Ltd.) and reviewed contents for disclosure.

Safety, Health and Environment ("SHE") incidents and programmes

Reviewed reports on SHE incidents and deliberated on the adequacy and effectiveness of preventive and corrective actions taken, as well as programmes.

ESG-related compliance

Monitored overall compliance with ESG-related requirements; and Duopharma Biotech's sustainability commitment as per Malaysian Code on Corporate Governance ("MCCG") 2021.



Stakeholder Engagement

Key Stakeholders and Engagement

Our stakeholders are groups of people who are able to influence the Group's operations and business performance or who are impacted by the same. These stakeholders are categorised according to the nature of their relationship with Duopharma Biotech. In the past, we have reported on 12 stakeholder groups; however, following a review, we decided to group together stakeholders

	ENGAGEMENT PLATFORMS	HOW WE IMPACT EACH OTHER
S1 GOVERNMENT & REGULATORY AUTHORITIES	<ul style="list-style-type: none"> Formal dialogues and meetings Participation in trade councils and associations Communication via phone, emails, letters or fax On-site inspections Joint working committee with state governments 	<p>The government and regulators establish the legal frameworks that shape the industry. By engaging with them, we keep updated on regulatory changes and are better able to manage our compliance risk.</p> <p>By engaging with the Procurement & Privatisation, Logistic Pharmacy Management Subdivision of the Ministry of Health ("MOH"), we are better able to understand and support the national agenda to ensure greater accessibility, equitability, sustainability and resilience of medicines and healthcare in Malaysia.</p>
S2 EMPLOYEES	<ul style="list-style-type: none"> Regular communication via email, townhalls, company intranet and online MyDuopharma Learning ("MDL") portal Face-to-face and online meetings Yearly performance appraisals & employee engagement surveys Festive celebrations, sports and Corporate Social Responsibility ("CSR") events organised by Kelab PETIRR Duopharma Staff engagement and appreciation sessions including regular engagement with the Unions Employee health and well-being initiatives including support for employees' physical and mental health via collaboration with Naluri Hidup Sdn Bhd Various talks by external professionals on managing finances, retirement funds, health screening programmes, etc Periodical reviews of salary band and benefits to stay competitive in the market 	<p>Our employees drive our operations, determine our productivity and ultimately, our performance. They are also the "face" of Duopharma Biotech, representing our values and what we stand for. Conversely, we provide our employees with job opportunities, financial and well-being support.</p>

Top 10 Material Issues:

1 Product Quality, Safety & Responsibility

2 Anti-Corruption

3 Health & Safety



4 Waste & Material Management

5 Climate Risk

Stakeholder Engagement

who have the same concerns and are impacted in the same way by Duopharma Biotech. For greater clarity and more concise reporting, we now have nine distinct stakeholder groups.

In the table below we list the different groups and indicate how we engage with them, the nature of our relationship with them, their concerns and how we address these.

KEY AREAS OF CONCERN FOR STAKEHOLDER GROUP	OUR ACTIONS	LINK TO TOP 10 MATERIAL TOPICS
<ul style="list-style-type: none"> Regulatory compliance Equitable healthcare Achievement of national goals Environmental management Labour practices and health & safety Governance and ethics Procurement & privatisation 	<ul style="list-style-type: none"> Strict adherence to all regulatory requirements Ensure affordable and accessible medicines Support national agendas such as the Halal Agenda, Net Zero Carbon Emissions Establish transparent communication and engagement with relevant bodies Provide quality products that are affordable through tender/procurement Ensure availability of medicines whenever necessary, especially during pandemics or emergencies 	
<ul style="list-style-type: none"> Financial performance & stability Competitive remuneration Performance reviews Capacity building & career development General well-being and mental health Safe working environment Data privacy & security 	<ul style="list-style-type: none"> Sound financial management and business strategy Regular benefits benchmarking by Group Human Resources ("HR") Established Diversity, Anti-Discrimination & Anti-Harassment Policy Structured and customised training programmes Career and talent management and succession planning Employee well-being support e.g., Employee Relief Fund Emphasis on safety and health programme, including mental health Strengthening our internal data privacy, enhancing the security protocols and conducting security awareness training 	

Stakeholder Engagement

	ENGAGEMENT PLATFORMS	HOW WE IMPACT EACH OTHER
S3 SHAREHOLDERS & FINANCIAL COMMUNITY	<ul style="list-style-type: none"> Investor and analyst briefings Annual reports and corporate governance reports Annual General Meetings (“AGMs”) Announcements to Bursa Malaysia and corporate website updates Meetings, presentations and dialogue Assessments by key shareholders and financial institutions Communication via phone and emails 	<p>Investors, banks and other financial institutions provide us with capital to pursue our growth plans whilst shareholders provide us with financial capital through their equity in the company. We contribute by generating favourable returns on investments and ensuring sustained business growth for long-term success.</p>
S4 CUSTOMERS	<ul style="list-style-type: none"> Roadshows, seminars, exhibitions and events Continuous Medical Education (“CME”) sessions Communication via e-mail, phone, social media and online platforms Face-to-face meetings 	<p>Our customers – hospitals, clinics and pharmacies – are important channels through which we are able to reach patients/ the general population. We offer our customers a range of cutting-edge products and therapies in Malaysia/ region. In return, they have access to high-quality yet competitively priced products.</p>
S5 SUPPLIERS	<ul style="list-style-type: none"> Periodic meetings Annual Vendor Performance Evaluation (“VPE”) Briefings, seminars and conferences Site visits Communication via phone, emails, letters or fax 	<p>Our suppliers are critical to our operations as they provide us with raw materials and services that enable production, whilst we offer sound business opportunities to them.</p>

Top 10 Material Issues:

1 Product Quality, Safety & Responsibility




2 Anti-Corruption

3 Health & Safety

4 Waste & Material Management

5 Climate Risk

Stakeholder Engagement

KEY AREAS OF CONCERN FOR STAKEHOLDER GROUP	OUR ACTIONS	LINK TO TOP 10 MATERIAL TOPICS
<ul style="list-style-type: none"> Financial performance and stability Business direction and key corporate developments Growth prospects and return on investment Strong and effective leadership Compliance with regulatory requirements ESG commitments and performance Data privacy and security 	<ul style="list-style-type: none"> Sound financial management Development and review of corporate strategy Business strategy outlining growth and product innovation Leadership training and succession planning Maintaining good governance practices and disclosures, and compliance with regulatory requirements Execution of ESG strategy and initiatives and transparent disclosures Maintaining listing in Bursa Malaysia's FTSE4Good Index Strengthening our internal data privacy, enhancing the security protocols and conducting security awareness training 	
<ul style="list-style-type: none"> Safe and efficacious products Competitive pricing Portfolio expansion to treat a wider range of ailments Quality service (including timely delivery) Data privacy and security 	<ul style="list-style-type: none"> Compliance with all pharmaceutical industry regulations on safety and quality Pharmacovigilance unit keeps track of adverse drug reactions Cost management to maintain affordable prices Product innovation by Research & Development ("R&D") team - development of generics and biosimilars Partnership/ collaborations to introduce cutting-edge therapies in Malaysia/ region Continuous monitoring of on-time, in-full ("OTIF") performance Annual Voice of Customer surveys Strengthening our data privacy and security protocols 	
<ul style="list-style-type: none"> Duopharma Biotech's financial performance and stability Fair and transparent procurement procedures Ethical business practices Good governance Supplier development programme Data privacy and security 	<ul style="list-style-type: none"> Sound financial management and business strategy Procurement procedures e.g., Purchasing Control Procedure and e-bidding Good governance and compliance with regulatory requirements Governance-related and business training/ programmes for suppliers e.g., Bumiputera Vendor Development Programme Strengthening our internal data privacy and security protocols 	

Stakeholder Engagement

	ENGAGEMENT PLATFORMS	HOW WE IMPACT EACH OTHER
S6 BUSINESS PARTNERS	<ul style="list-style-type: none"> Periodic meetings Knowledge sharing and transfer of technology Strategic dialogues, conferences and forums 	<p>We pursue diverse business opportunities with our business partners, fostering collaborative relationships that encompass mutually beneficial ventures to expand our product portfolio. This approach contributes to the overall sustainability and success of our business ecosystem.</p>
S7 LOCAL COMMUNITIES	<ul style="list-style-type: none"> Community events Philanthropy and donations Regular communication via Duopharma Biotech's official social media pages 	<p>The community is an extension of our customer/ consumer base. Effective community participation and engagement are important to maintain our social license to operate. We support communities via economic development and corporate social responsibility (CSR) programmes.</p>
S8 HEALTHCARE PROFESSIONALS	<ul style="list-style-type: none"> Continuous Medical Education ("CME") for medical fraternity Roadshows, seminars, exhibitions and get-together events Journal publications 	<p>Medical doctors, dentists and pharmacists are important because they decide which medications to prescribe to patients. We provide them with a wide range of cutting-edge products/ therapies in Malaysia/ region.</p>
S9 MEDIA	<ul style="list-style-type: none"> Media briefings on financial results One-on-one interviews Press conferences and events 	<p>The media serves as a platform through which corporate news is disseminated to all our stakeholders. The various media outlets enhance our transparency, keeping stakeholders informed of our activities, initiatives and performance. This contributes to greater brand visibility and fosters public confidence in the organisation.</p>

Top 10 Material Issues:

1 Product Quality, Safety & Responsibility















2 Anti-Corruption

3 Health & Safety

4 Waste & Material Management

5 Climate Risk

Stakeholder Engagement

KEY AREAS OF CONCERN FOR STAKEHOLDER GROUP	OUR ACTIONS	LINK TO TOP 10 MATERIAL TOPICS
<ul style="list-style-type: none"> Duopharma Biotech's financial performance and stability Growth prospects and returns on investment Technical capabilities and market reputation Compliance with regulatory requirements Good governance and ethical business practices Data privacy and security 	<ul style="list-style-type: none"> Sound financial management and business strategy Business strategy outlining growth and product innovation Continuous capacity building and knowledge sharing for employees, especially on technical issues Maintaining good governance practices and compliance with regulatory requirements Strengthening our internal data privacy and security protocols 	  
<ul style="list-style-type: none"> Economic contributions e.g., job creation Community development and enrichment Environmental and biodiversity impacts Safety and environmental regulatory compliance Safe and efficacious products and services Affordable and accessible products 	<ul style="list-style-type: none"> Job opportunities for local communities CSR programmes focusing on social equity and humanitarian relief Proper management of climate change, environmental and biodiversity impacts Strict adherence to regulatory requirements and quality standards Development of generics and biosimilars; and cost management to maintain affordable prices 	     
<ul style="list-style-type: none"> Product quality and safety management Compliance status Product pricing Portfolio expansion to treat wider range of ailments 	<ul style="list-style-type: none"> Compliance with pharmaceutical industry regulations Pharmacovigilance unit keeps track of adverse drug reactions Reducing costs through process efficiency and more cost-effective raw material sources Product innovation by R&D team Partnership/ collaborations to introduce cutting-edge therapies in Malaysia/ region 	  
<ul style="list-style-type: none"> Regular updates on financial and market performance Transparent and timely response to enquiries Good governance and ethical business practices ESG commitments and performance 	<ul style="list-style-type: none"> Our corporate communications team maintains close relationships with the different media houses Provide speedy response to media enquiries on business developments and updates Maintain good governance practices Execute ESG strategy and disclose initiatives transparently 	 

Stakeholder Engagement

Memberships & Associations

Duopharma Biotech is a member of various industry and sustainability-linked organisations, through which we keep in touch with best practices while also contributing our own knowledge and expertise for the betterment of the pharmaceutical ecosystem in the country and region.

EXTERNAL ENGAGEMENTS

Along with increased investment into sustainability, Duopharma Biotech is engaging more extensively in knowledge-sharing events. The objective is to build capacity through strengthened collaborative action and meaningful dialogue, and build partnerships that contribute to sustainable business practices across our industry.



Duopharma Biotech participated in a sharing session on ESG implementation/ best practices organised by UNGCMYB and Malaysia Productivity Corporation ("MPC") for MPC Penang members and SMEs.

**February
2023**



Duopharma Biotech was invited to be part of the UNGCMYB's delegation to a discussion with the Minister of National Resources, Environment and Climate Change ("NRECC") on carbon emissions reduction strategies and positioning Malaysia as a leading low-carbon energy player.

**April
2023**

**May and June
2023**



Duopharma Biotech was invited to sit on a panel at a MOPI webinar which attracted 180 participants from 42 organisations. Our Head of Sustainability shared insights on Duopharma Biotech's journey in integrating ESG into our strategy, business model and operations.



- We engaged with key stakeholders such as Permodalan Nasional Berhad ("PNB") and the Employees Provident Fund ("EPF") to understand their expectations

of ESG and climate actions by Duopharma Biotech, and to share updates on our 5-Year ESG Strategy.

- We also engaged with other sustainability leaders such as TNB and Maybank to discuss their commitments and plans towards net zero emissions, and practical strategies in driving ESG.
- We had discussions with researchers from the Centre for Environmental Sustainability & Water Security ("UTM") on water management and potential collaborations between the private and public sectors.

Stakeholder Engagement

United Nations Global Compact
Network Malaysia & Brunei
("UNGCMYB")

Malaysian
Employers Federation
("MEF")

Federation of
Malaysian Manufacturers
("FMM")

Malaysian Organisation of
Pharmaceutical Industries
("MOPI")

Bangi Industri
Administrative Association
("BIAA")

International Society for
Pharmaceutical Engineering
("ISPE")



Duopharma Biotech was invited by Sunway University's Sunway Center of ESG ("SCESG") - Sunway Business School as a panel speaker at a hybrid workshop on GHG Accounting & Voluntary Carbon Market. The workshop raised awareness of the need for a voluntary carbon market and how it could be operationalised.

August
2023



Duopharma Biotech met representatives from the Energy Division of the Ministry of Economy to gain insights into the recently published National Energy Transition Roadmap ("NETR"). The discussion revolved around pivotal sustainability topics, challenges and the way forward to support our net zero carbon emissions target. The NETR will guide our NZTP.

September
2023



Duopharma Biotech received a visit from the Sunway Centre of Planetary Health ("SCPH") as part of our knowledge-sharing efforts on sustainability practices, specifically on water consumption, recycling and reuse practices.



Duopharma Biotech was invited as a panel speaker to the International Society for Pharmaceutical Engineering ("ISPE") Malaysia Annual Conference 2023 – "Shaping The Future Through Innovation & Sustainability". Our Corporate CEO, Dato' Dr. Anas Alam Faizli, shared insights on "The Way Forward for The Pharmaceutical Industry: Challenges & Opportunities".



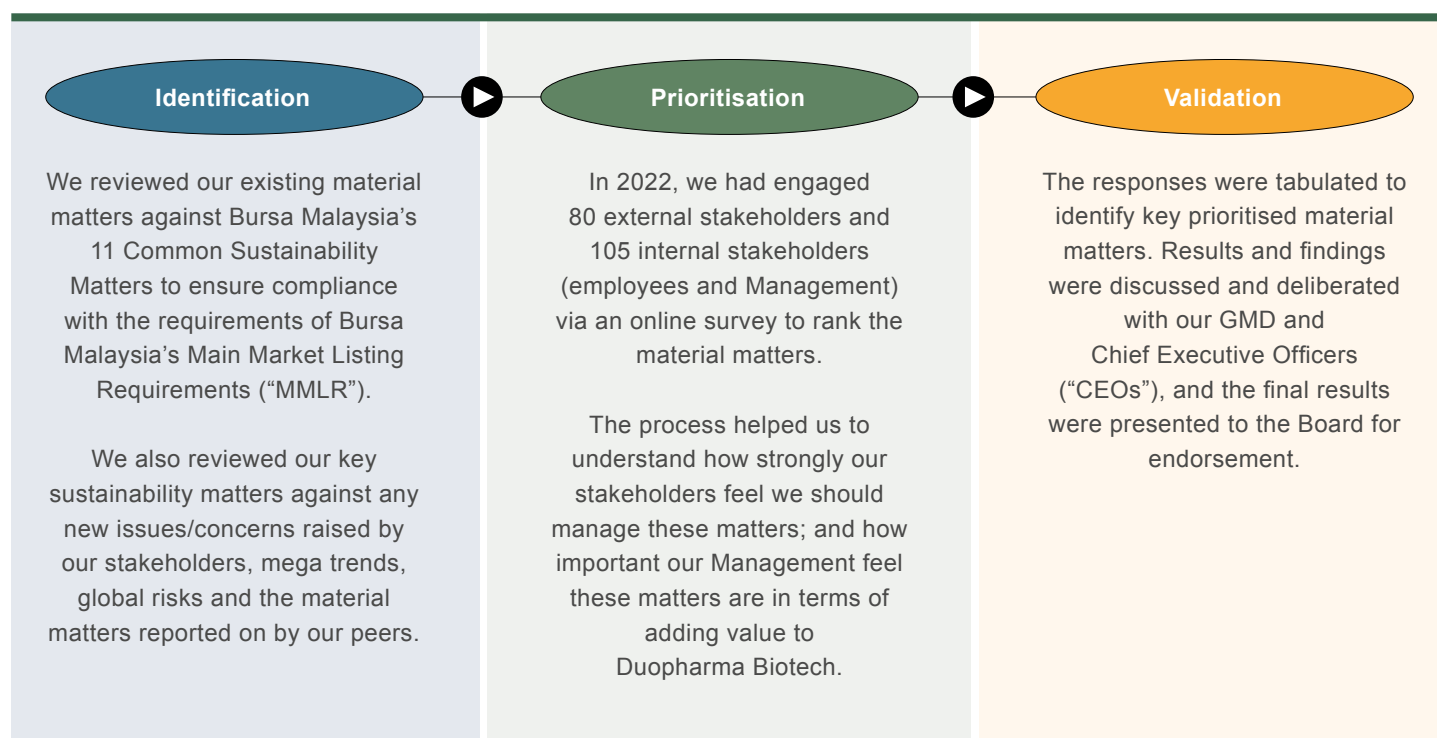
Duopharma Biotech was a Platinum Sponsor of the International Conference on Sustainable Environmental Science and Technology ("ICES Tech 2023") organised by Universiti Teknologi Malaysia ("UTM") Skudai, and invited to share insights on our sustainability strategy and initiatives.

Material Matters

Material matters are sustainability issues which Duopharma Biotech could play a significant role in managing as well as topics or issues that are important to our stakeholders and which can influence their perception and relationship with the Group. To identify our material matters, we conduct a materiality assessment based on a three-step process of identification, prioritisation and validation.

Extensive materiality assessments involving internal and external stakeholders are conducted regularly while reviews are undertaken every year to ensure we address key stakeholder needs and concerns, as well as our risks and opportunities.

Our last comprehensive materiality assessment was conducted in 2022, hence this year we merely performed a high-level internal review to determine the continued relevance of our top 10 material issues.



Following our internal review, it was determined that the top 10 material matters identified in 2022 remained relevant in 2023. Additionally, in 2023 we identified "Biodiversity" as a potential material issues that we may need to manage and address in the future. We will continue to monitor our impact on biodiversity conservation and the views of our stakeholders/Management to weigh the relative importance of this topic against our existing material matters.

We also took steps in 2023 to identify the risks and opportunities of each existing material issue, as discussed in the table in the next section, on "*Sustainability Risks, Opportunities and Strategy*". This was followed by the development of relevant strategies to address the risks and opportunities. Moving forward, we will identify the potential risks, opportunities and strategy with regard to biodiversity.

Material Matters



TOP 10 MATERIAL ISSUES

- | | | | | |
|--|------------------------------|---------------------------|-------------------------------|---------------------------------|
| 1 Product Quality, Safety & Responsibility | 2 Anti-Corruption | 3 Health & Safety | 4 Waste & Material Management | 5 Climate Risk |
| 6 Affordability & Pricing | 7 Accessibility of Medicines | 8 Data Privacy & Security | 9 Supply Chain Management | 10 Labour Practices & Standards |

Sustainability Risks, Opportunities and Strategy

Sustainability Matters, Risks & Opportunities

Material sustainability matters are important precisely because they pose a potential risk if they are not managed properly. At the same time, the efficient management of these matters presents value-creation opportunities for a company. Following our materiality assessment, this year we identified the potential risks and opportunities for each material matter to observe their potential impacts, and allow us to craft strategies and mitigation actions accordingly.

MATERIAL MATTER

1

PRODUCT QUALITY, SAFETY & RESPONSIBILITY

WHY IT IS IMPORTANT

Maintaining safety, quality and efficacy standards safeguards our market reputation and increases the trust of consumers as well as customers – namely public and private healthcare providers.

Risks

1. Inability to meet customers' demands/requirements.
2. Non-compliance with regulatory requirements such as those issued by the Department of Occupational Safety and Health ("DOSH"), Good Manufacturing Practices ("GMP"), etc.

Opportunities

1. Investing in research & development as well as technology advancement to ensure current regulatory and quality standards are met.
2. Meeting or exceeding industry standards for safety and quality enhances a company's credibility.

CAPITALS:












STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- Adherence to pharmaceutical and medical devices acts, regulations and standards.
- Conduct bioequivalence studies in accordance with Good Clinical Practice ("GCP").

Our Stakeholders:

 S1 Government/Regulatory Authorities	 S2 Employees	 S3 Shareholders & Financial Community
 S4 Customers	 S5 Suppliers	 S6 Business Partners
 S7 Local Communities	 S8 Healthcare Professionals	 S9 Media

Our Capitals:

 F Financial Capital	 M Manufactured Capital
 I Intellectual Capital	 S Social & Relationship Capital
 H Human Capital	 N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

2

ANTI-CORRUPTION

WHY IT IS IMPORTANT

Transparency and integrity are important in establishing and maintaining stakeholders' trust in Duopharma Biotech.

Risks

1. Create the perception of a corrupt company.
2. Nepotism and cronyism can cloud our judgement and lead to bad decisions which are not in the company's best interests.
3. Non-compliance with Malaysian Anti-Corruption Commission Act 2009 and Bursa Malaysia's MMLR.

Opportunities

1. Adhering to anti-corruption laws and regulations ensures legal compliance, enhances a company's reputation, making it more attractive to and instilling confidence in investors.
2. Transparent and corruption-free operations lead to improved efficiency and a more positive work culture.
3. It also eases the application for banking facilities and participation in potential contracts / tenders.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Governance
- Developed and enforced our Anti-Bribery and Anti-Corruption ("ABAC") Policy and Anti-Bribery Management System ("ABMS").
- All employees are expected to read, be trained/exposed and adhere to our Code of Conduct, Business Ethics and all ABAC-related policies.
- We have in place a Whistleblowing Policy and Whistleblowing Investigation Procedure to deal with any corrupt/unethical case.
- Background assessments are conducted on new hires and directors using E-Sistem Tapisan Keutuhan ("ESTK"), a tool by the Malaysian Anti-Corruption Commission ("MACC").
- Corruption assessments are conducted on new and existing business partners using the Handshakes System.

MATERIAL MATTER

3

HEALTH & SAFETY

WHY IT IS IMPORTANT

It is important to keep our employees safe for their well-being, as well as to safeguard our productivity, assets and reputation.

Risks

1. Non-compliance with the health and safety related Company policies and procedures, and applicable laws of the respective operating countries.
2. Exposure to lost time injury, damaging the Company's business reputation.

Opportunities

1. A safe workplace leads to improved employee morale, reduced absenteeism, and increased productivity.
2. Proactive health and safety measures can result in cost savings by preventing accidents, injuries, and associated expenses.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Sustainable Supply Chain
- Programmes, preventive controls and safety measures to reduce the risk of incidents.
- Compliance with all relevant laws in the countries where we operate.
- Implementation of various mental health well-being programmes.

Our Stakeholders:

S1 Government/Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

4

WASTE & MATERIAL MANAGEMENT

WHY IT IS IMPORTANT

Mismanagement of waste and material by the Company will result in legal consequences and impact our reputation.

Risks

1. Failure to comply with waste disposal regulations i.e., Environmental Quality Act 1974.
2. Negative perception of the Company's waste practices.

Opportunities

1. Effective waste reduction, recycling programmes and material efficiency can lead to cost savings.
2. Embracing a circular economy approach can lead to long-term sustainability and reduced environmental impact.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Climate Performance
- Continual Improvement programmes to reduce material consumption.
- Efforts to go paperless; and recycling of paper, plastic and glass items.
- Compliance with relevant environmental laws, such as Malaysia's Environmental Quality Act, 1974.

MATERIAL MATTER

5

CLIMATE RISK

WHY IT IS IMPORTANT

Uncontrolled carbon emissions will cause further rise in global temperature and lead to catastrophic economic and social consequences, which will impact the Company's business resilience and operations in the long term.

Risks

1. Failure to manage climate threat i.e., major floods, causing operational disruption.
2. Non-compliance with TCFD recommendations.

Opportunities

1. Investing in sustainable and climate-resilient practices can foster innovation, cost savings and long-term business resilience.
2. Demonstrating a commitment to addressing climate risks can position a company as a leader in environmental responsibility.

CAPITALS:












STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Climate Performance
- Monitor energy consumption, track and report on GHG emissions.
- Implement energy-saving initiatives, and explore renewable energy opportunities.
- Moving towards a carbon-neutral pathway.

Our Stakeholders:

 S1 Government/ Regulatory Authorities	 S2 Employees	 S3 Shareholders & Financial Community
 S4 Customers	 S5 Suppliers	 S6 Business Partners
 S7 Local Communities	 S8 Healthcare Professionals	 S9 Media

Our Capitals:

 F Financial Capital	 M Manufactured Capital
 I Intellectual Capital	 S Social & Relationship Capital
 H Human Capital	 N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

6

AFFORDABILITY & PRICING

WHY IT IS IMPORTANT

Costly medicines are a growing challenge for national budgets as well as for self-paying patients. It is vital for us to ensure patients have access to affordable medicines and that health systems remain financially sustainable.

Risks

1. Loss of market share.
2. Increasing level of inventories due to slowdown in demand.

Opportunities

1. Offering affordable prices can help penetrate new markets and attract a broader customer base.
2. Efficient supply chain management and cost optimisation can support competitive pricing while maintaining profitability.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- All our medicines are generic, which are more affordable than the originator drugs.
- We work closely with industry organisations and governmental agencies on keeping prices affordable.
- Strategic investments in global high-technology partners to identify products for local manufacturing.

MATERIAL MATTER

7

ACCESSIBILITY OF MEDICINES

WHY IT IS IMPORTANT

Access to medicines is integral to the basic right to good health.

Risks

1. Perception of profits over patient well-being.
2. Violations of access to medicine regulations or applicable laws on pricing practices.
3. Suspension of off-take agreements for locally manufactured drugs.

Opportunities

1. Addressing accessibility concerns can open up new markets and increase market share.
2. Commitment to making medicines accessible can enhance a company's reputation.
3. Advancement in digitalisation can improve access to healthcare, particularly in remote or underserved areas.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- Aim to universalise access to medicines for different needs by expanding our product portfolios, forging new partnerships and R&D.
- Continuously expand our patient and consumer reach through public and private hospitals/clinics as well as pharmacies.

Our Stakeholders:

Government/Regulatory Authorities	Employees	Shareholders & Financial Community
Customers	Suppliers	Business Partners
Local Communities	Healthcare Professionals	Media

Our Capitals:

Financial Capital	Manufactured Capital
Intellectual Capital	Social & Relationship Capital
Human Capital	Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

8

DATA PRIVACY & SECURITY

WHY IT IS IMPORTANT

As we digitalise more and more of our operations, it is imperative to protect our data, as well as data of our customers and partners.

Risks

1. Unreliable security system.
2. Increase in cybersecurity cases.
3. Non-compliance with the requirements of IT Cybersecurity Policy and Securities Commission Malaysia's Malaysian Code on Corporate Governance.
4. Non-compliance with data privacy laws such as the Personal Data Protection Act 2010.

Opportunities

1. Investing in innovative security technologies and practices.
2. Meeting or exceeding global data protection standards positions a company as a responsible global player.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Governance
- Proactive cybersecurity measures, such as disaster recovery exercise, penetration test, etc.
- Compliance with regulations on data privacy to protect internal and external data.
- Engage a third-party cybersecurity firm to perform comprehensive assessment of security measures, and to identify vulnerabilities or areas for improvement
- Review of the Company's Personal Data Protection Compliance Policy and Manual

MATERIAL MATTER

9

SUPPLY CHAIN MANAGEMENT

WHY IT IS IMPORTANT

Efficient supply chain management ensures the reliability of supply of raw materials/ ingredients and optimal plant operations, even during crises such as pandemics. Through responsible supplier management, we are also able to support local vendors and ensure that our vendors observe ESG principles, thus promote sustainability across our supply chain.

Risks

1. Ineffective supply change management and unnecessary escalation of cost.
2. Inability to deliver on commitment to customers.

Opportunities

1. Efficient supply chain management can lead to cost savings.
2. Building a resilient supply chain that can adapt to disruptions by integrating sustainable practices.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Sustainable Supply Chain
- Increase our pool of approved suppliers to avoid any supply bottlenecks.
- Engage our vendors and business partners in sustainable supply chain practices.
- Conduct audits to ensure our vendors/ suppliers meet GMP standards and Good Distribution Practices.
- Adopt Lean concept and methodology to enhance operational efficiencies.

Our Stakeholders:

S1 Government/ Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

10 LABOUR PRACTICES & STANDARDS

WHY IT IS IMPORTANT

It is important to have robust HR policies and procedures to enhance our reputation as an employer of choice, and to attract the best talent.

Risks

1. Violation of Company policy and applicable laws i.e., the International Labour Organization ("ILO")'s regulations, Duopharma Biotech's Human Rights Policy, etc.
2. Incompetent labour hired.
3. Negative perception towards Company's labour practices.

Opportunities

1. Proactively adhering to labour standards enhances a company's reputation for being a leader in ethical and responsible business practices.
2. Companies with strong labour practices are more likely to attract and retain top talent.
3. Poor labour practices will demotivate employees, reduce productivity and might lead to negative actions.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Diversity & Inclusion
- Employee engagement programme to attract and retain key talents and to minimise turnover.
- Learning and development programmes.
- Career advancement opportunities.
- Compliance with relevant labour laws and regulations.
- Periodical review of salary band and benefits to stay competitive in the market.
- Care for employees' physical and mental well-being.
- Regular engagement with all staff levels including the Union.

MATERIAL MATTER

11 COUNTERFEIT MEDICINES & ADULTERATION

WHY IT IS IMPORTANT

Counterfeit drugs would impact medicine's efficacy, purity and safety.

Risks

1. Violation of National Pharmaceutical Regulatory Agency Requirements and Pharmacy Enforcement Legislation Acts.
2. Revocation of business license.

Opportunities

1. Implementation of transparent supply chain practices.
2. Investing in advanced technologies and security measures to ensure product authenticity and quality.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- Work closely with organisations such as MOPI to protect consumers from counterfeit products and adulteration.
- Use of holograms and other technologies to enable customers to validate our products' authenticity.

Our Stakeholders:

S1 Government/Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

12

RESEARCH & DEVELOPMENT ("R&D")

WHY IT IS IMPORTANT

R&D provides powerful knowledge and insights, enhances process efficiency, and reduces costs. It also allows businesses to develop new products and services to thrive in competitive markets.

Risks

1. New or modified products or services proving more difficult or costly to develop than anticipated.
2. Risk of technical failure or obsolescence.
3. Insufficient funding or skillsets.

Opportunities

1. Launching new and innovative products can open up new markets and increase market share.
2. Continuous investment in R&D ensures the Company's long-term sustainability.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- R&D team's focus is on achieving first-generic-to-market for a wide range of therapeutic groups and formulation formats at affordable pricing.
- Collaborate with innovator partners e.g. SCM Lifescience, Inc., PanGen Biotech Inc., etc., to produce cutting-edge therapies.

MATERIAL MATTER

13

HALAL COMMITMENT

WHY IT IS IMPORTANT

Halal certification is inclusive, giving all consumers the assurance that products are clean, hygienic, environmentally-friendly, and have been produced respecting animal welfare. By offering halal products, moreover, we are respecting the rights of Muslims to consume healthcare products in accordance with their religious principles.

Risks

1. Violation / non-compliance with halal requirements or regulations.
2. Incompetent and/or insufficient personnel to handle halal portfolio.

Opportunities

1. Being recognised for a genuine commitment to halal practices provides a competitive advantage in the market.
2. Halal certification can enhance a brand's global appeal, attracting diverse consumer segments and market expansion.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- Contributed to development of the world's first halal standard, MS2424:2019, Halal pharmaceuticals.
- Developed the first halal cancer drug at our HAPI plant.
- Participate in initiatives to further develop a well-governed halal economy.
- Create greater awareness and knowledge about the benefits of halal pharmaceuticals through halal4pharma.com and public forums for consumers to have an informed choice.

Our Stakeholders:

S1 Government/ Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

14 BUSINESS INNOVATION & MODEL

WHY IT IS IMPORTANT

Achieving organisational and economic growth through innovation is key to staying relevant in today's highly competitive world.

Risks

1. Innovative changes to business models may face resistance from traditional markets or existing customer bases.
2. Financial risks from investing in new business models and innovations.
3. Employees and stakeholders may face challenges adapting to new business models.
4. Increasing regulatory requirements place additional investment needs on pharma players.

Opportunities

1. Innovations in business models can open up new markets and customer segments, driving growth and provide competitive advantage.
2. Innovative business models often lead to increased efficiency and cost savings.
3. Diversification of revenue streams beyond generic pharmaceutical sales.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Access to Medicine
- Committed to ensuring relevance of business based on efficient strategy. It helps us to identify opportunities and trends that can inform decisions for the future.

MATERIAL MATTER

15 DIVERSITY & INCLUSION

WHY IT IS IMPORTANT

By bringing together a diverse workforce, we are able to enhance our organisational perspective for better and more effective decision-making.

Risks

1. Discrimination or lack of inclusion.
2. Homogeneous environments may lack diverse perspectives, hindering innovation and creativity and result in challenges in attracting and retaining diverse talent

Opportunities

1. Diverse teams bring a range of perspectives and ideas, fostering innovation and creativity and increase employee satisfaction/ productivity.
2. Enhances brand reputation and attracts socially conscious consumers.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Diversity & Inclusion
- Diversity Policy for the Board of Directors and Senior Management.
- Diverse and inclusive work culture, affording every employee equal opportunities for career enhancement, supported by newly-launched Diversity, Anti-Discrimination and Anti-Harassment Policy.

Our Stakeholders:

S1 Government/Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Sustainability Risks, Opportunities and Strategy

MATERIAL MATTER

16 COMMUNITY OUTREACH

WHY IT IS IMPORTANT

Social inequities exist throughout the world, including Malaysia. It is important to bridge these gaps to nurture harmonious and just societies.

Risks

1. Inadequate community outreach or negative community impact.
2. Increasing scrutiny or regulatory challenges.

Opportunities

1. Engaging with communities fosters positive relationships with stakeholders including local residents and authorities, and builds a positive reputation and brand image.
2. Community initiatives can contribute to positive social impact, addressing local needs and improving quality of life.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- ESG Strategy: Diversity & Inclusion.
- Provide financial and non-financial contributions to uplift the lives of the underprivileged; enhance quality education for all; and provide humanitarian relief.

MATERIAL MATTER

17 DIGITALISATION

WHY IT IS IMPORTANT

Digitalisation helps to improve process efficiency, key internal business functions and product quality, while enabling greater access to our products and enhancing the customer experience.

Risks

1. Digitalisation exposes organisations to potential data breaches.
2. The shift towards digitalisation may require employees to acquire new skills, posing challenges in terms of training and reskilling.

Opportunities

1. Digitalisation can lead to streamlined processes, automation, and increased operational efficiency.
2. Digitalisation enables better customer interactions, personalisation, and overall improved customer experiences and gain a competitive edge in the market.

CAPITALS:



STAKEHOLDER GROUPS IMPACTED:



DUOPHARMA BIOTECH'S STRATEGY / INITIATIVES

- Outlined a Digital Strategy in 2021.
- Rolled out manufacturing dashboards in all our facilities.
- Invested in a Track and Trace system which enables product tracking.
- Invested in a Proof of Delivery system to maintain good customer relations, ensuring transparency and tracking the whereabouts of products being delivered to customers.

Our Stakeholders:

Government/ Regulatory Authorities	Employees	Shareholders & Financial Community
Customers	Suppliers	Business Partners
Local Communities	Healthcare Professionals	Media

Our Capitals:

Financial Capital	Manufactured Capital
Intellectual Capital	Social & Relationship Capital
Human Capital	Natural Capital

Sustainability Risks, Opportunities and Strategy

5-Year ESG Strategy

Our annual material matters review allows us to identify emerging mega trends and global ESG risks that may impact our operations in the short, mid or long term. We map our top 10 material matters to the Key Focus Areas under our ESG Strategy – namely Climate Performance, Sustainable Supply Chain, Access to Medicine, Diversity & Inclusion and Governance – to ensure that initiatives planned are in line with matters that are important to Duopharma Biotech and our stakeholders, and eventually help to manage the potential risks and impacts. Progress made in 2023 in the five Key Focus Areas of our ESG Strategy are detailed below.

CLIMATE PERFORMANCE

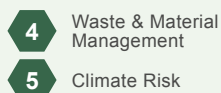
Capitals:



Stakeholder Groups Impacted:



Top 10 Material Matters:

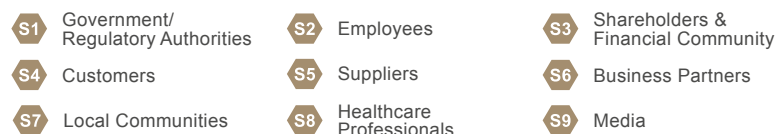


Contribution to UN SDGs



Short-term Targets (2022 – 2023)	2023 Progress	Contribution to UN SDGs	Discussion in SR2023
Pledge Carbon Neutral state by 2030 & Net Zero Carbon Emissions by 2050	Completed in March 2022	13 CLIMATE ACTION	Section 'Our Approach to Climate Risks' (page 45)
Establish GHG baselines for Scopes 1 & 2	Completed. GHG baseline (2019) for Scopes 1 & 2 established in January 2022	13 CLIMATE ACTION	Section 'GHG Emissions' (page 53)
Identify emissions reduction strategies	Completed. Level 1 energy audit performed in April 2022 and NZTP approved by the Board on 30 Nov 2023	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION	Section 'Our Approach to Climate Risks' (page 45)
Study and identify climate associated pledges	Pledged in March 2022 to replace 50% of single-use plastics with biodegradable plastics within our operations by 2026	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Section 'Our Approach to Climate Risks' (page 45)
Emissions reduction and water conservation pledges	Pledged in March 2022 to achieve Net Zero Carbon Emissions by 2050	6 CLEAN WATER AND SANITATION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER	Section 'Our Approach to Climate Risks' (page 45)

Our Stakeholders:



Our Capitals:



Sustainability Risks, Opportunities and Strategy

SUSTAINABLE SUPPLY CHAIN

Capitals:



Stakeholder Groups Impacted:



Top 10 Material Matters:



Contribution to UN SDGs



Short-term Targets (2022 – 2023)	2023 Progress	Contribution to UN SDGs	Discussion in SR2023
Work with consultants to develop a feasible sustainable supply chain strategy	Engaged UNGCMYB for ESG SME Hub programme to support our sustainable supply chain plan. ESG assessment on selected suppliers will commence in 2024		Section 'Vendor Management & Evaluation' (page 68)
Track and trace programme	Point of Delivery ("POD"): Completed Serialisation: Defer implementation to align with MOH directive		Section 'Customer Satisfaction' (page 68)

Our Stakeholders:

Government/Regulatory Authorities	Employees	Shareholders & Financial Community
Customers	Suppliers	Business Partners
Local Communities	Healthcare Professionals	Media

Our Capitals:

Financial Capital	Manufactured Capital
Intellectual Capital	Social & Relationship Capital
Human Capital	Natural Capital

Sustainability Risks, Opportunities and Strategy

ACCESS TO MEDICINE

Capitals:



Stakeholder Groups Impacted:



Top 10 Material Matters:



Contribution to UN SDGs



Short-term Targets (2022 – 2023)	2023 Progress	Contribution to UN SDGs	Discussion in SR2023
Additional approval for other vaccines	We have identified partners for vaccines and discussions are ongoing.		Section Accessibility of Medicines (page 85)
Increase market penetration in Private and Government sectors	<ul style="list-style-type: none"> Market penetration: <ul style="list-style-type: none"> ECB: 91.37% customer penetration (2022: 90.65%) CHC: 73% customer penetration (2022: 62%) ESB: As per IQVIA MAT Q4 2023, Insugen volume market share = 41.4%; Growth by 0.9% vs 2022 Government Business: <ul style="list-style-type: none"> Secured RM375 million three-year MOH contract for Insugen from April 2022 and increased halal base product supply Secured new tender under Institution valued at RM7.08 million until YTD Dec 2023 		Section Accessibility of Medicines (page 85)

Our Stakeholders:

Government/Regulatory Authorities	Employees	Shareholders & Financial Community
Customers	Suppliers	Business Partners
Local Communities	Healthcare Professionals	Media

Our Capitals:

Financial Capital	Manufactured Capital
Intellectual Capital	Social & Relationship Capital
Human Capital	Natural Capital

Sustainability Risks, Opportunities and Strategy

DIVERSITY & INCLUSION

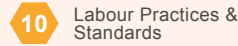
Capitals:



Stakeholder Groups Impacted:



Top 10 Material Matters:



Contribution to UN SDGs



Short-term Targets (2022 – 2023)	2023 Progress	Contribution to UN SDGs	Discussion in SR2023
Corporate Culture	Completed. Corporate Culture launched on 27 July 2022.		Section 'About Duopharma Biotech Berhad' (page 5)
Mental health awareness programmes	Completed. Programme launched in October 2022.		Section 'Employee Engagement & Well-being' (page 93)
ESG organisational awareness	Quarterly ESG awareness training (Greenbook) for Bangi, Klang & Glenmarie completed - 114 sessions conducted, 57 hours of training and 1,311 man-hours.		Section 'Employee Training & Development' (page 95)
Guidelines for Managers	Established Diversity, Anti-Discrimination & Anti-Harassment Policy. Conducted monthly awareness training and posters circulated weekly from November 2023 to January 2024.		Section 'Diversity & Inclusion' (page 92)

Our Stakeholders:

Government/Regulatory Authorities	Employees	Shareholders & Financial Community
Customers	Suppliers	Business Partners
Local Communities	Healthcare Professionals	Media

Our Capitals:

Financial Capital	Manufactured Capital
Intellectual Capital	Social & Relationship Capital
Human Capital	Natural Capital

Sustainability Risks, Opportunities and Strategy

GOVERNANCE

Capitals:



Stakeholder Groups Impacted:



Top 10 Material Matters:

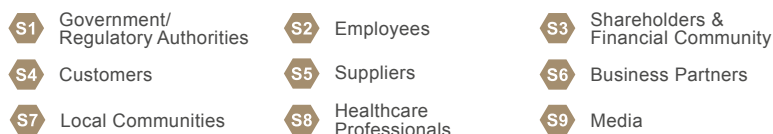


Contribution to UN SDGs



Short-term Targets (2022 – 2023)	2023 Progress	Contribution to UN SDGs	Discussion in SR2023
Whistleblowing Management System	Completed. The Whistleblowing Policy and Whistleblowing Investigation Procedure were revised in accordance with ISO 37001, 37002 and 37008 requirements and approved by RMC and Board.		Section 'Whistleblowing Policy' (page 108)
Initiate Organisation Integrity & Anti-Corruption Plan ("OIACP")	OIACP for 2023 initiated and implemented. Proposed OIACP for 2024 to be presented in Risk Management Committee in 2024.		Section 'Organisation Integrity & Anti-Corruption Plan ("OIACP")' (page 109)
Conduct due diligence by independent third party	Completed due diligence review on corruption and bribery exposure records for 329 vendors / suppliers.		Section 'Vendor Management & Evaluation' (page 68)

Our Stakeholders:

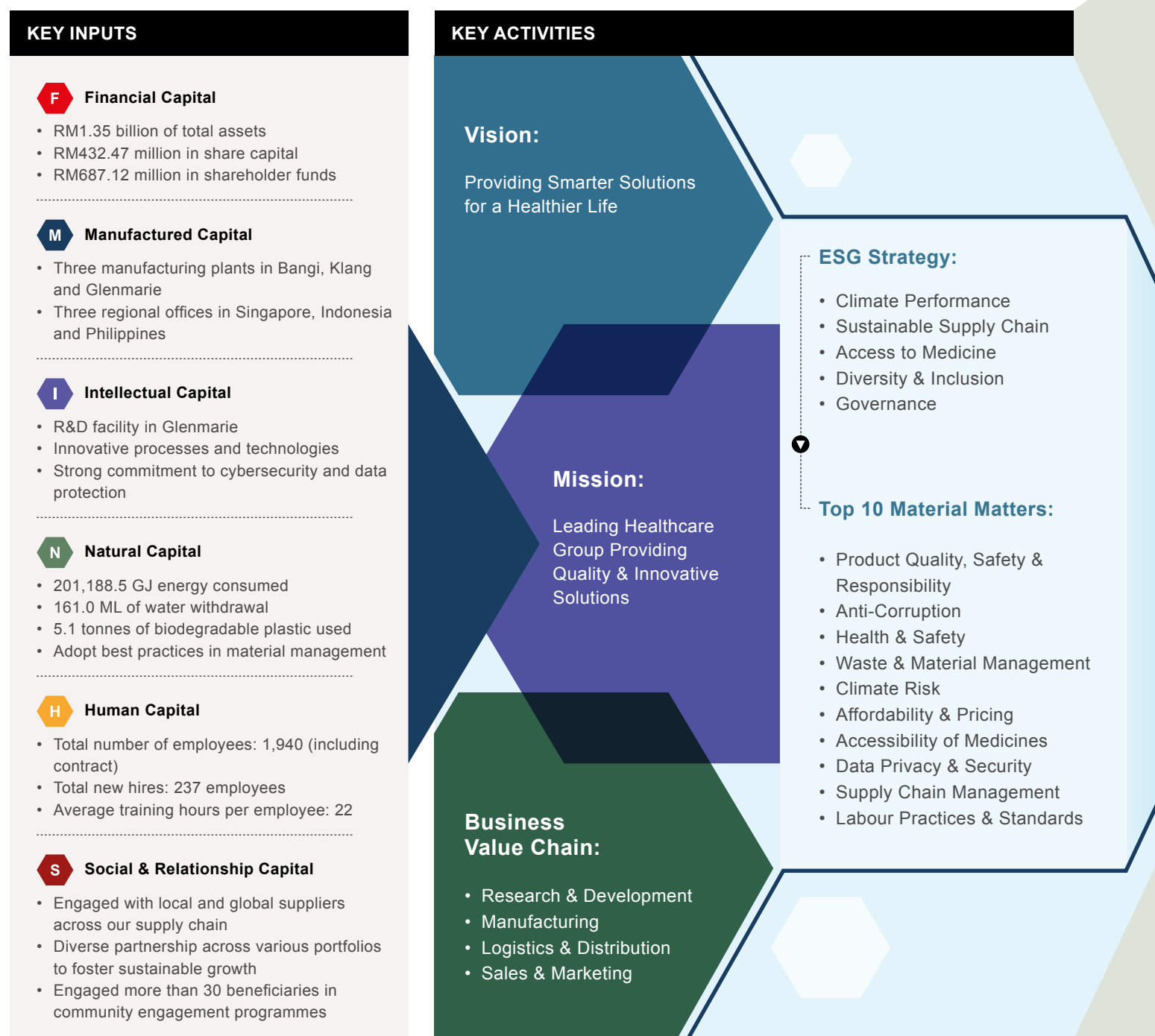


Our Capitals:



Value Creation Business Model

Our business model in Duopharma Biotech is designed to create optimal value for the Group as well as our stakeholders. Our value creation depends on the utilisation of six resources or capitals – financial, manufactured, intellectual, natural, human, and social and relationship – which trade off each other. For optimal overall value, we have to balance these trade-offs strategically. The table below summarises this process, while also demonstrating how we contribute to the UN SDGs as part of our value creation process.



Value Creation Business Model

OUTCOMES	STAKEHOLDERS IMPACTED	UN SDGs	
<ul style="list-style-type: none"> Profit before tax 2023: RM63.27 million Profit after tax 2023: RM52.65 million % growth in revenue: 1.2% (from 2022) 	<ul style="list-style-type: none"> S1 Government/Regulatory Authorities S3 Shareholders & Financial Community 		F
<ul style="list-style-type: none"> Implemented 36 Continual Improvement ("CI") projects, leading to RM5.48 million savings, exceeding target of RM4 million Expanded paracetamol distribution points including 1,133 clinics and 1,500 general trade outlets Over 4,000 patients benefitting from Lebretra breast cancer treatment monthly 	<ul style="list-style-type: none"> S1 Government/Regulatory Authorities S3 Shareholders & Financial Community S4 Customers S5 Suppliers S6 Business Partners 		M
<ul style="list-style-type: none"> Submitted in excess of 50 new product registrations to bring to market, local and overseas combined Fortified our cybersecurity defenses Delivered secure and reliable IT services 	<ul style="list-style-type: none"> S1 Government/Regulatory Authorities S2 Employees S6 Business Partners 		I
<ul style="list-style-type: none"> 39,619.59 tCO₂-e carbon emissions generated Achieved 0.36% reduction in total carbon emissions intensity from 2022 242.53 tonnes scheduled waste generated 5.92 ML water recycled Increased waste recycling rate by 4% from 2022 Alleviated adverse environmental effects by responsibly managing resources 	<ul style="list-style-type: none"> S1 Government/Regulatory Authorities S3 Shareholders & Financial Community S7 Local Communities 	    	N
<ul style="list-style-type: none"> Employee Engagement Index ("EEI"): 88% Average training hours per employee: 22.0 Turnover rate: 7.22% Learning & Development expenditure in 2023: RM1.60 million (48.6% increase from 2022) 	<ul style="list-style-type: none"> S2 Employees 	    	H
<ul style="list-style-type: none"> Conducted corruption and bribery due diligence on 329 new business associates Social Investment of RM1.92 million to support community development programmes 	<ul style="list-style-type: none"> S4 Customers S5 Suppliers S6 Business Partners S7 Local Communities 	 	S

Climate Performance

CLIMATE PERFORMANCE

Capitals:



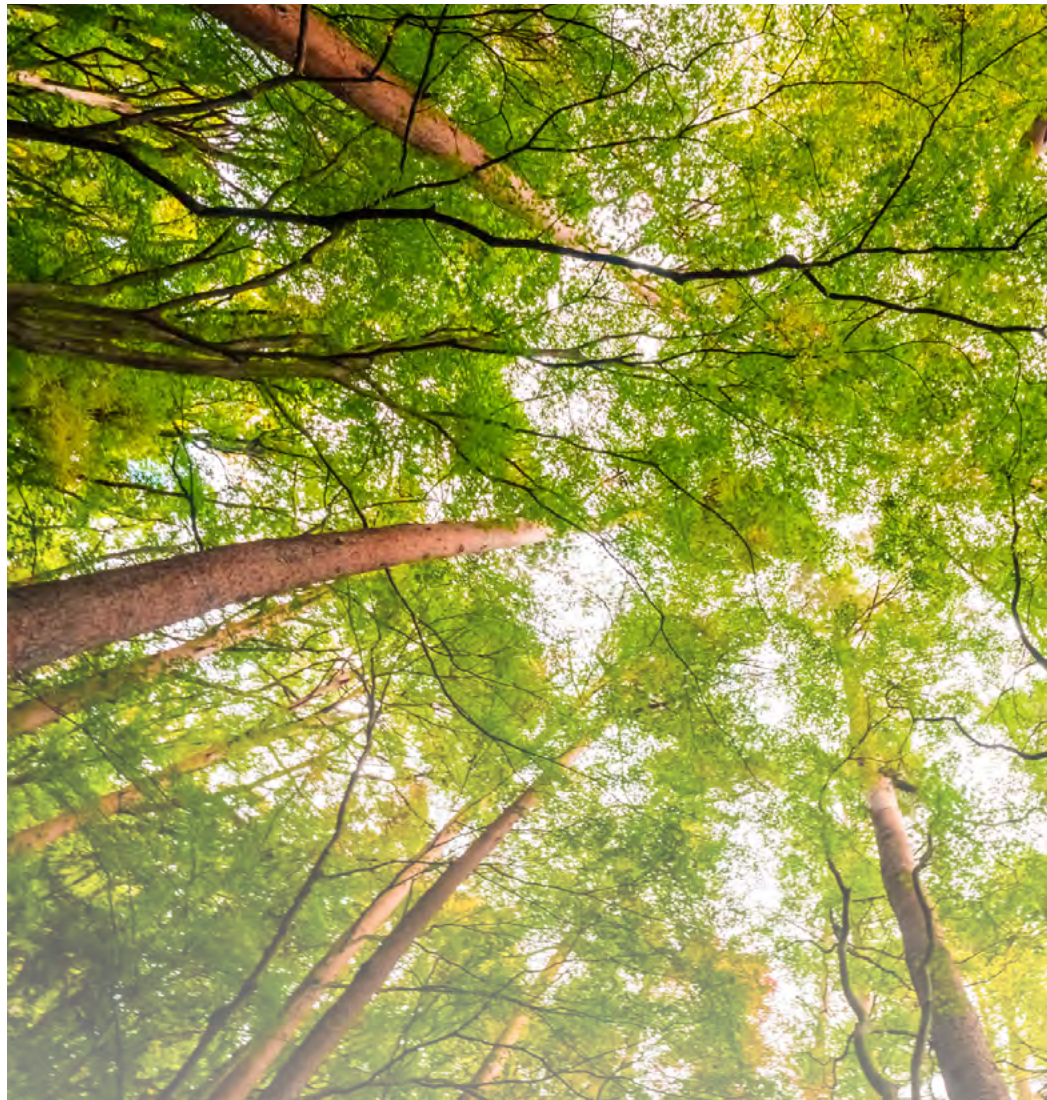
Stakeholder Groups Impacted:



Contribution to UN SDGs



At Duopharma Biotech, we seek to operate responsibly to manage and minimise our environmental footprint. Guided by our Sustainability Policy, we have assessed our impacts on the environment and developed strategies to contribute positively to a sustainable environment focusing primarily on climate risks as well as responsible waste and material management.



Our Stakeholders:

S1 Government/ Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Climate Performance

5

CLIMATE RISK



WHY IT'S IMPORTANT

The effects of global warming are becoming increasingly evident in growing frequency of floods, droughts and forest fires across the world, among others. To avert irreversible change, the world needs to cap the increase in global temperature to 1.5°C from pre-industrial levels. The urgency of managing climate risk has not been lost on investors, customers, regulators and other stakeholders who are demanding increased transparency in companies' climate change mitigation and adaptation strategies. Under its recently released Enhanced Sustainability Reporting Framework, Bursa Malaysia is requiring listed companies to align their climate change reporting with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations by 2025.

Failure to effectively manage climate risks would not only be damaging to a corporate's reputation, it would also impact business resilience and sustainability. As climate change risks include water-related phenomena such as floods and droughts, it is important to integrate efficient water management into comprehensive climate risk management strategies.



OUR APPROACH TO CLIMATE RISKS

Duopharma Biotech is committed to playing an active role in transitioning to a low-carbon economy. We recognise the importance of climate risk management and are committed to investing in climate action beyond compliance. Supplementing our Sustainability Policy, in 2022 we launched a 5-Year ESG Strategy to minimise our negative footprint and enhance positive outcomes via effective systems, processes and initiatives across the entire Group.

In March 2022, we also pledged to achieve carbon neutrality by 2030 and net zero carbon emissions by 2050. To achieve these targets, we have outlined our Net Zero Transition Plan ("NZTP"), which was approved by our Board of Directors in November 2023. Focusing on Operations, Materials, Transportation, Product End-of-Life and Carbon Offset, the NZTP provides a structured roadmap to become a net zero organisation, intensifying the Group's existing carbon reduction and energy-efficiency initiatives.

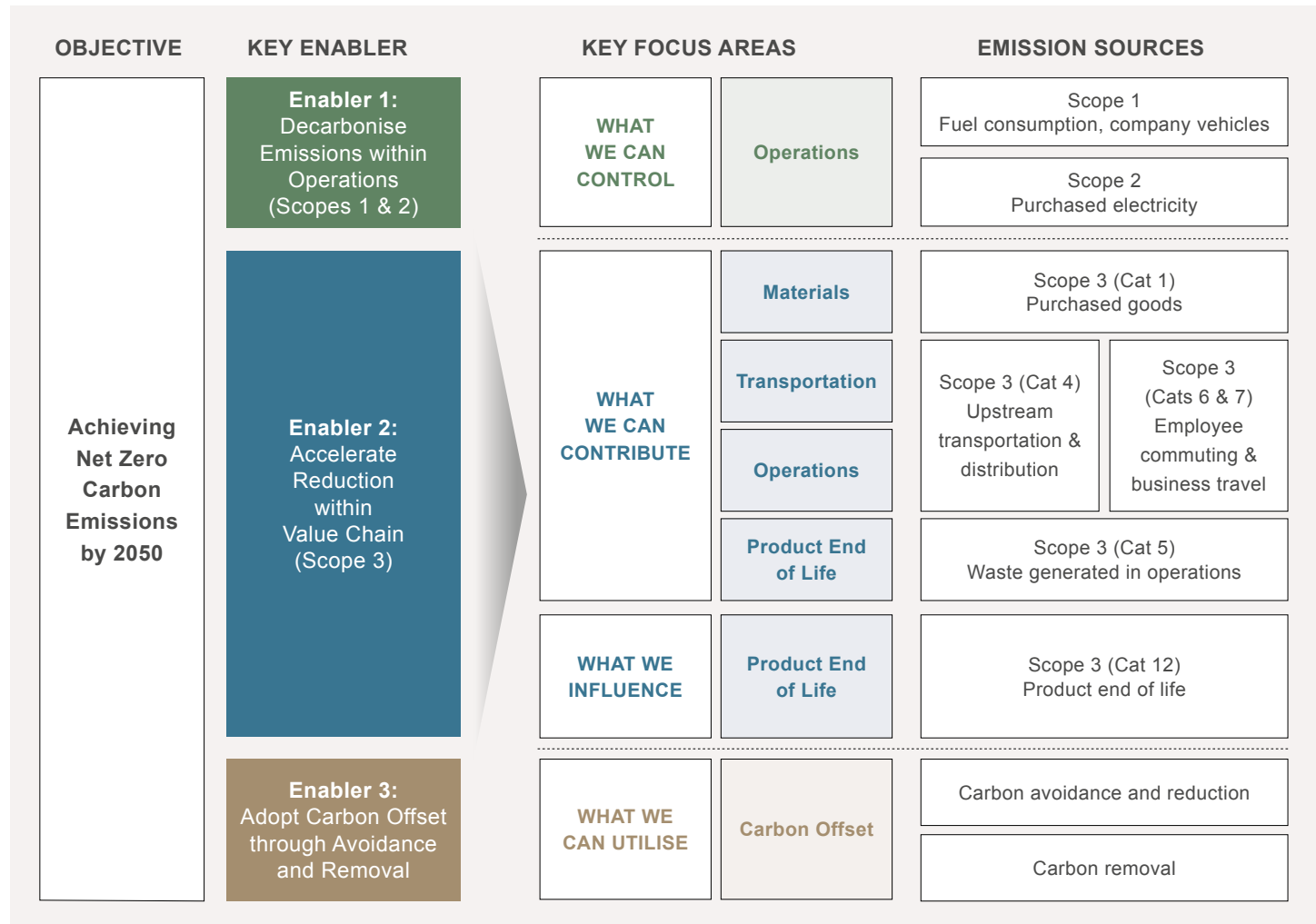
Top 10
Material
Matters:

5
Climate Risk

4
Waste & Material
Management

Climate Performance

Our Net Zero Transition Plan (“NZTP”)



Our commitment to the successful execution of our climate strategy is reflected by the inclusion of ESG-related KPIs at the Group level, which are cascaded into the KPIs of Senior Management. These KPIs focus on the successful execution of our 5-Year ESG Strategy, the establishment of our NZTP and maintaining our listing in the FTSE4Good.

Managing Climate-related Risks

i. Commitment to Task Force on Climate-related Financial Disclosures (“TCFD”)

We stand guided in our climate risk actions by TCFD and have started to implement some of its recommendations for reporting with the aim of providing full disclosure by 2025. A training session on TCFD was conducted in November 2023 for all Sustainability Council members and key departments’ personnel for better organisational understanding of the TCFD framework and its requirements.

Climate Performance

TCFD-related actions that were implemented in FY2023 are summarised in the table below:

TCFD Recommendation	Recommended Disclosures	Our Progress
Governance - Disclose Duopharma Biotech's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities b) Describe Management's role in assessing and managing climate-related risks and opportunities	<p>Climate change management and considerations have been incorporated into Duopharma Biotech's governance structure with the Board integrating ESG principles, including climate change impacts, into the decision-making process. The Board has oversight of Duopharma Biotech's strategies with regard to mitigating our climate risks, which are monitored under our 5-Year ESG Strategy (Key Focus Area of Climate Performance). The role is under the purview of the Board of Directors and Halal and Sustainability Committee ("HSC"), and cascaded to the Management and working group level where performance and progress are closely monitored and deliberated.</p> <p>In line with Climate Governance Malaysia ("CGM") recommendations and driven by the Companies Act 2016 requirement on directors' fiduciary duties, discussions on climate change impacts are incorporated in business proposals and taken into account in strategic decision-making.</p>
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on Duopharma Biotech's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities identified over the short, medium and long term b) Describe the impact of climate-related risks and opportunities on Duopharma Biotech's businesses, strategy and financial planning c) Describe the resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>We initiated the assessment of climate-related risks in 2021, covering our operations in Malaysia, the Philippines and Singapore. In 2023, we included Indonesia in the assessment. Details of our climate-related risks (transition and physical risks) over the short, medium and long term, and the potential financial impacts are discussed in the next section (<i>Climate Risks Assessment</i>).</p> <p>To further strengthen our climate strategy, we have established our NZTP which was approved by the Board in November 2023. The NZTP will provide a structured roadmap to drive Duopharma Biotech towards becoming a net zero organisation by 2050, thus reducing our climate risks.</p> <p>Moving forward, in 2024 we aim to further strengthen our climate-related strategy by performing a preliminary/ qualitative climate-related scenario analysis to assess the climate impact of key transition and physical risks under the respective climate scenarios.</p>

Climate Performance

TCFD Recommendation	Recommended Disclosures	Our Progress
Risk Management - Disclose how Duopharma Biotech identifies, assesses, and manages climate-related risks.	a) Describe Duopharma Biotech's processes for identifying and assessing climate-related risks b) Describe Duopharma Biotech's processes for managing climate-related risks c) Describe how the processes for identifying, assessing and managing climate-related risks have been integrated into the organisation's group risk register	<p>The assessment of our climate-related risks is guided by our Enterprise Risk Management ("ERM") Framework, and the process involves discussions and assessment between the Group Risk Management, Sustainability and Operations teams together with relevant stakeholders.</p> <p>An assessment will be conducted in 2024 considering scenario planning for specific operating locations which will be prioritised based on thorough assessment aimed at identifying the areas most vulnerable to climate-related threats.</p> <p>Climate-related risks identified can be categorised as either physical or transitional, and incorporated into the risk management system, along with other business risks, for close monitoring, mitigation and reporting.</p>
Metrics & Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks c) Describe the targets used by Duopharma Biotech to manage climate-related risks and opportunities and performance against targets	<p>Our climate-related metrics are GHG emissions, GHG emissions intensity, energy consumption and energy intensity. We monitored the GHG emissions for Scope 1, Scope 2 and Scope 3 (three categories). Details of our performance are discussed under "How We've Performed" in this section.</p> <p>We also have set climate-related targets, pledging to achieve carbon neutrality by 2030 and net zero carbon emissions by 2050. Interim targets have been outlined as part of our NZTP.</p>

ii. Climate Risks Assessment

At the Group level, discussions among the Risk Management team, Sustainability team and site/operational teams have contributed to the identification of potential physical and transition climate risks that may impact our operations and businesses. These risks have subsequently been registered into our ERM system for close monitoring and review every quarter.

To reduce our climate change risk exposure, we have undertaken the necessary assessment to provide an adequate budget for mitigation initiatives every year. These include funds to reduce our energy and water consumption by, for example, installing solar panels and energy-efficient as well as water recycling systems, among others.

Climate Performance

Our climate-related risks and opportunities

Risks/ Opportunities			Time Horizon for Impact	Potential Impacts (including Financial)
Risk				
Transition	Policy & Legal	<ul style="list-style-type: none"> • Unable to comply with current ESG and climate-related regulatory & legal requirements • Inability to access financing and monetise investments due to changes in financial institutions' climate-related lending strategy • Exposure to litigation • Carbon pricing regulation may increase operational costs • Some countries may introduce restrictions on importation of goods with high carbon footprints 	● ●	<ul style="list-style-type: none"> • Increased operating expenditure to meet compliance requirements and penalty due to non-compliance • Limited access to financing and investments due to stricter lending requirements • Duopharma Biotech's market access might be impacted
	Technology	<ul style="list-style-type: none"> • Unavailability of cost-effective technology to support carbon reduction initiatives and net zero targets • Unsuccessful investment in new technologies • Employees' technical knowledge and competency to support carbon reduction initiatives 	●	<ul style="list-style-type: none"> • Increased operating and capital expenditures due to high investment in low-carbon and energy efficient technology • Loss on investment will erode Company's profit margin • Higher expenditure on employees' technical knowledge on carbon reduction initiatives and technologies
	Market	<ul style="list-style-type: none"> • Shifts in consumer preferences and increased demand for low-carbon/ sustainable products • Uncertainty in market signals • Increased cost of raw and packaging materials 	●	<ul style="list-style-type: none"> • Increased operating costs/ cost overruns to meet sustainable product requirements e.g. biodegradable plastics in product packaging • Higher expenditure on R&D and innovation to meet low-carbon/ sustainable product requirements

● Short term: Less than three years ● Mid term: Between three and 10 years ● Long term: More than 10 years

Climate Performance

Risks/ Opportunities			Time Horizon for Impact	Potential Impacts (including Financial)
Risk				
Transition	Reputation	<ul style="list-style-type: none"> Increased stakeholder concern/ negative feedback on ESG Unable to achieve carbon neutral state by year 2030 & Net Zero Carbon Emissions target by 2050 Greenwashing or inability to follow through with key strategy/initiatives Investors are increasingly integrating ESG factors into their decision-making 	● ●	<ul style="list-style-type: none"> Loss of trust by shareholders/ investors and loss to financial capital access Loss of stakeholders', especially customers' trust and negative impact on overall reputation
	Acute	<ul style="list-style-type: none"> Increased frequency and severity of extreme weather events that are damaging to facilities, disrupt access to facilities (i.e., flooding), and water scarcity 	● ●	<ul style="list-style-type: none"> Disruption to production/ manufacturing activities impacting revenue Higher capital expenditure due to asset repair and restoration Asset devaluation and impairment e.g. due to floods that damage facilities/ equipment
Physical	Chronic	<ul style="list-style-type: none"> Rising sea levels Rising mean temperatures Extreme changes in weather patterns 	● ●	<ul style="list-style-type: none"> Higher operating expenditures due to higher energy consumption caused by rising mean temperature Higher insurance premiums/ limited insurance availability for assets in high-risk locations

● Short term: Less than three years ● Mid term: Between three and 10 years ● Long term: More than 10 years

Climate Performance

Risks/ Opportunities	Time Horizon for Impact	Potential Impacts (including Financial)
Opportunities		
Resource Efficiency	<ul style="list-style-type: none"> • Adopt efficient use of material and energy throughout production and distribution processes • Use of recycling • Reduced water usage and consumption • Implementing circular economy principles in operations and packaging can reduce Duopharma Biotech's environmental impact and present attractive cost-saving opportunities. • Implementing water-saving technologies and processes can reduce water usage and associated costs, mitigating water scarcity risks. 	<div>● ●</div> <ul style="list-style-type: none"> • Cost savings due to reduction in material cost and utility bills • Reduction in GHG emissions due to reduction in material and energy consumption, and waste generation • Additional investment but can be justified with payback period should the investment be successfully implemented
Energy Source	<ul style="list-style-type: none"> • Use of renewable energy/ new technologies i.e., solar panels • Eligibility for supportive incentives, i.e., Green Investment Tax Allowance ("GITA") • Participation in carbon market 	<div>● ●</div> <ul style="list-style-type: none"> • High capital expenditure for installation of solar panels. However, it will mitigate the financial consequences due to the rise in electricity tariffs • Reduction in GHG emissions due to the use of lower-emission sources of energy

● Short term: Less than three years ● Mid term: Between three and 10 years ● Long term: More than 10 years

Climate Performance

Risks/ Opportunities		Time Horizon for Impact	Potential Impacts (including Financial)
Opportunities			
Products and Services	<ul style="list-style-type: none"> Lower-emission products and services foster innovation, create new revenue opportunities and command premium prices Development of climate adaptation and insurance risk solutions Development of new products and services through R&D and innovation 	● ●	<ul style="list-style-type: none"> Higher expenditure on R&D and innovation to meet low-carbon/ sustainable product requirements Create a competitive advantage that meets customers' expectations ahead of others
Markets	<ul style="list-style-type: none"> Access to new markets with low-carbon products Access to new assets and locations needing insurance coverage 	●	<ul style="list-style-type: none"> Enhance reputation and strengthen market leadership for being a leader in environmental responsibility Increased access to sustainable, green, and/or climate financing Higher expenditure on R&D and innovation
Resilience	<ul style="list-style-type: none"> Comprehensive mitigation strategy based on climate-related risks assessment and scenario analysis to build resilience Participation in renewable energy programmes and adoption of energy-efficiency measures Proactive action on climate change can enhance Duopharma Biotech's reputation among investors, consumers and employees, attracting talent and capital 	●	<ul style="list-style-type: none"> Long-term resilience of the business against environmental changes and climate risks Lower the chances of fines/ penalty due to non-compliance with climate-related regulatory & legal requirements as Company is well-prepared Gain attraction to potential investors, shareholders and business partners

● Short term: Less than three years ● Mid term: Between three and 10 years ● Long term: More than 10 years

Climate Performance

Greenhouse Gas (GHG) and Energy Management

i. GHG Emissions

We have been monitoring GHG emissions across our operational sites in Malaysia, Indonesia and the Philippines since 2019, and Singapore since 2020.

GHG Scopes 1 & 2

- We have been monitoring our GHG Scopes 1 & 2 emissions since 2019, establishing 2019 as our baseline year as we were operating at optimum capacity without pandemic restrictions.
- Most of our emissions come from our manufacturing sites in Malaysia.
- This year, we updated our GHG Scope 2 calculations, incorporating the latest emissions factor provided by energy authority in respective countries. This involved restating our 2019 to 2022 Scope 2 data.



GHG Scope 3



- In 2022, we conducted a materiality assessment to identify our most significant Scope 3 emissions and established a GHG Scope 3 Roadmap which includes key categories that we will report on as well as the implementation plan and actions.
- We are currently undertaking a Carbon Footprint Assessment (“CFA”) to establish baseline data for six prioritised categories in the roadmap:
 - o Category 1: Purchased Goods & Services
 - o Category 4: Upstream Transportation & Distribution
 - o Category 5: Waste Generated in Operations
 - o Category 6: Business Travel
 - o Category 7: Employee Commuting
 - o Category 12: End-of-use Treatment of Sold Products
- In 2023 we completed baseline data for Categories 5, 6 & 7; and will complete the rest by end 2024.

Climate Performance

ii. Energy Consumption

Electricity powers all our electrical systems including heating, ventilation and air-conditioning (“HVAC”), machinery, equipment and lights. Meanwhile, different types of fuel (diesel, petrol, liquefied petroleum gas) are used for our machinery and vehicles. We started measuring and monitoring our energy consumption across our operations in Malaysia, Indonesia and the Philippines in 2019, including Singapore in 2020. These panels have a total generation capacity of 2,558 kilo watt peak (“kWp”), meaning that at peak performance they can generate an average of 3,267,845 kWh of clean energy annually.

Up to the year 2023, we had not sourced any renewable energy. Nevertheless, in December 2023, we began the process of installing solar panels on the roofs of our manufacturing plants and anticipate to generate solar energy for our consumption from the second quarter of 2024.

iii. Carbon & Energy Reduction Initiatives

The Climate Performance roadmap developed under our 5-Year ESG Strategy outlines various GHG emissions and energy reduction initiatives which include exploring renewable and alternative clean energy such as solar and cooling, heat and power (“CHP”) at all sites.

In the short term, we are looking to improve the efficiency of our current equipment as well as to replace all aging equipment with new and efficient models. Our energy reduction initiatives include:

- Shutting down the air handling units (“AHUs”) at Bangi plant (B2) overnight if no staff is working on night shift
- Shutting down the centralised AHU and heating, ventilation and HVAC in Bangi plant (B1) overnight and installing split air conditioning units
- Changing fluorescent tubes to light emitting diode (“LED”) tubes

Most of our reduction initiatives stem from Continuous Improvement (“CI”) and Lean Six Sigma (“LSS”) projects which are overseen by the Operational Excellence (“OE”) team, as indicated in the table below:

Initiative	GHG			
	Electricity Saved (kWh)	Emissions Reduced (tCO ₂ -e)	Energy Saved (GJ)	Cost Saved (RM '000)
Reduce energy consumption at Bangi plant	490,002.40	371.42	1,764.01	147.69
Reduced air-conditioning usage at Engineering office	327,361.20	248.14	1,178.50	44.93
Reduced electricity consumption for HVAC (Dry Packing area)	630,720.00	478.09	2,270.59	188.16
Reduced electricity consumption VNA 2 HVAC B2	192,720.00	146.08	693.79	24.37
Reduced electricity consumption for Softgel B1	609,292.80	461.84	2,193.45	181.77
Reduced Power Consumption at Klang site (K4) for HVAC	198,304.92	150.32	713.90	86.63
Compressed Air Operation Optimisation at Bangi site	288,509.00	218.69	1,038.63	65.20
Total	2,736,910.32	2,074.58	9,852.87	738.75

Climate Performance

Energy Reduction Initiative through Lean Six Sigma (“LSS”)

In 2023 we embarked on new LSS initiatives. One of the projects identified was the reduction of energy consumption at Bangi Plant, focusing on three main locations:

- ▶ **Bangi 3 building:** Improvement to the chiller operations. The chiller was previously running at a temperature lower than specified, placing an additional cooling load and increasing our power consumption. The temperature is now adjusted for 12 hours from 7pm until 7am, when there are no operations.
- ▶ **Bangi 2 building (Compressed Dry Air (“CDA”) plant):** The CDA system was operating at a higher capacity, with the pressure for air compressor set higher. Improvement was made by reducing the pressure setpoint of the air compressor, thus reducing energy consumption.
- ▶ **Softgel plant:** The air conditioning and mechanical ventilation (“ACMV”) system was operating 24/7 regardless of the loading/ demand. Improvement was made by planning batch production on a campaign basis, and routine shutdowns as and when product loading lessens.

Additionally, the purchase of RECs offsets our Scope 2 emissions by supporting and encouraging the production of renewable energy. We have set a target to reduce our Scope 2 emissions by 10% annually through the purchase of RECs. In 2023, we purchased a total of 12,000 RECs, equivalent to 12,000 MWh of electricity generated from renewable sources. Our reduction efforts will be boosted by the rollout of NZTP in 2024.

Water Management

We recognise the importance of managing our water consumption responsibly given that water is an increasingly scarce resource. We also ensure that all effluents discharged from our operations will not pollute water bodies so as not to pose a hazard to surrounding communities and aquatic life in these water bodies.

Water management plans for our manufacturing sites in Klang, Bangi and Glenmarie include guidelines to monitor water consumption and recycling, the management of effluents and wastewater, and the implementation of water efficiency initiatives.

i. Responsible Water Consumption

Since conducting an extensive audit on our water consumption in 2021, we have been implementing water saving initiatives such as fixing leakages, reducing the toilet flush tank water level, and increasing the cycle of concentration (“COC”) of our cooling tower.

We do not extract any ground water as our headquarters in central Kuala Lumpur and manufacturing sites and warehouses in Klang, Bangi and Shah Alam receive water from the municipal supplier, i.e., Pengurusan Air Selangor Sdn. Bhd. (“Air Selangor”). Meanwhile, our depot offices in Penang, Kelantan and Johor are supplied by the respective local water suppliers. We rely on private contractors when there are water cuts by the water providers. All our sites in Malaysia as well as our offices in Singapore, Indonesia and the Philippines are not in water-stressed zones. The Water Risk Atlas rates our sites in Malaysia, Singapore and Indonesia as having ‘low’ water stress, while the site in the Philippines has ‘low-medium’ water stress.



Our facilities are equipped with water recycling features enabling us to reuse grey water from our purified water system and reverse osmosis system from production for toilet flushing, housekeeping and gardening purposes as well as to cool down certain machinery such as autoclaves. We have also installed rainwater harvesting tanks at our manufacturing sites in Klang and Bangi, each with a capacity of about 5,000 litres of rainwater, which is used for landscaping and toilet flushing.

ii. Managing Our Effluents

Water from our plants is treated in our wastewater treatment facility before being released into water bodies, ensuring all effluents comply with Department of Environment (“DOE”) rules and regulations, specifically the Environmental Quality (Industrial Effluent) Regulations 2009. Aligning with Guided Self-Regulation (GSR 2014), we monitor specific parameters - Chemical Oxygen Demand (“COD”), Total Solids (“TS”), pH and Dissolved Oxygen (“DO”) daily to ensure the final discharge meets statutory standards.

Climate Performance

In addition, the Biochemical Oxygen Demand (“BOD”) and Suspended Solids (“SS”) are monitored monthly by an external lab. The data are submitted to the DOE and updated on its website. In addition, inspectors from DOE make site visits to conduct inspections.

iii. Water Management Governance

Data on our water usage and effluents quality are monitored by our Sustainability Department every month, while our effluent characteristics are presented to our Environmental Performance Monitoring Committee (“EPMC”) every quarter. Any potential water-related issue is highlighted and addressed accordingly.

Driven to continuously improving our water management, we engage with academic institutions such as Universiti Teknologi Malaysia and Sunway Centre of Planetary Health to explore areas for improvement.



HOW WE’VE PERFORMED

i. GHG Emissions

For all emissions calculations below, we have referred to the:

- 2006 Intergovernmental Panel on Climate Change (“IPCC”) Guidelines for National Greenhouse Gas Inventories (including 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories)
- CO₂ Emissions from Fuel Combustion 2020 Edition, International Energy Agency
- Latest emissions factor as provided by the relevant energy authority in each country: Malaysia (Suruhanjaya Tenaga); Singapore (Energy Market Authority); Indonesia (Directorate General of Electricity, Ministry of Energy and Mineral Resources); and Philippines (Department of Energy)

In 2023,

Our Overall GHG Emissions



Increased by **0.7%** compared to 2022



Increased by **24%** compared to base year 2019

Our GHG Intensity

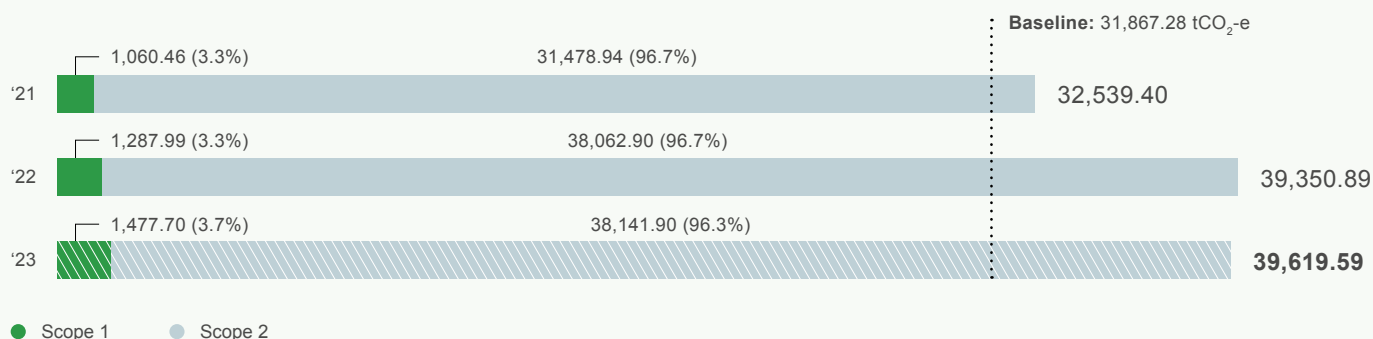


Reduced by **0.4%** compared to 2022

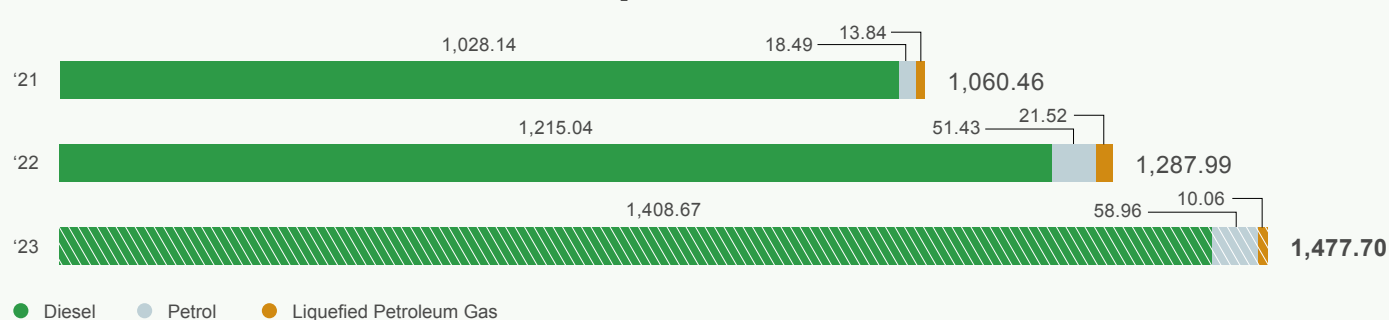


Increased by **2%** compared to base year 2019

Climate Performance

Scopes 1 & 2 GHG Emissions (tCO₂-e)

Note: The Scope 2 GHG Emissions for 2019 – 2022 have been restated according to the latest emission factor provided according to the energy authority in the respective countries.

GHG emissions intensity (tCO₂e/RM million of revenue)Total carbon emissions by fuel type – Scope 1 (tCO₂e)

In 2023, our diesel usage increased mainly as a result of the boiler size upgrade in Klang to cater to operations in our new building in Klang, i.e., K3.

Climate Performance

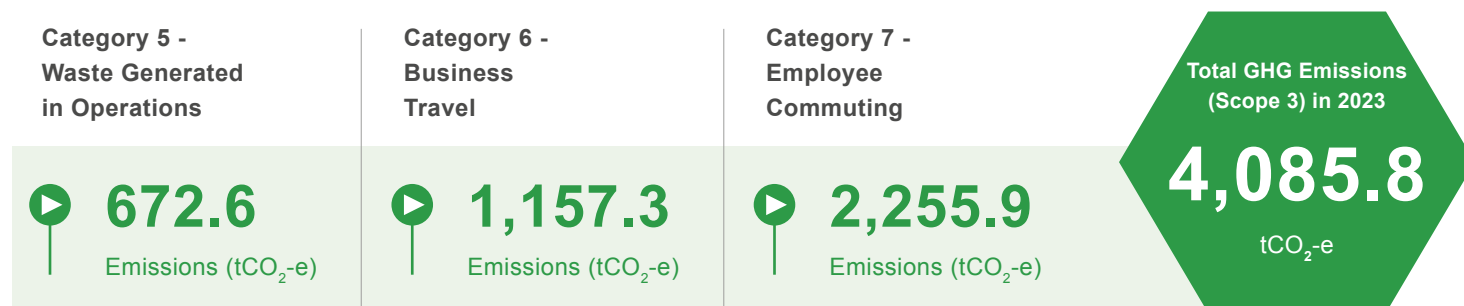
Total carbon emissions from purchased electricity – Scope 2 (tCO₂-e)



Our total electricity consumption in 2023 increased due to the opening of a new building at our Klang site (K3), where migration of production from K1 to K3 was still ongoing. We expect a reduction in energy consumption once the full transition of production from K1 to K3 is completed and reduction in carbon emissions once our solar panel is in full operation.

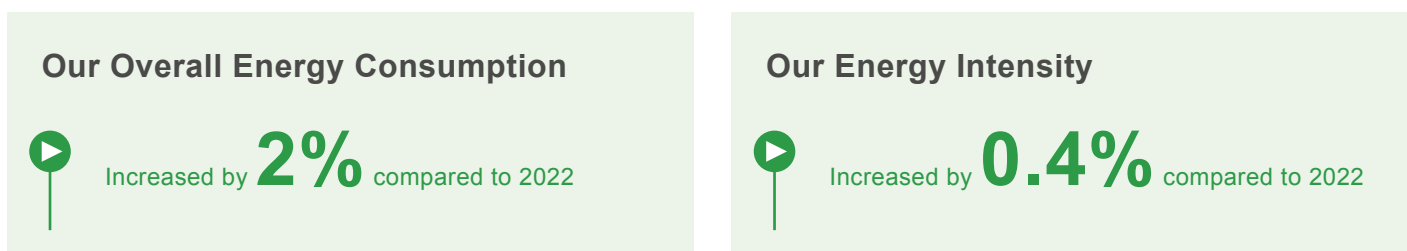
Scope 3 emissions (baseline data for three categories)

Duopharma Biotech completed GHG Scope 3 baseline data for three categories in 2023:



ii. Energy Consumption

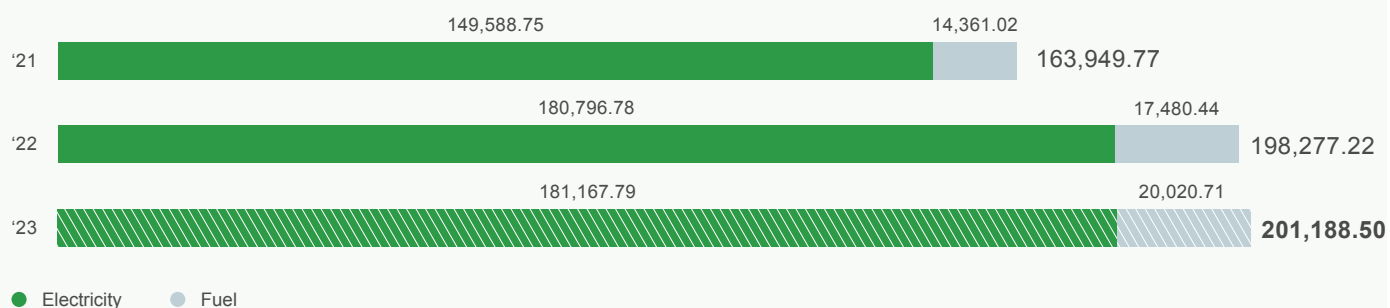
In 2023,



We measure our energy consumption using the GHG Protocol Calculation Tools- Emission factors from cross sector tools (March 2017); 2006 IPCC Guidelines for National Greenhouse Gas Inventories (and its 2019 Refinement).

Climate Performance

Total of Energy Consumption (Gigajoules)



Note: The total energy consumption in Megawatt-hours: 2021 (45,541.61 MWh), 2022 (55,077.01 MWh) and 2023 (55,885.69 MWh).

Energy intensity (Gigajoules/RM million of revenue)



Energy consumption from fuel and electricity (Gigajoules)

Source	2021	2022	2023
Fuel Consumption			
Diesel	13,874.99	16,397.31	19,010.35
Petrol	266.75	742.09	850.86
Liquefied Petroleum Gas	219.28	341.03	159.50
Electricity Consumption			
Electricity	149,588.75	180,796.78	181,167.79
TOTAL	163,949.77	198,277.22	201,188.50

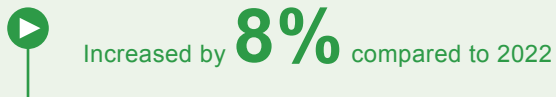
In 2023 we did not receive any fines or penalties for non-compliance with environmental laws or regulations related to emissions.

Climate Performance

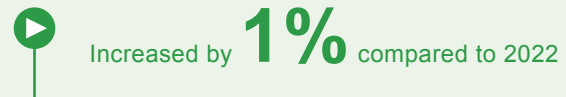
iii. Water Consumption

In 2023,

Our Water Withdrawal

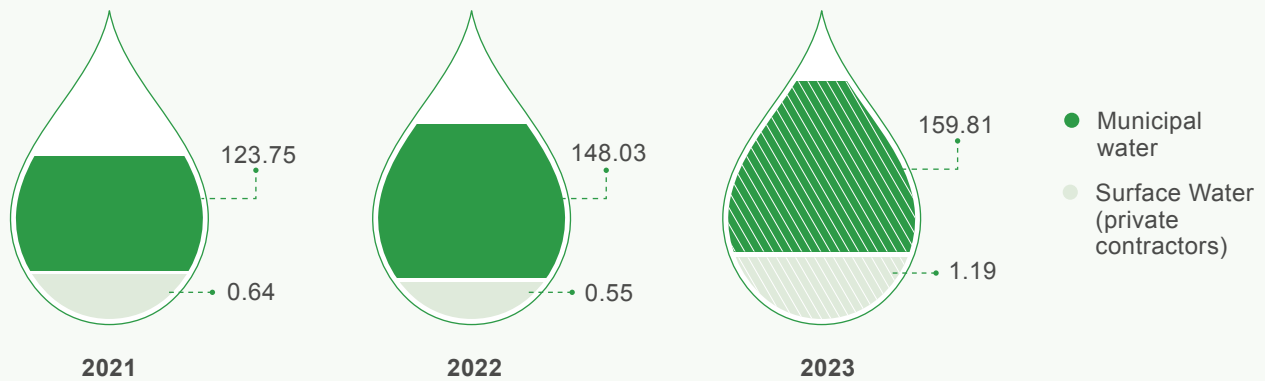


Our Water Consumption

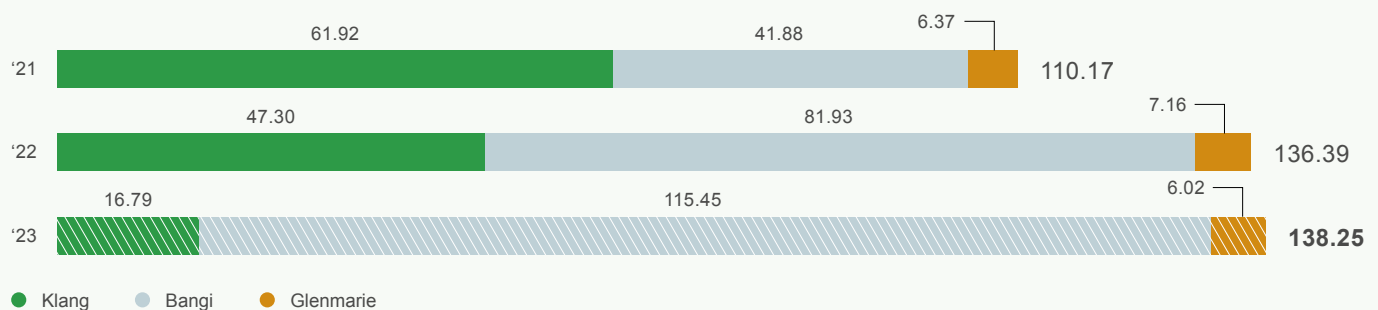


Currently, we track our water withdrawal only at the manufacturing sites and depot in Malaysia, but will be expanding this scope to include our HQ and offices in Indonesia, the Philippines and Singapore.

Water withdrawal by source (ML)



Water consumption (ML)



The water consumption covers our manufacturing sites in Klang, Bangi and Glenmarie as the monitoring of our water discharge is tracked from our manufacturing facilities' treatment plants only. Moving forward, we aim to expand our tracking efforts to include consumption at our HQ, depot operations and international offices.

Climate Performance

iv. Water Discharge

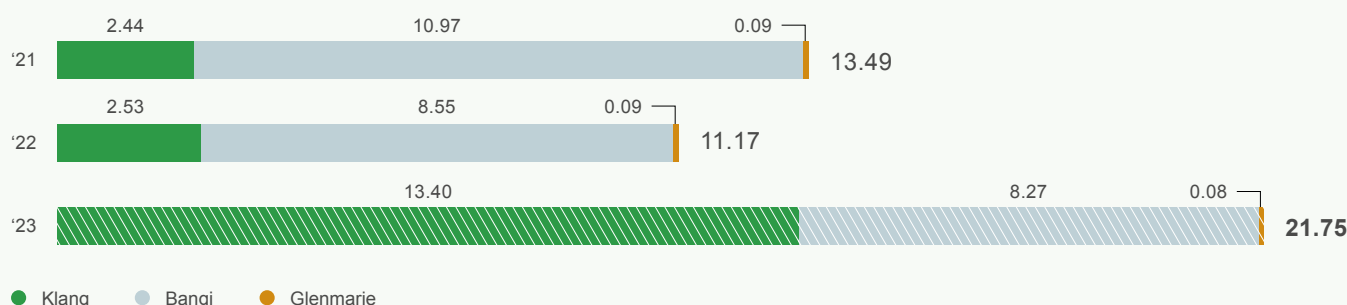
In 2023,

Our Water Discharge



Increased by **95%** compared to 2022

Total Treated Effluents Discharged (ML)



Currently, we only track water discharge from our manufacturing facilities' treatment plants to the environment. Moving forward, we aim to expand our tracking efforts to include discharge to third-party treatment centres and to extend monitoring to our depot operations and international offices.

FURTHER IMPROVEMENTS IN 2024 & BEYOND



- Moving forward, we will look to further integrating our climate-related risks with business risks to strengthen our business strategy and increase our resilience, guided by TCFD recommendations.
- We will perform more in-depth discussion on strategies to manage our climate risks across the organisation, including our operations in Malaysia, Indonesia, the Philippines and Singapore. This will include climate scenario analysis to further strengthen our climate mitigation strategy.
- We plan to finalise the establishment of our GHG Scope 3 data by end 2024 (2023 as baseline year), review our overall GHG emissions (Scopes 1, 2 & 3) and define Scope 3 emissions reduction targets.
- We will develop a detailed NZTP2.0 in 2025 encompassing a detailed action plan, initiatives and financial analysis to drive us towards net zero carbon by 2050.

Climate Performance

4

WASTE AND MATERIAL MANAGEMENT



WHY IT'S IMPORTANT

Waste and material management is important due to the nature of our operations and, specifically, what we produce. While all manufacturing processes generate waste, the manufacturing of drugs involves waste that is likely to be hazardous to the environment. Hence proper and efficient waste management is a regulatory requirement. In addition to compliance with relevant laws and regulations throughout our operations, we adopt best practices in waste disposal, ensure the efficient use of materials, and continuously strengthen our recycling efforts.



OUR APPROACH TO WASTE AND MATERIAL MANAGEMENT

Waste and material management at Duopharma Biotech is guided by laws and regulations by the Department of Environment ("DOE"). Our goal is to reduce our waste as much as possible and to manage the waste generated responsibly.

In compliance with DOE requirements, the volume of scheduled and non-scheduled waste disposed is reported monthly by our key manufacturing sites in Klang, Bangi and Glenmarie and consolidated at the Group level. Updates are closely monitored and tracked, and reported to our Group Management Committee ("GMC") monthly, and to the HSC and Board every quarter. Any potential waste-related impacts will be highlighted and addressed accordingly.

Via efficient material management, we seek to reduce our overall material consumption and wastage, as well as to transition from hard-to-dispose-of materials such as plastic to more environmentally-friendly materials. In March 2022, we pledged to replacing our single-use plastics by 50% with biodegradable plastics by the year 2026.

Waste Management

i. Scheduled Waste

At Duopharma Biotech, six types of scheduled waste are generated, which are managed according to Environmental Quality (Scheduled Wastes) Regulations 2005. All scheduled waste from our plants is collected by government approved contractors. Adhering to DOE's Guided Self-Regulation ("GSR"), every step from waste generation till disposal is tracked by our Safety, Health and Environment ("SHE") team and updated onto our internal template before submission to DOE, where it is publicly accessible on DOE's website.

In December 2022, we installed a waste thermal reduction system, Asher, at a facility in Bangi to facilitate on-site thermal decomposition of scheduled waste. By reducing the volume of waste sent to landfills, the initiative also helps us to reduce our Scope 3 carbon emissions (from the transport of waste to landfills and emissions from decomposition).

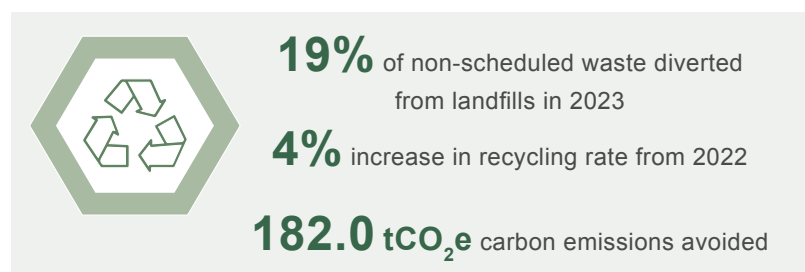
We have also engaged a vendor to recycle scheduled waste generated at the Glenmarie manufacturing site since 2022. Through this initiative, the vendor collects our scheduled waste and recycles it into new materials such as recovered solvents, alternative fuels and spill absorbent. Currently six types of waste - SW204, SW322, SW323, SW405, SW409, SW410 - are recycled.

ii. Non-scheduled Waste

The bulk of our non-scheduled waste is generated from our offices and comprise paper, plastics and aluminium. Our goal is to reduce the use of these materials as well as to increase our recycling rate to reduce the volume of waste going to landfills. Disposal of non-scheduled waste is tracked via dumping receipts issued by our transporters and the landfill owners.

In 2022, we established Standard Operating Procedures ("SOPs") for recycling at our main manufacturing sites in Klang and Bangi. To increase recycling awareness among employees, this year our Sustainability Department collaborated with ESG Champions to organise a Recycling Fest from 13 March to 14 April in conjunction with Global Recycling Day. Activities included a recycling survey, awareness posters, waste management talk by SW Corp, quizzes and competitions.

Climate Performance



iii. Material Management

We adopt best practices in material management, with a current focus on paper and plastic consumption reduction.

OE projects in 2023 to reduce our paper consumption:

No.	Initiatives	Type of Initiative	Cost Savings Achieved (RM '000)
1	Files for Purchase Order	Paper Saving	2.26
2	Supply Chain-RFIST Paper Savings	Paper Saving	0.66
3	Removal of Poison Sign Order ("PSO") from medical devices	Paper Saving	0.19
4	Waste to Save	Recycling	11.32
Total			14.43

Towards greater eco-friendliness, our Sales & Marketing and Production teams in Bangi are embarking on a pilot study to reduce the use of coloured ink in CHC product packaging, and adopting ESG-friendly ink and paper, the latter including Forest Stewardship Council ("FSC") paper for our shipper cartons and boxes. Moving forward, we will look into removing secondary packaging boxes for some of our products.

As part of our digitalisation efforts to reduce paper consumption, we have converted the majority of our SOPs documentation, work instructions and reports to digital formats. By embracing electronic documentation systems, we have eliminated the need for printing and distributing paper copies, thereby significantly reducing our reliance on paper-based documentation. This shift to digital SOPs and reports not only aligns with our sustainability goals by conserving resources and minimising waste but also enhances accessibility, collaboration and efficiency across our organisation.

iv. Biodegradable Plastics

In line with our commitment to replace 50% single-use plastics with biodegradable plastics, we purchased a total of 5,614.91 kg of biodegradable plastics in 2023 for use by our Production and Administration departments. We have converted single use plastics to biodegradable for waste collection and laundry packaging, as well as plastics used for non-product contact packaging at the Sterile and Label Room.

Meanwhile, the Sustainability Department is in discussion with the Production and Administration Departments in Klang and Bangi on expanding the use of biodegradable plastics throughout the production process for non-product contact purposes.

We are currently identifying suitable vendors to procure biodegradable plastics in bulk (for cost efficiency) in 2024. We have also established our single-use plastics baseline to facilitate efforts to quantify the volume that has been replaced.

Climate Performance



HOW WE'VE PERFORMED



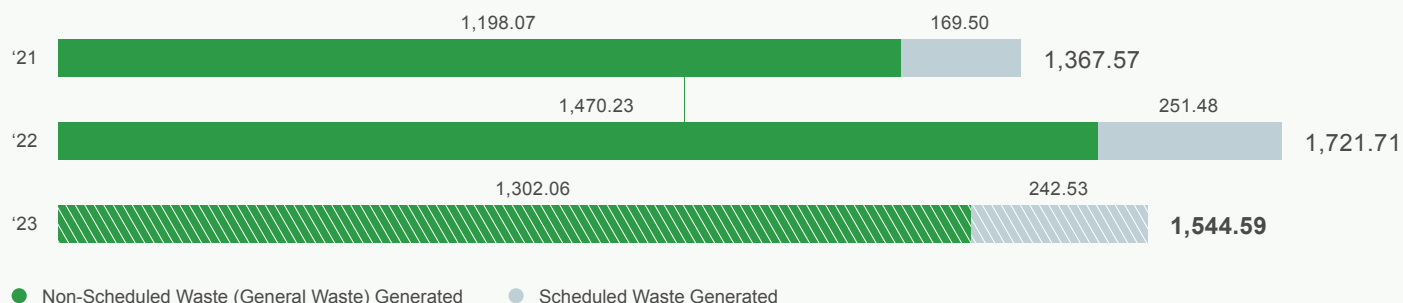
4% reduction in scheduled waste
(Target: 3% annually)



11% reduction in non-scheduled waste
(Target: 10% annually)

The significant reduction in non-scheduled waste was due to an increase in recycling at our operation sites.

Total weight of waste generated (metric tonnes)

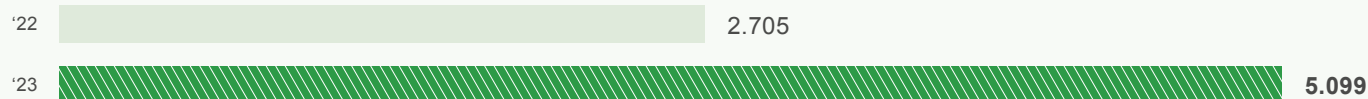


Waste disposed in 2023 by disposal method

Disposal Method	Hazardous waste (Tonnes)	Non-hazardous waste (Tonnes)	Total
Preparation for Reuse	-	-	-
Recycling	-	248.83	248.83
Composting	-	-	-
Recovery	4.68	-	4.68
Incineration	216.62	-	216.62
Landfill	21.23	1,053.23	1,074.46
Others (please specify)	-	-	-
Total	242.53	1,302.06	1,544.59

Climate Performance

Total weight of biodegradable plastics used (tonnes)



Consumption intensity of paper (reams per employee)



In 2023, we received zero non-compliance notices related to environmental law and regulations.

FURTHER IMPROVEMENTS IN 2024 & BEYOND



- **Material usage:** Based on collaboration between CHC and the Production team, we are looking into initiatives to reduce the volume of materials used in secondary packaging for our products.
- **Recycling of waste:** We will continue to work on areas to improve our recycling activities, especially in production.
- **Reduction of waste to landfill:** We are expanding Asher usage by increasing the volume of scheduled waste sent to Asher from our Bangi operations, while looking into the possibility of assisting with waste generated from the other sites.

Sustainable Supply Chain

SUSTAINABLE SUPPLY CHAIN

Capitals:



Stakeholder Groups Impacted:



Contribution to UN SDGs



The supply chain serves as the backbone of any manufacturing company, its strength denoting operational and commercial excellence. To ensure a sustainable supply chain, it is imperative that we build strong relationships with our suppliers and customers, and that we ensure the safety as well as overall well-being of our employees.



Our Stakeholders:

S1 Government/ Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Sustainable Supply Chain

9

SUPPLY CHAIN MANAGEMENT



WHY IT'S IMPORTANT

The supply chain encompasses everything we do at Duopharma Biotech, from material sourcing to production and the distribution of products to customers. The way we manage our supply chain reflects our values as an organisation and demonstrates our commitment to creating positive social and environmental outcomes, anchored on good governance. This not only supports the attainment of our business goals, it also enhances our brand equity.



OUR APPROACH TO SUPPLY CHAIN MANAGEMENT

Procurement Practices

We seek to ensure integrity across our entire supply chain, and have in place an Anti-Bribery and Anti-Corruption Policy, as well as Integrity Pact Agreement to guide us in this regard. Both the policy and agreement are aligned with and underline zero tolerance for any form of corruption.

At the same time, we seek to secure the supply of items that are essential to our operations at the most competitive rates. This is especially important given that approximately 80% of our raw materials and packaging materials are imported, and therefore subject to supply chain vagaries.

To safeguard the reliability of supply, we maintain alternative approved sources for important items to avoid single-source dependence. For critical materials, we even have alternative sources from different countries to mitigate our geographical risk. Raw materials from new suppliers go through a multidisciplinary New Source Evaluation ("NSE") to determine their quality. In 2023, we obtained NSE approvals for a total of 81 materials.

For optimum cost efficiencies, we have established SOPs on purchasing control procedures for the entire Group. We achieve the most competitive prices through the comparison of a few quotations, or from e-bidding or direct negotiations. Purchasing approval limits are set by our System Applications and Products ("SAP") entitling departmental managers to approve low-cost purchases while higher value purchases require the approval of more senior management. Above a ceiling, users/ buyers are required to obtain the Board's approval.

In 2023, we implemented e-PO whereby a Purchase Order ("PO") will automatically be released to the supplier after approval in the SAP. This is to reduce paper usage Group-wide.

Top 10
Material
Matters:

9

Supply Chain
Management

3

Health
& Safety

Sustainable Supply Chain

Vendor Management & Evaluation

Due diligence is conducted on all new suppliers/vendors prior to their appointment, following which they are required to sign an Integrity Pact. The background assessment (due diligence) is performed by a third party engaged by our Group Risk Management and Integrity (“GRMI”) Department. In 2023, we conducted due diligence on all 329 new business associates to determine if they have been involved in any bribery or corruption using the Handshakes System.

Once vendors are signed on, we ensure the continuous quality of their products, service (including after-sales support), price, delivery and documentation, as well as their anti-bribery awareness via the annual Vendor Performance Evaluation (“VPE”). We share the VPE results with the vendors, and try to extend support to those who underperform.

In addition, GMP vendors who supply raw and packaging materials will undergo vendor audits by the quality assurance unit. Quality Technical Agreements are executed to ensure quality obligations of both the contract giver and contract acceptor. In 2023, we audited 35 vendors supplying our main manufacturing plants in Bangi and Klang. Vendors that do not meet GMP criteria are given the opportunity to step up their performance, failing which their contracts are terminated.

To further strengthen the sustainability of our supply chain, we are facilitating the adoption of ESG principles by our suppliers/vendors in their business practices. Various ESG awareness sessions are held towards this end.

- In June 2023, 10 Duopharma Biotech SME vendors attended a webinar on “Small Business, Big Impact” organised by UNGCMYB. The objective was to guide them on UNGC’s sustainability programmes that can support their sustainability journey.
- In November 2023, an ESG awareness/ knowledge-sharing session was conducted together with the Halal and Government Relations Department during the “Program Vendor Duopharma Biotech”.

Having subscribed to the UNGCMYB’s ESG SME Hub programme, we are better equipped with the materials and tools to support our suppliers in their sustainability journeys. The ESG SME Hub programme has also prepared us to conduct ESG assessments on our suppliers. This will commence with selected suppliers in 2024.

Customer Satisfaction

i. Delivery Timeliness

A key factor determining our customers’ satisfaction is receiving deliveries on time. Targeting to deliver 85% of orders within 24 hours, we adopt a first-in, first-out (“FIFO”) approach and monitor our orders three times a day. We also require our distributors to guarantee same-day delivery for central and bulk orders. On-time, in-full (“OTIF”) reports are discussed with commercial and production teams monthly to iron out issues such as credit hold, stock unavailability and partial delivery.

As of 2023, all proof of delivery is made available in our own system, providing close to real-time updates on the completion of goods delivered in Peninsular Malaysia.

ii. Customer Returns

We seek to minimise customer returns because they are a waste of resources and impact our reputation. We therefore analyse all returns and share the results with the relevant sales teams during the bi-monthly Sales and Operational meetings. The most common reasons for returns are proximity to expiry dates, slow-moving products, duplicate orders, and wrong orders by customers.

iii. Voice of Customer

To gauge our customers’ satisfaction, we conduct an annual Voice of Customer (“VOC”) survey on all customers using the Survey Monkey platform. The survey is facilitated by the Customer Relationship Management team in collaboration with the Commercial Team. Feedback is summarised in a form of presentation slides and forwarded to the respective business units for their analysis and strategy.

Sustainable Supply Chain

Number of respondents in our Voice of Customer surveys, 2020-2023

Channel	2020		2021		2022		2023	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Ethical	1,350	1,630	1,875	2,157	2,000	2,074	2,000	2,125
CHC	400	463	530	580	530	556	550	620
Government	245	264	300	315	530	556	400	404
Specialty	150	165	190	203	350	378	250	251
Private Hospital	110	123	140	200	225	244	160	169
Export	18	19	20	20	20	20	20	17
TOTAL	2,273	2,664	3,055	3,475	3,285	3,435	3,380	3,586

Meanwhile our Customer Satisfaction Index (“CSI”) has improved from 98.4% in 2022 to 98.5% in 2023.

From 2024, we will be inputting data from customers’ feedback onto our e-commerce platform, Hybris, to create a 360° view of each customer. This process is expected to be completed by 2025. Meanwhile, based on feedback, we are undertaking the following actions to strengthen our customer relationships:

- Engaging with them on their preferred channel of communication
- Engaging continuously with suppliers to improve the supply of medication, and updating customers regularly on our stock balance as well as dates of upcoming deliveries

Business Continuity

Business continuity is key to meeting our commitments, hence is taken seriously by Duopharma Biotech. We safeguard the continuity of our operations via a Business Continuity Management (“BCM”) framework which minimises disruptions to prioritised activities, maintaining an acceptable level of products and services to meet key stakeholders’ needs. This BCM framework is tested annually.

In the event of a crisis, the following response is activated:

- The Crisis Management Team is mobilised
- The Emergency Response Team (“ERT”) will step in, and escalate the situation to the Crisis Management Team if required

- Post-crisis, the Damage Assessment and Recovery Teams take over and roll out our BCM plan, following through with remedial actions

In 2023, we engaged a consultant, BCP Asia, to conduct a Business Continuity Plan (“BCP”) simulation on 12 September in Klang. In its subsequent report, BCP Asia noted: “The performance of the exercise participants during the exercise was outstanding. Their dedication, and commitment to their roles and responsibilities significantly contributed to the exercise’s overall success”.

Nevertheless, the consultant also outlined certain areas that could be improved, namely evacuation routes, procedures for trapped staff, better damage assessment preparedness, recovery strategies and better record keeping.

Manufacturing Efficiencies

As a manufacturer, efficient plant operations are at the heart of our business, and they are overseen by our OE department. OE takes the lead in CI activities with a strong emphasis on Lean Manufacturing Methodology and Six Sigma Methodology for the execution of projects.

In 2023, our company achieved significant success in CI projects, completing a total of 36 initiatives. Among these, 25 projects were executed under the OE STECO Programme, and 11 were part of the LSS programme. These efforts resulted in substantial savings of RM5,482,029.75, surpassing our target of RM4 million.

Sustainable Supply Chain

Our commitment to excellence extends to the development of our employees, as we actively encourage their participation in OE STECO projects, which provide invaluable opportunities for enhanced problem-solving skills. Additionally, we have initiated an LSS programme for 10 selected participants, with the aim of further refining their problem-solving and statistical analysis capabilities. This programme is designed to lead to the certification of participants as LSS Black Belts upon the successful completion of required projects, anticipated to conclude in 2025.

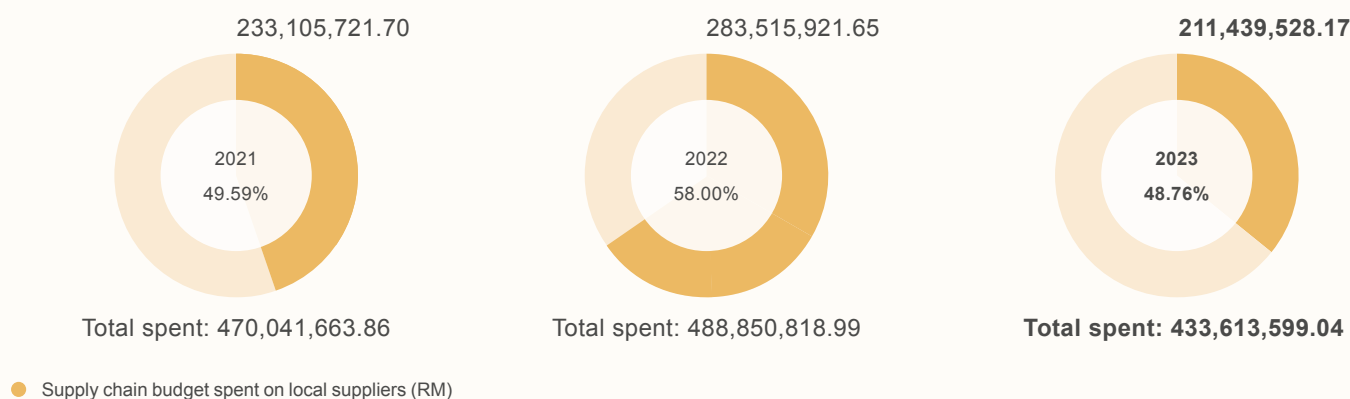
Moreover, 50 new staff members who have supported participants in the LSS Programme have achieved certification as LSS Yellow Belts after completing the LSS Yellow Belt training. These individuals are now on a trajectory to become future LSS Green Belts.

In addition to our OE STECO and LSS programmes, we actively promote efficient operations through CI methodology. One such initiative is our Innovation and Quality ("I&Q") Convention, held in October 2023, which showcased completed Kaizen projects to our senior management. This competition aims to further develop participants' skillsets in project management, problem-solving, and presentation skills. A total of 10 employees took part in the competition, highlighting our commitment to continuous improvement and excellence in our operations.

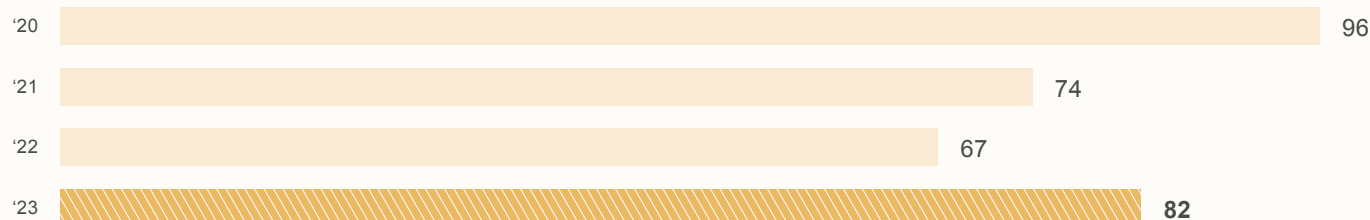


HOW WE'VE PERFORMED

Percentage of spending on local suppliers

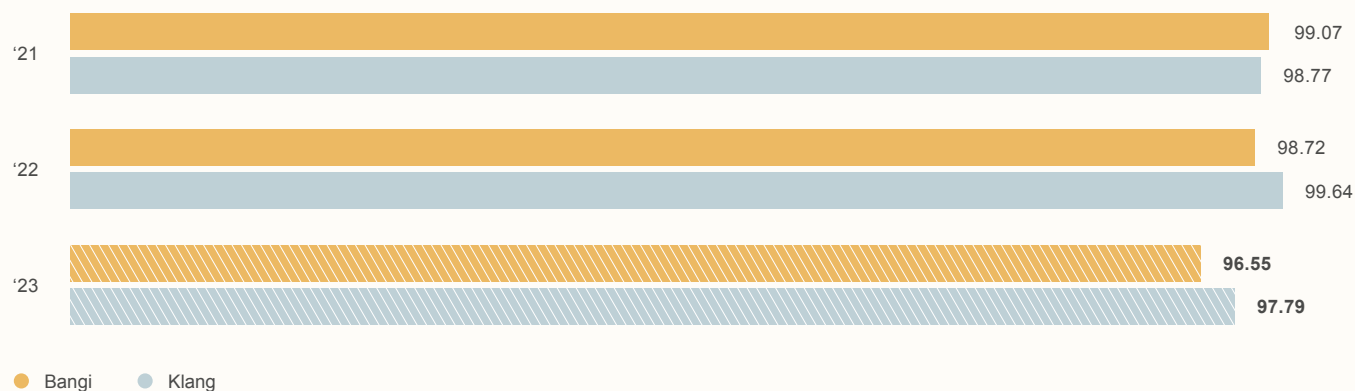


Number of alternate sources approved



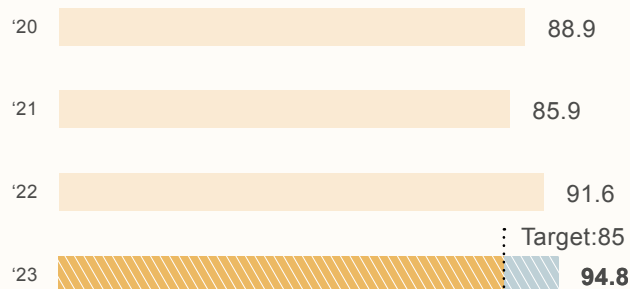
Sustainable Supply Chain

Vendor Performance Evaluation (“VPE”) scores

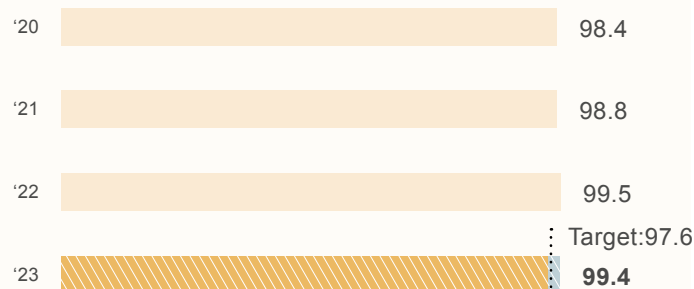


OTIF performance

Company (%)

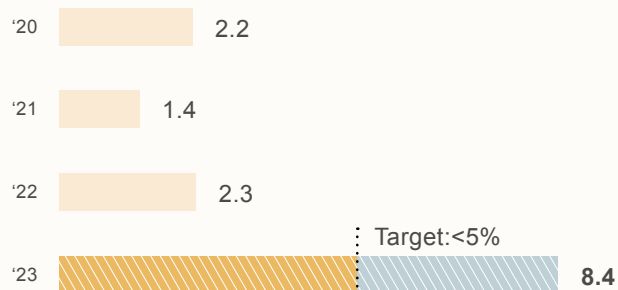


Warehouse (%)

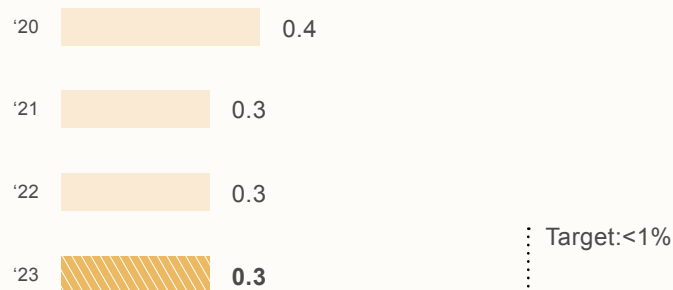


Return values against sales

CHC (%)



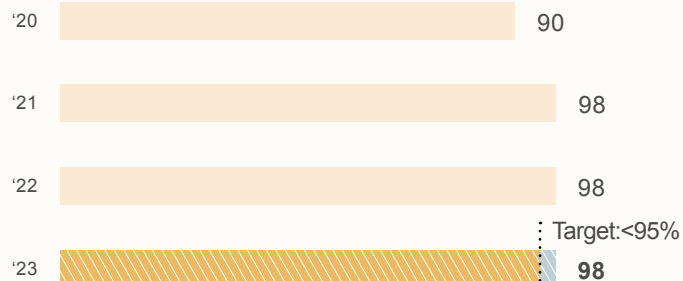
Ethical Business (%)



Note:
The sharp increase in return values in 2023 was due to the drop in demand for Vitamin C, impacting sales of our Vitamin C product range (Flavettes and Champs).

Sustainable Supply Chain

Customer Satisfaction Index ("CSI")



FURTHER IMPROVEMENTS IN 2024 & BEYOND



- **Purchasing:** Continuous efforts are being made into developing alternative vendors for raw and packaging materials. This effort reduces the risk of being dependent on a single vendor, enhances the supply security and serves as an opportunity to further optimise material costs.
- **Warehouse & supply chain:** Roll out validated charter lorries for distribution as it is one of the most cost-effective delivery methods.
- **Customer satisfaction:** Engage and communicate more frequently with customers using digital platforms, as per feedback from VOC; and improve credit management to avoid supply disruption to customers.
- **Continuous Improvement:** Ensure that all 10 employees currently undergoing LSS training will complete their black belts; and achieve another RM4 million in savings from all CI projects.

Sustainable Supply Chain

3

HEALTH AND SAFETY



WHY IT'S IMPORTANT

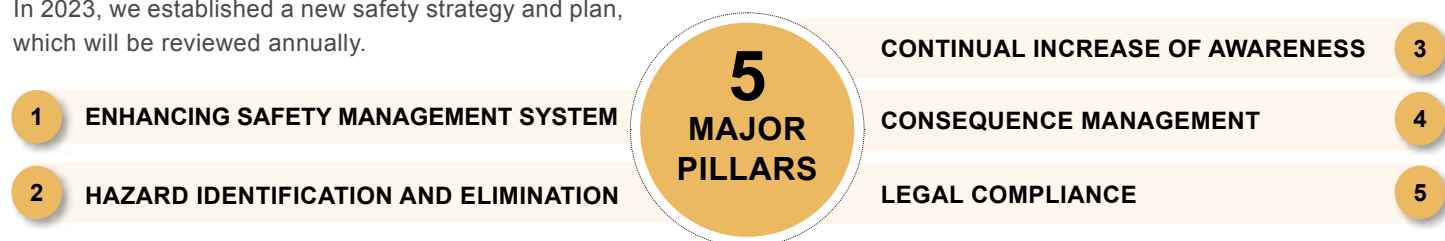
All manufacturing operations pose an element of risk to employees. To protect employees, it is important to take every possible measure to ensure their safety. This not only protects the well-being of our most important asset, it also enhances productivity and helps to maintain our reputation as a preferred and responsible employer.



OUR APPROACH TO HEALTH & SAFETY

The safety and well-being of our employees is top priority at Duopharma Biotech. Our safety framework is anchored on a comprehensive Safety & Health Policy which borrows from the Occupational Safety and Health Act ("OSHA") 1994 and Factories and Machinery Act ("FMA") 1967. The policy prioritises compliance with all regulatory requirements by our employees as well as by contractors to minimise Occupational Health and Safety ("OH&S") hazards and continuously improve the Group's safety performance. Our ultimate objective is to achieve zero accidents at the workplace, keeping our employees as well as contractors, vendors and visitors safe – in line with our tagline, "Think Safe, Work Safe, Home Safe, Goal Zero".

In 2023, we established a new safety strategy and plan, which will be reviewed annually.











Governance and Compliance



Sustainable Supply Chain

Governance of safety matters at Duopharma Biotech is overseen by our Board of Directors, with the HSC deliberating on safety matters at its quarterly meetings. The HSC receives updates from the GMC, which discusses safety performance monthly. At ground level, the Safety, Health and Environment (“SHE”) department identifies, assesses, reviews and monitors all OH&S hazards while reviewing the effectiveness of controls; while Safety and Health Committees ensure day-to-day safety at operational sites.

Each operational site has its own Safety and Health Committee, made up of roughly an equal number of representatives from operations and Management. These committees meet quarterly to ensure the smooth functioning of their roles and responsibilities. These are to:

- | | | | |
|--|---|--|--|
|  Promote a culture of safety awareness and accountability |  Review OH&S-related policies |  Inspect the workplace and propose ways to improve workplace safety |  Develop OH&S awareness programmes |
|  Support Emergency Response Teams in any emergency |  Suggest safer ways of carrying out operations |  Support investigations into OH&S incidents |  Support Management in addressing safety concerns |

THINK . WORK . HOME
SAFE
GOAL ZERO

Everyone has a role to play in upholding the highest standards of safety in compliance with existing controls, and is strongly encouraged to highlight safety concerns either at toolbox meetings or through established reporting channels.

Risk & Hazard Identification

The company conducts thorough assessments of all on-site activities using the Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) methodology to systematically identify hazards and associated risks. Based on the identified risks, control measures are diligently reviewed and/or implemented to minimise potential negative impacts. This process is undertaken at all organisational levels to ensure that identified risks are promptly addressed and that control measures remain effective.

Our SHE department assesses OH&S risks including indoor air quality and noise levels in our plants, chemical handling, as well as ergonomic-related risks, among others. Such assessments are carried out by competent persons registered with the Department of Occupational Safety & Health (“DOSH”). Project risk assessments are a pre-requisite for all new projects. SHE also monitors the Industrial Effluent Treatment System (“IETS”), ensuring this meets DOE’s guidelines.

All risk and hazard reports are communicated to employees; and rectification plans are discussed with the relevant managers.

Emergency Response Plan

Duopharma Biotech has an Emergency Response Team (“ERT”) that is trained to handle identified emergencies. In the event of a crisis level situation, the Crisis Management Team will take over the management of the emergency. We conduct activities and checks to ensure preparedness to operate if there are incidents on site. These activities include training, drills, maintenance, performance monitoring of pollution control equipment, and audits and inspection.

Sustainable Supply Chain

We have an Incident Manual to guide the management of identified incidents at Duopharma Biotech. The manual lists steps and actions to take in the event of emergencies to minimise the impact on the company, employees and nearby communities. Responsibilities during emergencies are also listed in this manual. This manual can be used to train ERT members and enhance their preparedness for emergencies.

Incidents Reporting and Consequence Management Framework

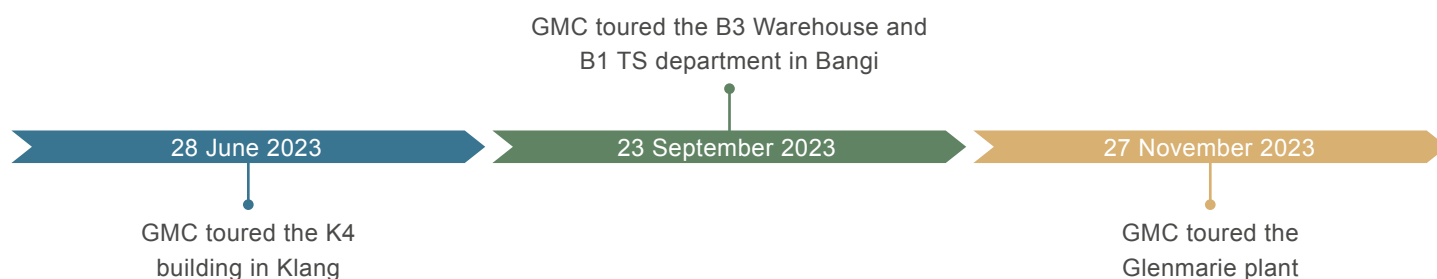
The SHE department ensures that all incidents are promptly reported and thoroughly investigated. Most reports are made through the Unsafe Condition, Unsafe Act (“UCUACT”) e-form. Following every report, comprehensive examination is conducted through root cause analysis. Lessons learnt from incident investigations are actively shared across all levels of the Group via email to facilitate continuous improvement. Detailed SOPs are in place for the investigation of safety-related incidents.

On 20 July 2023, we launched a Consequence Management Framework comprising SOPs to manage any SHE violations by employees. This is supplementary to existing guidelines and policies within Duopharma Biotech and serves to further enhance our overall governance infrastructure. The framework enables us to maintain consistency, fairness and transparency in relation to SHE rules violations. A total of 18 briefing sessions were held to communicate the framework to employees across the Group.

Health & Safety Programmes

Every year, Duopharma Biotech sets OH&S key performance indicators (“KPIs”) and organises targeted programmes to meet these. The initiatives include regular audits, workplace inspections, training, awareness programmes, risk assessments. Key programmes and initiatives carried out in 2023 are described below.

i. Group Management Committee (“GMC”) Safety Walkabout



ii. Duopharma Biotech Safety Day

The Safety Day was held in Ideal Convention Center Shah Alam (“IDCC”) on 31 July 2023 to empower employees to prioritise safety in their daily actions and decisions, strengthening awareness of “Goal Zero” and creating a safe work environment. The full-day event, officiated by the Selangor DOSH Director, was attended by over 1,000 employees.



Sustainable Supply Chain

iii.OH&S Training

The SHE department organises both general and targeted safety training, the former including first aid training for selected representatives from each department at all sites and the latter encompassing specialised training based on employees' functions. These are over and above regular briefing sessions for all operations staff, which are sharing sessions reinforcing the need to work safely. All contractors undergo SHE induction before doing any work at our sites. Training programmes organised in 2023 included the following:



OSH-Coordinator Training

Who

28 employees from different departments across all three sites

What

This training equips staff with knowledge and skills to coordinate safety and health efforts in their respective workplaces

4-6 July



Safety Bootcamp

Who

58 Safety Committee members

What

Promote safety culture, appoint safety committee and provide knowledge and skills necessary to adhere to safety procedures and prevent workplace accidents.

11 March



Forklift training

Who

8 warehouse employees

What

To authorise and certify inhouse forklift operations

14 October



First aid training

Who

17 employees from various departments

What

To provide employees with basic first aid knowledge and skills to respond appropriately to medical emergencies

14-15 October



HOW WE'VE PERFORMED

In 2023, Duopharma Biotech's safety performance marked an improvement from both 2021 and 2022. Notably, the year saw us accomplish our lowest total recordable case frequency ("TRCF") rate in six years, at 1.09.

Year	Total Recordable Case Frequency ("TRCF")*	Lost Time Incident ("LTI")**	Frequency of injury***	No. of work-related employee fatalities	No. of work-related contractor fatalities
2021	1.92	9	4.03	0	0
2022	2.10	9	2.79	0	0
2023	1.09	5	2.61	0	0

Note:

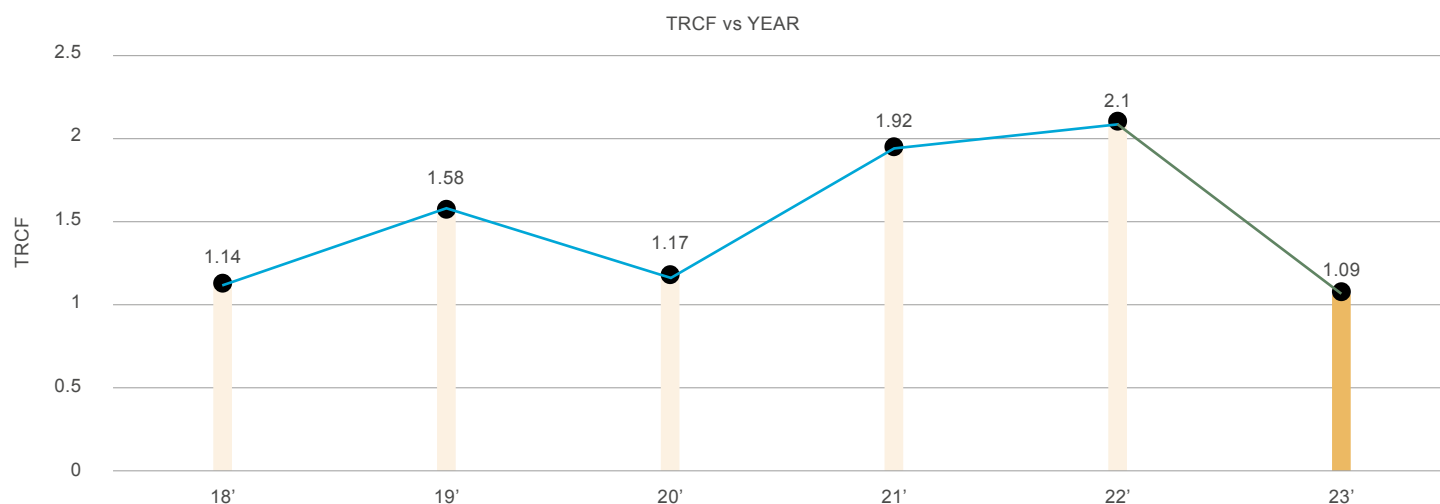
* LTRCF is the number of incidents per million man-hours. Our health and safety data are among the indicators assured by our external assurer.

** LTI is defined as the number of lost days (consecutive or not), counted from the day following the accident.

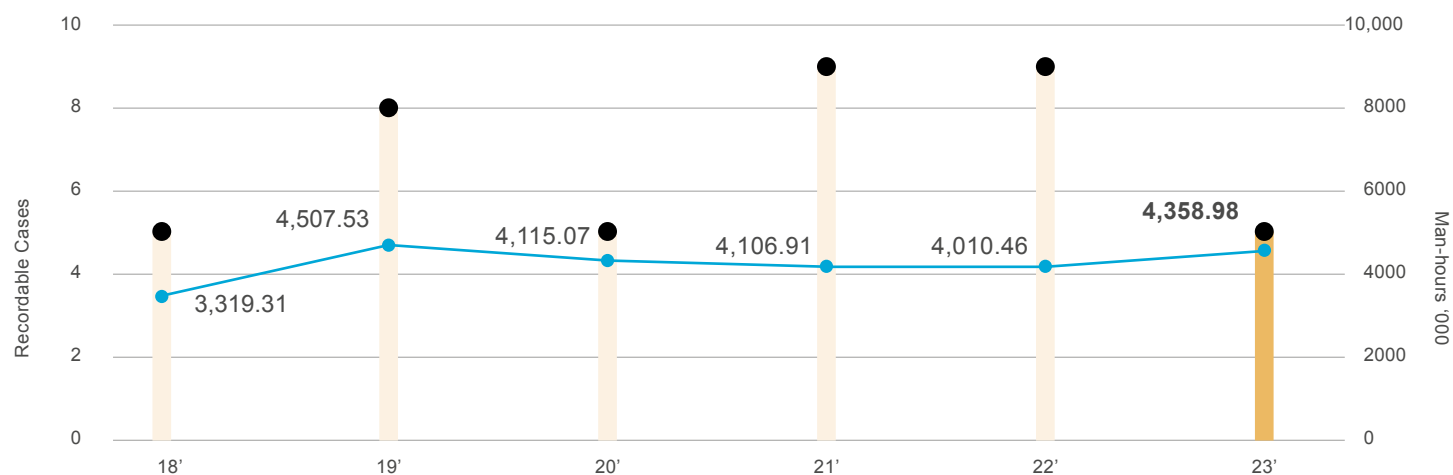
*** Frequency of injury is defined as injuries per hour.

Sustainable Supply Chain

Total Recordable Case Frequency (“TRCF”) (incident per million man-hours)



Recordable cases and man-hours ('000)



FURTHER IMPROVEMENTS IN 2024 & BEYOND



- Embracing the theme of “Think Safe, Work Safe, Home Safe”, our future plans revolve around reinforcing a safety culture in the workplace, with a clear focus on Goal Zero.
- Building on the success of Safety Day 2023, initiatives for 2024 include targeted training programmes, continuous risk assessments (HIRARC), and the implementation of robust control measures including enhanced safety awareness programmes, increased utilisation of UCUACT, legal compliance, and safety bootcamps to strengthen the commitment from senior management and safety committees.
- Leading by example, there will be more GMC Walkabouts, safety updates by the Group Managing Director at every Townhall, and safety briefings by senior management/heads of department at toolbox meetings.

Access to Medicine

ACCESS TO MEDICINE

Capitals:



Stakeholder Group Impacted:



Contribution to UN SDGs



The right to availability, accessibility, acceptability and quality of health facilities is a basic human right as defined by the World Health Organization (“WHO”). By extension, everyone has a right to efficacious, safe and affordable medication and treatment. However, accessibility remains an issue in developing countries where many drugs are either not available or not affordable.



Our Stakeholders:

S1 Government/Regulatory Authorities	S2 Employees	S3 Shareholders & Financial Community
S4 Customers	S5 Suppliers	S6 Business Partners
S7 Local Communities	S8 Healthcare Professionals	S9 Media

Our Capitals:

F Financial Capital	M Manufactured Capital
I Intellectual Capital	S Social & Relationship Capital
H Human Capital	N Natural Capital

Access to Medicine

6

AFFORDABILITY AND PRICING



WHY IT'S IMPORTANT

Many new and innovative drugs in the global market are not available for most of the world's population because they are too expensive. This results in early deaths or deteriorated quality of life, which could be prevented. To create greater equity in healthcare, empowering everyone to live a better/healthier life, it is important to make drugs accessible to people at affordable prices. This can be achieved through the manufacture of generics, which are as efficacious, safe and of equivalent quality as originator drugs yet do not involve the complex and expensive process of drug discovery, research and development conducted by the innovators and can therefore be priced more affordably.



OUR APPROACH TO AFFORDABILITY AND PRICING

Recognising the importance of making available affordable medicines, Duopharma Biotech has over the years increased our portfolio of generics – both manufactured here and imported – to become the leading generics manufacturer in the country. We fully support the government's pro-generics stance to reduce the cost of medication, with about 43% of our sales channelled towards government healthcare centres at prices that are determined by the Ministry of Health ("MOH"). Our generics and biosimilars cost on average about 40%-70% the price of originator drugs.

We keep track of when the patents of drugs will expire and start looking into the development of generics for those that will be off-patent in the near future. We also look at bringing down our overall cost of manufacturing to pass on the savings to patients through prices that are as low as possible.

Top 10
Material
Matters:

1

Product Quality,
Safety &
Responsibility

6

Affordability
& Pricing

7

Accessibility of
Medicines

Access to Medicine

Collaborating With Regulators

Duopharma Biotech works closely with the MOH and the Malaysian Organisation of Pharmaceutical Industries (“MOPI”) on a Local Generics-First Policy to maintain affordable healthcare in the country. We are also collaborating with MOPI on a National Essential Medicine List to promote the local manufacture of the most in-demand generics that are currently imported. Localisation of these products will not only reduce their cost to patients but would have a multiplier effect on the local pharmaceutical industry.

Bringing Down the Cost of Biosimilars

In 2020 we became the first company in Malaysia to fill and finish a biosimilar locally. ERYSA, our biosimilar, delivers significant cost savings of more than 30% compared to key competitors in the market. Soon, we intend to localise its bulk manufacture at the K5 facility, which will further reduce its cost from economies of scale. The facility will have sufficient capacity to bulk manufacture other biosimilars and even vaccines, bringing down their price for domestic and regional consumption too. Although we do not determine the price of our medicines in export countries, the fact that the importers/distributors obtain them at prices that are much lower than the originator drugs will translate into more affordable prices in these countries.

10-Year Corporate Strategy

During the year, the Board approved Duopharma Biotech’s 10-year Corporate Strategy (2024-2033) which is to guide us towards achieving our vision of providing smarter solutions for a healthier life sustainably. Underlining our commitment to affordable medicines, our 10-Year Corporate Strategy (2024-2033) focuses on:

- Cost optimisation, which will be reflected in lower product prices
- Accelerated introduction of generics and biosimilar alternatives
- New therapeutic areas such as functional foods and cosmeceuticals under our CHC business, and autoimmune as well as brain health under the Ethical Classic and Specialty businesses
- The bulk manufacture of biosimilars and other complex molecules at the soon-to-be-constructed K5 facility in Klang

Other initiatives to reduce the cost of medicines include:

- Sourcing suppliers that offer more affordable active pharmaceutical ingredients (“APIs”)
- Improving and standardising our packaging materials to lower their cost
- Exploring the option of contract manufacturing to lower our cost of goods (“COGs”)

Free Trade & Other Challenges

In November 2022, Malaysia ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (“CPTPP”) which, among others, requires the government to treat companies from other member states the same as it would a local company in its procurement. This means that policies and practices that favour local manufacturers will be phased out. While possibly gaining from more price-competitive products, there will be no economic multiplier effects for the local economy.

Other challenges to making medicines more accessible include:

- ▶ High barriers to the production of drugs for oncology and rare disease with strict NPRA registration and patent issues.
- ▶ Limited government funding for high-capex projects such as the K5 facility which is being designed to produce biosimilars and vaccines.
- ▶ Regulatory restrictions and dependence on stakeholders to meet clinical and technical requirements delaying Duopharma Biotech’s entry into new therapeutic areas (such as medicinal cannabis).

Access to Medicine



OUR PERFORMANCE

- We have been supplying government hospitals with essential drugs in the MOH's Approved Products Purchase List ("APPL") with no increase in price since 2017, and are hopeful of having our contract renewed in the first quarter of 2024, given the government's confidence in our ability to deliver at prices that are acceptable and affordable.
- Given their affordable price points, our biosimilar monoclonal antibodies Zuhera and Krabeve secured 35% and 11% volume market share in Malaysia respectively, per Q4 2023 IQVIA National Sales Audit data.

FURTHER IMPROVEMENTS IN 2024 & BEYOND



- We will continue to keep the price of medicines as low as practicable through a combination of local bulk production and enhancing operational efficiencies to lower our production costs.



PRODUCT QUALITY, SAFETY & RESPONSIBILITY



WHY IT'S IMPORTANT

The importance of product conformity cannot be overstated in the modern world in ensuring manufactured goods meet the required standards for the safety and well-being of users. Product conformity is critical for the safety, reliability and quality of consumer goods. It refers to the degree to which a product meets the relevant standards and regulations established by industry, government, and other authoritative bodies. Ensuring that products conform to these standards is essential in reducing the risk of harm to consumers and the environment, enhancing their confidence in the products they purchase, and promoting fair competition among manufacturers.



OUR APPROACH TO PRODUCT QUALITY, SAFETY & RESPONSIBILITY

Internal Controls to Ensure Regulatory Compliance

We are committed to the highest quality of products and comply with all pharmaceutical industry regulations to maintain our licence to manufacture and market our products. We have established a Quality Management System ("QMS") and adhere to it uncompromisingly. The QMS integrates the MS ISO 9001:2015 requirements, cGMP for Medicinal Products ("PIC/S PE 009"), ISO 13485:2016, Good Distribution Practice ("GDP"), and International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("ICH") guideline Q9 on quality risk management.

During the year 2023, we digitalised the Quality Management System thus enhanced our quality management as the electronic QMS allows for real-time access and monitoring of various quality events. These enhanced features were not available with the previous paper-based system.

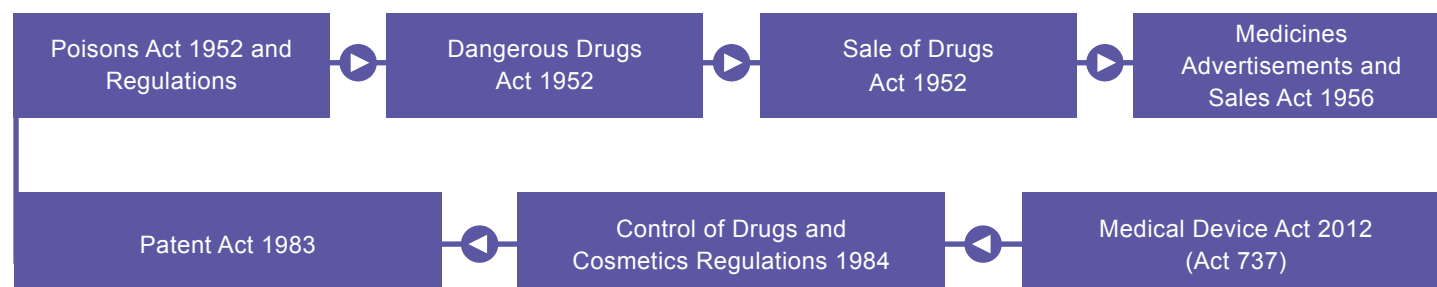
Access to Medicine

Certifications and recertifications obtained for our manufacturing, R&D and marketing operations are detailed below

Company	Certification	Date of Latest Re-Certification	Validity
Duopharma Innovation Sdn Bhd	MS ISO/IEC 17025 General Requirements for the competence of testing and calibration laboratories	26 – 27 Jan 2023	18 Jan 2025
Duopharma (M) Sendirian Berhad	Good Manufacturing Practice (“GMP”) for pharmaceutical manufacturer	9 – 11 Jan 2024	31 Dec 2024
	Good Distribution Practice for Pharmaceutical Product	19 – 20 Oct 2022	31 Dec 2024
	ISO 9001:2015 Quality Management System	13 – 16 Jun 2023	01 May 2026
	ISO 13485:2016 Quality Management System for the Manufacture of Medical Devices	9 – 10 Jan 2023	09 Jul 2026
	Good Distribution Practice for Medical Devices (“GDPMD”)	06 – 07 Apr 2023	05 Oct 2026
	MS ISO/IEC 17025 General Requirements for the competence of testing and calibration laboratories	23 – 24 Aug 2023	15 Sep 2028
Duopharma Manufacturing (Bangi) Sdn Bhd	Good Manufacturing Practice (“GMP”) for pharmaceutical manufacturer	25 – 27 Apr 2022	31 Dec 2024
	ISO 9001:2015 Quality Management System	14 – 16 Feb 2024	21 Apr 2024*
Duopharma Marketing Sdn Bhd	Good Distribution Practice for Medical Devices (“GDPMD”)	29 – 30 Jan 2024	28 Apr 2024*
Duopharma Consumer Healthcare Sdn Bhd	Good Distribution Practice for Medical Devices (“GDPMD”)	31 Jan 2024	28 Apr 2024*
	Good Distribution Practice for Pharmaceutical Product	28 Dec 2022	31 Dec 2024
Duopharma HAPI Sdn Bhd	Certificate of Good Manufacturing Practice Compliance of a Manufacturer	25 – 27 May 2022	26 May 2025

* Awaiting new expiry date based on latest recertification

We have a dedicated Regulatory Affairs, Medical Affairs, Clinical Affairs and Pharmacovigilance Department that are responsible for the management and monitoring of the safety and efficacy of our products. Together, they ensure that we comply fully with the following:



Access to Medicine

i. Quality Policy

Committed to Total Quality Management, we have in place all the systems and controls required to achieve Total Customer Satisfaction. Our objective is to be a preferred supplier of innovative and quality products and services that are sustainable and meet our customers' evolving needs, whilst meeting all regulatory requirements. This is to be achieved by:

- Understanding and fulfilling customers' precise requirements
- Providing a high standard of service to customers
- Adopting the concept of prevention, by "Doing It Right First Time, Every Time"
- Continuous improvement of our processes, products and services
- Continually engaging and delighting our customers and stakeholders
- Ensuring our suppliers are similarly committed to quality improvements
- Nurturing a culture of excellence, resourcefulness and innovation

Initiatives implemented to maintain the highest quality standards include internal audits, quality assurance walkabouts, vendor audits, annual Vendor Performance Evaluation and GMP awareness training.

ii. Guidance By Best Industrial Practices

Duopharma Biotech is an active member of MOPI and participates actively in the International Society for Pharmaceutical Engineering ("ISPE"). Both organisations promote the application of pragmatic good industrial practices in the pharmaceutical industry.

Bioequivalence Studies & Pharmacovigilance

Bioequivalence ("BE") studies are synonymous with small scale clinical studies for small-molecule generics. They are conducted before generics or biosimilars are registered and marketed. We identify suitable Contract Research Organisations ("CROs") to conduct BE studies on new generics through the Bioequivalence Centre Partnership Programme, which ensures consistency in the management of BE studies by the partners. As of the end of 2023, there were five BE centres in the programme - one each in Malaysia and Indonesia and three in India.

The BE studies planned in 2023 were deferred to 2024 to accommodate further enhancement in the development studies of the BE test products.

In addition, we ensure that all new products are approved by the NPRA; that the manufacturing facility has valid GMP certification; and that all batches produced pass the finished product quality testing against specifications registered with the authority.

Pharmacovigilance extends the safety assurance beyond the manufacturing site and into the market. It involves monitoring any adverse reactions ("ADR") to a product among consumers/patients. Duopharma Biotech has our own dedicated Pharmacovigilance Department that monitors the safety of all our medicinal products and devices in compliance with the Malaysian Good Pharmacovigilance Practices ("GVP"). The department investigates any reports made to the regulatory authorities or partner companies, the latter via Safety Data Exchange Agreements.

In 2023, Duopharma Biotech successfully completed a voluntary Good Pharmacovigilance Practice Inspection ("GVPI") by NPRA. There were no major findings and all corrective and preventive action ("CAPA") plans were accepted for implementation.

Responsible Marketing/Advertising

All pharmaceutical products marketed or advertised go through internal clearance with our Medical Department; and on the rare occasions that we advertise, we will apply for Medicine Advertisements Board ("MAB") approval while complying with MOPI's Code of Ethics. For CHC products, once a product advertisement is approved by MAB, it is given a KKLIU approval number/certificate. This certificate is required by authorities involved in marketing such as Lembaga Penapisan Filem for TV communication and Majlis Bandaran for out-of-home advertising. Staff receive training on marketing/advertising compliance by the Ethical teams once a year.

We also comply with all NPRA Labelling Requirements on products that are registered with the regulatory body, with stringent artwork checking and approval procedures in place. NPRA conducts formal labelling compliance assessments every five years on selected registered products, while monitoring complaints received from the market.

Access to Medicine

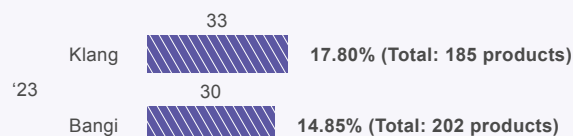
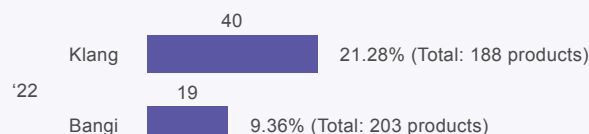
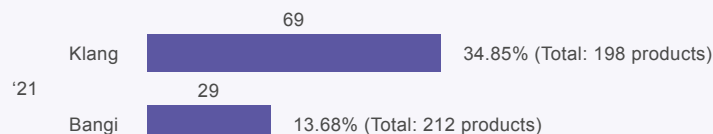


HOW WE'VE PERFORMED

During the year:

Zero non-conformance with ISO13485, ISO 9001 and GDPMD certification	Zero legal or regulatory fines or settlements associated with clinical trials	4 batches product voluntary recall, but none due to safety reasons
Zero penalties for non-compliance with marketing regulations, and 4 warnings on non-compliance with marketing regulations (2022: 3)	Zero non-compliance with health/safety regulations/codes for products and services	Zero non-compliance on product health/safety resulting in a fine

Number and percentage of selected products assessed by NPRA for compliance with product/ service information and labelling (post market surveillance for selected products)



● No. of products selected by NPRA for assessment

Note: The data refers to products that have undergone post-market surveillance by NPRA (NPRA performs post-market surveillance on selected products every five years). However, internally, we have established guidelines to ensure that all our products comply with relevant product info and labelling requirements.

FURTHER IMPROVEMENTS IN 2024 & BEYOND



- **Compliance:** We seek to obtain EU certification for Duopharma HAPI Sdn Bhd by the end of 2024.
- **Regulatory:** We will continue to monitor incident closures and CAPA implementation within six months and continue maintaining zero non conformance for all ISO certification.

Access to Medicine



ACCESSIBILITY OF MEDICINES



WHY IT'S IMPORTANT

Medicines have no value until they are taken by patients and help to treat disease and/or alleviate its symptoms. Given global and local economic imbalances, however, not everyone has access to quality medicines, either because they are not available in the market or they are not affordable. It is important to ensure both types of accessibility (availability and affordability) for optimum health in any society. The issue of availability became pronounced during the pandemic, when supply chains were disrupted.



OUR APPROACH TO ACCESSIBILITY OF MEDICINES

Duopharma Biotech is driven to redress the inequitable distribution of medicines globally by making available efficacious and safe medicines for various types of ailments in Malaysia and, eventually, the region. We plan to achieve this either through the import of generics/biosimilars for critical diseases or the manufacture of such medicines locally through technology transfer from leading biotech companies. Our focus is on the most prevalent diseases including cancer, kidney and heart diseases, and diabetes. Having already developed the largest portfolio of generics in Malaysia, we continuously expand the range of medicines we can offer to keep meeting evolving patient needs.

Enhancing Accessibility In Developing Countries

Duopharma Biotech supplies affordable medicines to developing countries through our International Business Department ("IBD"), which has an established network of overseas partners and distributors for export. Every year, about 7%-8% of our sales are from exports, mainly to countries such as the Philippines, Singapore, Brunei, Indonesia, and the Middle East and North Africa ("MENA") region.

Through our Beyond 2025 Corporate Strategy, we seek to further expand our international reach thereby enhance access to medicine by other countries, especially developing countries. To obtain the necessary licenses, we will engage with licensees of the Medicine Patent Pool ("MPP") or seek franchise/out-license arrangements with overseas manufacturing partners.

Business Developments & Partnerships

Through strategic partnerships, we are acquiring the technical capability to expand our portfolio and make more medicines/treatments available for a larger number of patients.

i. Drug Repurposing

Drug repurposing, also known as drug repositioning or reprofiling, is the process of uncovering new indications of approved or failed/abandoned compounds for use in a different disease. Duopharma Biotech has collaborated with the UK-based Centre for Affordable Diagnostics & Therapeutics Limited ("CADT") and PAMOJA Therapeutics BV ("PAMOJA") from the Netherlands for drug repurposing research such as using anti-malarial drug for treatment of cancer and dengue. This collaborative effort will set the stage to develop Investigational Medicinal Products (IMPs) for clinical trials in Malaysia and future commercialisation

ii. Expanding Our Oncology Portfolio

In 2020, Duopharma Biotech became the first Malaysian company to produce a cancer generic, LEBRETA, for breast cancer. This year, we successfully commercialised our second drug molecule at our HAPI plant – Trevive – which comes in two doses, 100mg and 400mg. We have also completed pilot studies for our third cancer product and are currently conducting the relevant stability studies. An application for Change of Manufacturing Site ("COS") was submitted in December 2023.

iii. Sustainable Digitalisation and Diagnostics

While we will continue to expand our portfolio of cancer drugs, we are also working with US-based UE LifeSciences Inc. to make a hand-held breast screening device available in primary care clinics across Malaysia. Called iBreastExam, the device helps to identify and triage for clinically relevant breast lumps among asymptomatic patients, as well as automates and standardises clinical breast examination. We are currently enhancing our commercialisation efforts, aiming to broaden access to early detection of breast cancer for more women.

We have also partnered RenalWorks Malaysia for the sale and marketing of their RenalGenie cloud-based dialysis patient and clinic management software. The software will greatly enhance the management of dialysis services in Malaysia, with potential expansion to other ASEAN markets in the future.

Access to Medicine

Research & Innovation

Research and innovation are key to accessibility and affordability of medicine as it supports our ability to circumvent patents legally while filling the gaps in our product range. The R&D team also plays a role in improving our product affordability by researching and choosing the most cost-effective ingredients, processes and batch sizes. Meanwhile they improve our export market access by exploring joint country registrations, an initiative by NPRA enabling applications to be submitted to the regulatory bodies of other ASEAN countries at the same as to NPRA.

In 2023, the team submitted in excess of 50 new product registrations to bring to market, local and overseas combined. In terms of cost saving, the team evaluated a few alternative sources for premixed granules, testing them to ensure the same quality of outcomes. Given successful test runs, the new source will undergo further validation tests before an application is submitted for NPRA approval and the new ingredient is commercialised.

R&D initiatives outlined in the Beyond 2025 Corporate Strategy that address access to medicine mainly revolve around drug development pathways (in-house, in-license or CROs) and strategic investments in third-party companies with interesting product pipelines. The decision on what new products to develop are made jointly with the Commercial team, based on needs not just in Malaysia but other developed as well as developing countries.

Halal Medicines

Halal products are beneficial to everyone, not only Muslims, because of their wholesomeness (aspects of Thoyibba), assurance of product safety and efficacy, high-quality standards of production and ingredients/materials used as well stringent hygiene specifications. They enhance inclusivity in healthcare, enabling patients to have a choice in their therapies/medications for optimal well-being.

Duopharma Biotech's Halal Policy states our commitment to upholding the integrity of our entire halal supply chain through the concept of "Halal Built-in, Not Tested For". Halal compliance is maintained by integrating MS 2424:2019, Halal Pharmaceuticals - General requirements (First revision) and required halal manual and standards referred by the halal certification authorities with the ISO Quality Management System standards, Good Manufacturing and Distribution Practice Guidelines, and other relevant requirements on the manufacturing, warehousing and logistics of halal pharmaceuticals and medical devices.

Stewardship to the Group's Halal Pharmaceuticals Agenda is provided by the HSC. Meanwhile, the Halal Strategy Committee and Halal Monitoring Committee, made up of mid to senior management, support matters related to enhancing the Company's market share and halal supply chain integrity.

Leadership in halal is one of the foundations supporting Duopharma Biotech's Corporate Strategy. Leveraging halal as a differentiating factor, we seek to ensure our products conform to the relevant requirements and standards in Malaysia and the countries we export to.



Access to Medicine

Awareness & Capacity/Capability-Building

To enhance awareness of halal pharmaceuticals as well as to increase industry capacity and capabilities, we continue to organise and participate in events and training programmes. Initiatives implemented in 2023 to support access to halal medicine are outlined below.

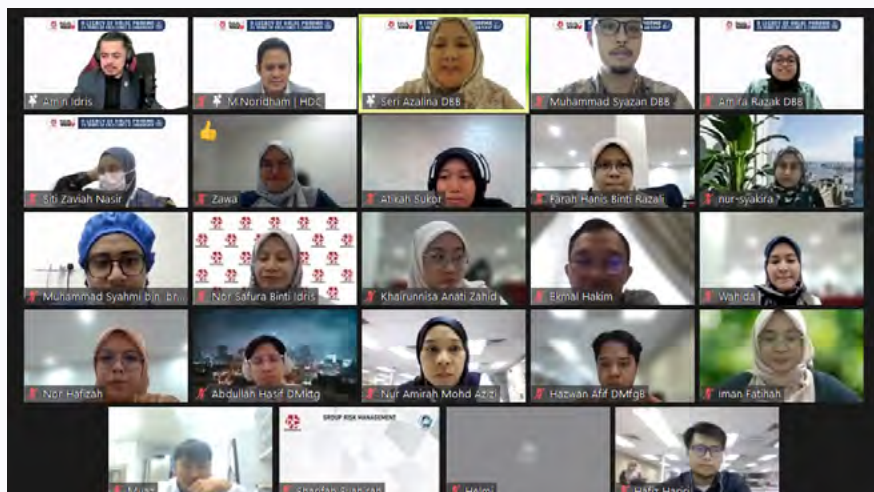
Internal Programmes

Celik Halal Train the Trainer (“TTT”)

- Sessions were held for 17 new and 606 Green Book employees to enhance awareness and competency
- 1,120 employees (Blue, Red and Green Books) underwent Halal Competency Assessment, with 86% meeting the expected minimum level of competence

Halal Appreciation Week 2023, 6-10 Nov

- Commemorated the Company's 25 years of excellence and leadership in halal pharmaceuticals with halal motivation talks, mind challenge games and other activities, attracting the participation of 921 employees



Halal Professionals registered with JAKIM Halal Professional Board

- 24 staff from Halal Compliance, Halal & Government Relations, Operational Excellence, In-licensing & Outsource R&D, Regulatory Affairs, Formulation, Quality Assurance, Engineering, Production, Quality Control, R&D Quality Management, Purchasing, Analytical, and Outsource Management were certified as Halal Executives and Halal Internal Auditors by the Halal Professional Board, JAKIM (Department of Islamic Development, Malaysia)

Access to Medicine

External Programmes

Domestic

Halal initiatives with academic institutions

- Panel Speaker for the session “Paradigm Shift in Halal Pharmaceutical” at the International University of Malaya-Wales International Academic Conference 2023, 25 Feb 2023
- Learning visit about Halal Pharmaceutical Industry Best Practices for Bachelor of Shariah (Halal Industry) students, Islamic Science University of Malaysia, 22 Jun 2023
- Panel Speaker at the Halal Symposium and Research Conference 2023, Universiti Sains Malaysia, 26 Jun 2023
- Sponsored the International Halal Science Conference 2023 “Halal Industry Sustainability Through Science”, International Islamic University Malaysia (“IIUM”), 22-23 Aug 2023
- Strategic partner for the publication of @Halal al-Basirah – An Insight into Halal Business and Lifestyle, developed by Revon Media and the International Institute of Halal Research and Training, IIUM
- Educational talk on Halal Pharmaceutical for Bachelor’s students of St. Gallen Institute of Management in Asia (University of St. Gallen, Switzerland), 17 Oct 2023
- Learning session about Halal Pharmaceuticals for students from University College of MAIWP International, 2 Nov 2023



Halal initiatives with government

- Organised an educational visit to PanGen Biotech, Seoul, for JAKIM on the production of biosimilars, 1-4 May 2023
- Received a Libyan delegation from the Ministry of Economy and Trade to gather insights into Malaysia’s exemplary halal industry practices for the pharmaceutical sector, 16 Nov 2023

Halal initiatives with healthcare providers and practitioners

- Organised a CME event on “Halal Pharmaceuticals Awareness and Surrounding Issues” for Caring Pharmacy, 4 Jul 2023
- Sponsored and participated in the Islamic Medical Association of Malaysia’s Annual Scientific Conference 2023, 27-29 Oct 2023
- Speaker at the Webinar for Multicare Sunway Pharmacy on the topic “Halal Pharmaceuticals - Current developments and surrounding issues”, 14 Nov 2023
- Organised a CME for Caring Pharmacy on “Persediaan Awal Para Jemaah Sebelum ke Tanah Suci”, 29 Nov 2023

Halal initiatives for public outreach

- Panel at the MyHalal TV 1 on the topic “Farmaseutikal Halal, Perlu ke?”, 18 Aug 2023
- Organised a public forum titled “Gaya Hidup Lebih Sempurna dengan Halalan Toyyiban” during Minggu Saham Amanah Malaysia, 5 Oct 2023
- Organised a live stream on the topic “Akses Kepada Produk Suplemen dan Ubat-ubatan yang Dipersijilkan Halal” by Bahagian Pengurusan Halal, Jabatan Hal Ehwal Agama Islam Pulau Pinang, 6 Oct 2023
- Collaborated with Caring Pharmacy on a FaceBook Talk titled “Umrah & Hajj: Tenang Dalam, Kuat Luar”, 5 Dec 2023



International

- Participated in the 8th Philippines Halal Trade & Tourism Expo, 25-31 May 2023
- Organised a webinar on “Kombinasi fish oil dan garlic untuk kesehatan jantung dan pembuluh darah” for Ikatan Apoteker Indonesia, 7 Jun 2023
- Participated under Malaysia Halal Pavilion at the CPHI South East Asia 2023, 12-14 Jul 2023

Access to Medicine



HOW WE'VE PERFORMED

Accessibility of Medicines

- Submitted in excess of 50 new product registrations to bring to market, local and overseas combined.
- Commercialised our second oncology molecule in Highly Potent Active Pharmaceutical Ingredients ("HAPI") plant, Trevive, used to treat patients with Chronic Myeloid Leukemia (CML) and Gastrointestinal Stromal Tumor (GIST).
- Collaborated with Natco Pharma on the technology transfer for Gefitinib which treats lung cancer.
- Launched our first HAPI cancer drug, Lebretha, in Cambodia, Singapore and Pakistan, while introducing Unihepa and Ranofer in Laos, and ERYSAA® in the Philippines.
- Invested in The Live Green Co, which specialises in plant-based wellness and functional foods.
- Working with Luye Pharma to market a cholesterol management product using fermented red yeast rice.
- Expanded our digital health portfolio with RenalWorks Malaysia's cloud-based dialysis patient and clinic management platform.
- Introduced iBreastExam for early detection of breast cancer, and screened more than 6,600 women in one month during the Pink Unity campaign, in collaboration with National Cancer Society Malaysia ("NCSM").

Halal

- As of end 2023, the Group maintained 100% halal-certified and halal-compliant active (registered) products manufactured at all Duopharma Biotech facilities. This excludes imported bulk and traded products.
- Flavettes won the Halal Prominent Brand Excellence Award during the World Halal Excellence Awards 2022, organised by the Ministry of Investment, Trade and Industry and Halal Development Corporation.
- Duopharma Biotech was recognised by Salaam Gateway and DinarStandard as a Top 30 OIC Halal Products Company 2023.
- The Group received the award for "Pioneer Sustainable Development Action Recognition" at the Forward Faster Sustainability Awards 2023, organised by UNGCMYB for universalising access to medicines, and specifically for becoming the first pharmaceutical company to attain halal certification for an oncology product.

FURTHER IMPROVEMENTS IN 2024 & BEYOND



Accessibility of Medicines

- Explore and bring in more medicines for various therapeutic areas.
- Seek WHO's PreQualified listing to facilitate our entry into more international markets, leveraging the fact that we are already producing 10 products on the list.
- Work with international partners, either CROs, franchise partners or international organisations, to provide better access to medicines in 2024 and beyond.
- Enable online ordering via the Hybris Sales Module.
- CHC will continue to build stronger partnerships with 23 identified distributors to further expand mass market distribution; and fully participate in product listing for pharmacies like Guardian, Watsons and Big Pharmacy along with their outlet expansion plans.

Halal

- Ensure continuous alignment of internal workforce competency with halal developments.
- Continue to expand regional and international market presence in thought leadership, awareness and promotion of halal pharmaceuticals.
- Continuously explore local and international media platforms to create awareness of halal-certified pharmaceuticals produced by Duopharma Biotech.
- Continue to support the National Halal Agenda to strengthen the halal pharmaceutical supply chain and increase uptake of Duopharma Biotech products.
- Review and update the 10-year halal strategy (from year 2022).

Diversity & Inclusion

DIVERSITY & INCLUSION

Capitals:



Stakeholder Groups Impacted:



Contribution to UN SDGs



No organisation is an island. We are populated by people and surrounded by communities that contribute tangibly and intangibly to Duopharma Biotech's operational well-being. Our sustainable growth depends on nurturing and supporting these internal and external communities. We do this through carefully thought-out human resources and corporate social responsibility ("CSR") policies.



Our Stakeholders:

- | | |
|---|---------------------------------------|
| S1 Government/
Regulatory Authorities | S2 Employees |
| S4 Customers | S5 Suppliers |
| S7 Local Communities | S8 Healthcare
Professionals |

- | |
|---|
| S3 Shareholders &
Financial Community |
| S6 Business Partners |
| S9 Media |

Our Capitals:

- | | |
|-------------------------------|--|
| F Financial Capital | M Manufactured Capital |
| I Intellectual Capital | S Social & Relationship Capital |
| H Human Capital | N Natural Capital |

Diversity & Inclusion

10

LABOUR PRACTICES AND STANDARDS



WHY IT'S IMPORTANT

Our people are our most important asset. They determine our productivity and sustainability by driving day-to-day performance. To achieve optimum short-term results as well as our long-term goals, it is important to attract the best talent by establishing Duopharma Biotech as an employer of choice that goes beyond adherence to labour practices and standards. Subsequently, it is imperative to grow the capabilities of our employees and keep them motivated by establishing a sense of connection with the organisation. Employees need to feel valued in order to create value.



OUR APPROACH TO LABOUR PRACTICES AND STANDARDS

We are guided by best practices in labour management, and adhere to international as well as local guidelines in the countries where we operate, ensuring all human rights are respected in the workplace. Accordingly, we will not employ forced or child labour.

Our human resources ("HR") policies do not just meet but often exceed regulatory requirements. In Malaysia, we are guided by the Employment Act, 1955 ("Employment Act") on working hours, overtime, breaks, rest days and public holidays, annual leave, minimum wages and special leave (e.g., sick leave, maternity leave). Employees at our manufacturing plants are further covered by Collective Agreements ("CAs") reached with the respective unions.

In terms of salary, we comply with the Minimum Wages Order 2022 that has set the base salary at RM1,500 per month effective from 1 May 2022. Salary benchmarking is conducted for the different job functions, and salaries are paid non-discriminately according to our Diversity, Anti-Discrimination & Anti-Harassment Policy.

We have in place a Code of Conduct ("Code") which underlines our commitment to labour/human rights, reinforcing our stance on non-discrimination and the equal treatment of all employees. The Code is communicated to all employees and relevant stakeholders (suppliers, consumers, communities and other business partners) in the relevant local language. We also have a Whistleblowing channel for employees or stakeholders to raise any concerns regarding infringements of the Code.



For more on our Code of Conduct and Whistleblowing policy, please refer to the Governance section of this report.

Top 10
Material
Matters:

10

Labour Practices
& Standards

Diversity & Inclusion

Employee Recruitment

Our recruitment policies support the principles of inclusivity and non-discrimination. Job vacancies are posted on publicly accessible platforms such as social media, online job portals and WhatsApp groups. This is supported by a staff referral programme and the engagement of a few recruitment agencies. Priority is given to local hires to promote the local economy.

Supporting the government's efforts to boost the employment rate of fresh graduates, we run internship programmes that provide university students the opportunity to gain work experience, enhancing their future employability (at Duopharma Biotech and elsewhere). We also run the following two programmes to help address unemployment:

i. Professional Training and Education For Growing Entrepreneurs (PROTÉGÉ)

PROTÉGÉ is a government initiative to upskill graduates through work experience and exposure. We have been supporting this year-long programme since 2018, taking in trainees and involving them in areas of operations that give them a broad understanding of how corporations are run. In 2023, we took in 65 participants and offered permanent employment to 16 of them upon completion of the programme.



ii. Graduate Training Programme

Under this programme, called PROGRAD, we seek high-calibre talent who have just graduated from university, provide them with 24-month training and then absorb them as full-time employees at Duopharma Biotech. The first year of training sees the graduates experience various departments in rotation while in the following year, they are placed in a department of their choice. In 2023, we

recruited six talents under the programme. To reach as many graduates as possible, the programme is publicised on our website and job portals as well as in career fairs attended by Duopharma Biotech.

iii. Foreign Workers

Given the lack of sufficient local supply, we bring in foreign workers for our plants, primarily from Myanmar and Nepal. In 2023, we hired 199 workers from Nepal. Our foreign employees are managed in accordance to the relevant requirements and are provided with accommodation as well as travel arrangements to and from work.

In our discussions on foreign labour with the Ministry of Human Resources, we express full support for all policies aimed at the fair and humane treatment of foreign workers as well as refugees.

Diversity & Inclusion

We embrace diversity not only because it is right to provide job opportunities indiscriminately, but also because diverse opinions and perspectives enrich our intellectual capital. We hire and provide career progression opportunities based on individual merit, irrespective of gender, race, age, nationality, religion, marital status or any other social attributes. We also create an inclusive environment in which everyone, of all backgrounds, is treated with the respect and dignity they deserve.

i. Diversity, Anti-Discrimination & Anti-Harassment Policy

A key development at Duopharma Biotech this year was the establishment of a Diversity, Anti-Discrimination & Anti-Harassment Policy which is applicable to all our employees. The policy, which was shared with all employees via email in March 2023, encompasses the following:

- The promotion of justice, impartiality and fairness in everything that the Company does, to ensure everyone has equal opportunity.
- Ensuring that all employees feel a sense of belonging in Duopharma Biotech.
- Zero tolerance for behaviours that are unwanted or offensive, or which create an intimidating, hostile or humiliating work environment.
- Zero tolerance for any act of harassment.

Diversity & Inclusion

Underlining our commitment to a diverse and inclusive workplace, we encourage employees to speak up on any concerns they have, and have put in place a Whistleblowing channel as well as grievance mechanism to support this.

Implicit in our approach to diversity is a gender-neutral stance in hiring, training, career progression and salaries. This is currently not reflected in the number of women across the global organisation (41.4%) and the number in Management (102 staff). However, with the appointment of another woman Director this year, 45.45% of our Board are women; and we expect this gender balance to trickle down to all levels in the Group eventually.

ii. Freedom of Association

Adhering to the Industrial Relations Act 1967, all Green Book employees are represented by the National Union of Petroleum & Chemical Industry Workers Peninsular Malaysia ("NUPCIW") with separate unions for Bangi and Klang. Our Management maintains good relations with the union leaders, engaging with the Union Committees quarterly. These sessions are to hear any issues that have arisen as well as to communicate any policy changes that might affect our employees. Employees are typically given four to eight weeks' notice before any significant operational change is implemented.

Management also works collaboratively with the Union Committees on the CAs which are renewed every three years. The 2023-2025 CA was signed in December 2022 and January 2023 for our Klang Union and Bangi Union, both ahead of schedule.

iii. Employee Engagement & Well-being

We engage regularly with our employees to ensure a sense of connectedness with the Company and especially to our values and objectives. Through engaging with them, we also get an insight into the level of satisfaction at work. Various platforms are used to maintain open communication lines between Management and employees as well as among employees themselves. These include townhalls and emails – to keep employees updated on key corporate events and performance; and intranet, social media and Facebook for more HR-related and social updates. In addition, our sports club, Kelab PETIRR Duopharma, organises regular events and activities.



Other engagement platforms include monthly talks, festival decoration contests, webinars, quizzes and puzzles, and our CSR programmes.

To gauge our employees' satisfaction, we organise an annual Employee Engagement Survey. This year, we obtained a score of 88%, which was marginally higher than in 2022, at 84%.

Well-being has become a key focus area since the pandemic, with increasing investment made into ensuring our employees are physically and mentally in the best shape to be able to contribute and perform optimally. Employees with mental health issues can call our HR Cares Helpline, which provides details on external resources that are available such as Befrienders. Employees also have access to the Naluri mobile app which includes a mental resilience programme.

Diversity & Inclusion

The following programmes were organised during the year to promote holistic well-being:

Programme	Description
Burnout Survey	HR conducted the survey to detect job-related stresses on all employees across the Group from 14-25 August.
On-site Health Screening	HR organised general health screening at our bases in Bangi, Klang and Glenmarie for all staff, in collaboration with Naluri Hidup.
Health & Awareness	We collaborated with Monash University Malaysia to develop health & well-being programmes for the workplace. About 100 employees took part in activities organised.
From Resolution to Reality: Setting and Achieving Your Aspirations for 2023	A webinar organised by Naluri to encourage participants to set goals and work towards achieving them.
EPF Talk - Bersara dengan Selesa	HR, in collaboration with the Employees' Provident Fund ("EPF"), organised this zoom talk focusing on post-retirement planning.
Financial Talk with Dr Adam Zubir	Dr Adam Zubir, a certified financial planner, delivered a zoom talk on the benefits of financial planning, and how to go about it.

Emphasis on Employee Wellness

In our Burnout Survey this year, we noted a slight increase in number of employees that are considered to be at risk, from 40% in 2022 to 44%. This inspired us to develop an action plan to empower employees to overcome mental health issues. Among others, we will recommend that the 160 high-risk employees attend a six-week Mental Resilience Programme run by Naluri to help identify stress triggers and respond to these with learnt behavioural mechanisms. In addition, our HR

department engaged a trainer to train our People Managers and other Supervisors on Managing Stress & Mental Health among their subordinates. Further underlining our commitment to supporting all employees holistically, HR is also in the process of including mental health & wellness awareness as part of our onboarding programme for new recruits. This will detail all the support and intervention programmes that the Company offers, so that newcomers are aware of the avenues available to them should they require help.

As part of efforts to ensure employee well-being, we offer a number of benefits to our full-time employees.

Benefit	Description
Leave	Casual, paternal, compassionate
Medical/Health benefits	Outpatient treatment, dental and optical treatment, annual medical check-ups, specialist treatment
Insurance coverage	For life, accidents, hospitalisation and surgery
Maternity assistance	Stipend for delivery
Loans subsidy	For housing and cars
Communication	Electronic devices & mobile phone bills
Flexible work arrangement	To be applied by employee, approved by superiors and HR
Travel	Claims for business-related travel
Transition assistance	Facilitates job transition and the transition to retirement

In addition, employees are entitled to annual salary increments and potential bonus, as decided by the Board.

Diversity & Inclusion

Employee Training & Development

Training and development is central to our employee value proposition as it empowers employees to realise their potential while elevating our organisational competencies and positioning us to grow sustainably.

i. Learning & Development Framework

We have a learning and development framework encompassing programmes designed to enhance the skills and knowledge of employees at all levels. This starts with our On-Boarding programme for new recruits to Core Learning for all employees; Talent Development to fast-track the career progression of high-potential employees; Professional Learning to enhance functional related skills; and Leadership Learning to enhance the capabilities of leaders at all levels.

Soft skills and technical training are organised based on Training Needs Analysis ("TNA"), ensuring employees have the competencies required to perform their tasks optimally. Apart from classroom training, we also have a learning management system, MyDuopharma Learning ("MDL"), that enables our employees to learn at their convenience. In addition, employees are encouraged to attend external technical and soft skills trainings based on their respective development plans. Discussions are held on these development plans with immediate superiors during the annual appraisal session.

Formal training is supplemented by mentoring and coaching as well as stretch assignments.

ii. ESG Training



Given added emphasis on sustainability matters, we are ensuring that everyone at Duopharma Biotech is on board with our sustainability agenda and plays his/her part towards the success of this ongoing journey. During the year, a total of 114 ESG training sessions were held on a variety of topics in Klang, Bangi and Glenmarie. In addition, we have started publishing a monthly ESG Bulletin, which is posted on the MDL platform for convenient access by all employees.

i. Talent Management & Succession Planning

Succession Planning is undertaken for all critical positions in the Group, inclusive of the Board, to ensure continuity in our leadership. It involves identifying high-potential talent and fast-tracking their professional development. Every year, Heads of Department and respective Chiefs nominate high-potential employees who then undergo appraisal by a consultant to determine their aptitude, attitude, competencies and emotional quotient ("EQ"). Those who fit the criteria are then prepared for leadership roles within the Group through appropriate training and other interventions. In 2023, 29 new talents were included in our talent pool which now consists of a total of 86 talents.

Community Engagement & Corporate Responsibility

Duopharma Biotech is committed to playing a role in uplifting marginalised communities and contributing to greater social equity. This is achieved through our CSR programmes, which are guided by our CSR Policy. The policy, approved by the Group Managing Director in 2019, focuses on contributing to the Underprivileged, Education Enhancement and Humanitarian efforts.

In 2021, this policy was supplemented by a Grant, Charitable Donation and External Sponsorship Policy for greater accountability in our donations. It requires all sponsorships to be vetted by our Sponsorship Committee, comprising members of our GMC, to ensure alignment with our CSR Policy. In 2023, two refresher briefing sessions on this policy were organised for the Heads of Department, enhancing their awareness and understanding of its importance. These sessions played a crucial role in ensuring our leadership team remains fully informed and aligned with our strategic objectives.

i. Education Enhancement

This year, Duopharma Biotech was a Platinum Sponsor of the National World Kidney Day held on 11 March 2023 in Dataran Nilai, Negeri Sembilan. We took the opportunity to educate the public on the importance of eating right to prevent kidney disease and the right kind of diet for dialysis patients.

Diversity & Inclusion

ii. Humanitarian Efforts

Through the Malaysian Red Crescent Society ("MRCS"), we contributed close to RM243,000 in the form of products to the Government of Turkiye following the massive earthquake that struck southern and central Turkiye as well as north-western Syria.

This year, we also collaborated with the NCSM to offer free breast lump screening for women in conjunction with the Pink Unity campaign. We screened more than 6,600 women in a month, making it into the Malaysia Book of Records for the most breast cancer screenings in a campaign. The objective was to increase awareness of the convenient screening device, iBreastExam, which is now available at selected clinics throughout Malaysia including Sabah and Sarawak.

Meanwhile, CHC continued to support various segments of society through a series of events:

Events	Description
Flavettes for JSPT Selangor	Flavettes Effervescent Vitamin C 1000mg was distributed to members of the Traffic Investigation and Enforcement Department ("JSPT").
Kempen Pemakanan Seimbang Champs	Champs products were distributed to approximately 20,000 students from national type Chinese primary schools (SJKC) to promote a balanced diet.
Flavettes sampling	Flavettes products were distributed to travellers in KLIA and on board domestic airlines, and provided to guests in Genting Resort Hotel.
Proviton Multivitamin 'Love You More'	Digital collaboration with Pantai Hospital to promote health checks as an effective form of preventive healthcare.



HOW WE'VE PERFORMED

In 2023, there were no cases or incidents on non-compliance with labour-related standards and regulations.

i. Number of directors by age and gender

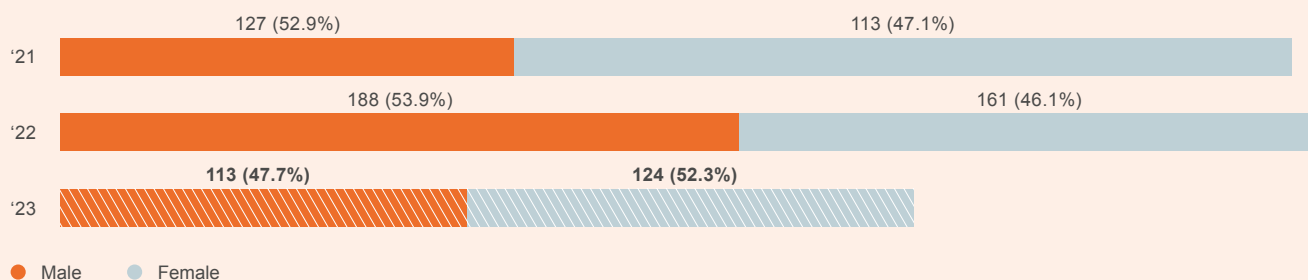
	Male	Female	<30	30-50	>50
2023	6	5	0	1	10
Percentage (%):	54.5	45.5	0.0	9.1	90.9
2022	6	4	0	0	10
Percentage (%):	60.0	40.0	0.0	0.0	100.0
2021	6	4	0	0	10
Percentage (%):	60.0	40.0	0.0	0.0	100.0

In 2023, 45.5% of our Board are female, and 9.1% below the age of 50.

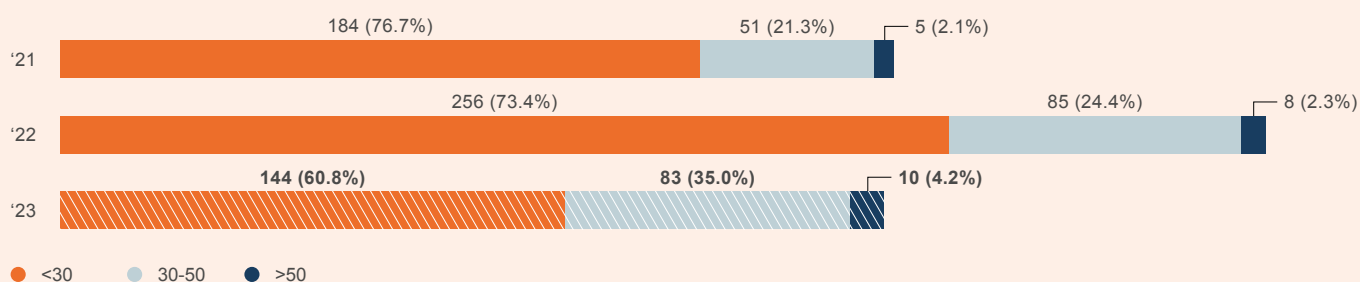
Diversity & Inclusion

ii. Number of employees hired

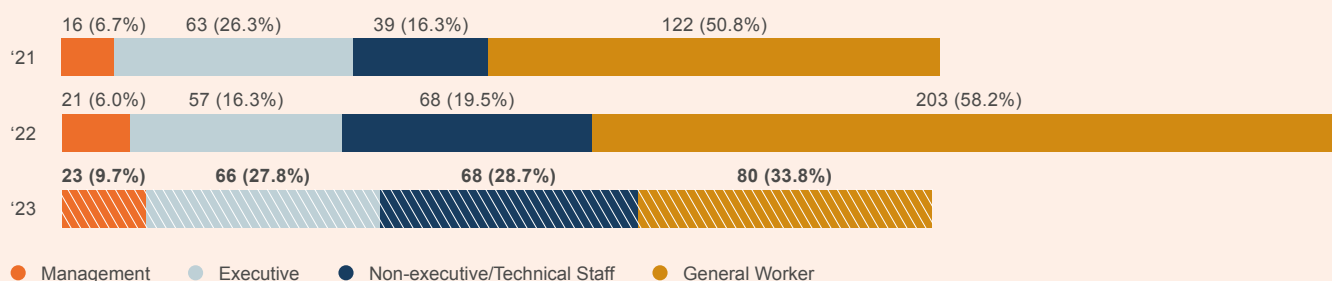
Number of employees hired by gender



Number of employees hired by age group



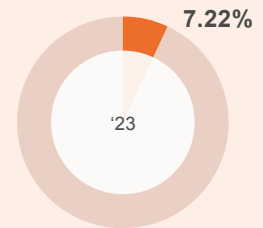
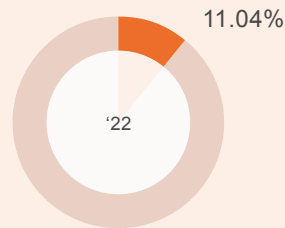
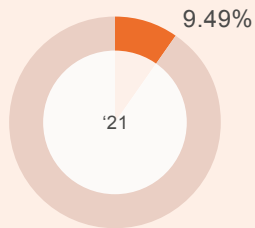
Number of employees hired by category



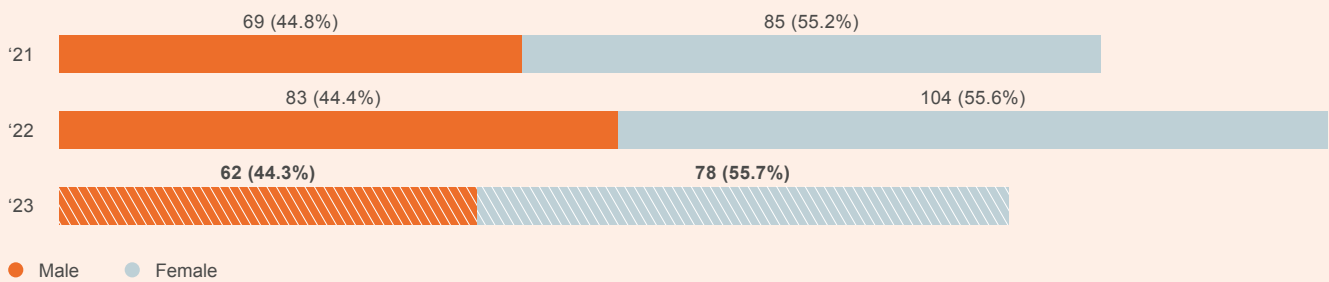
Diversity & Inclusion

iii. Employee turnover

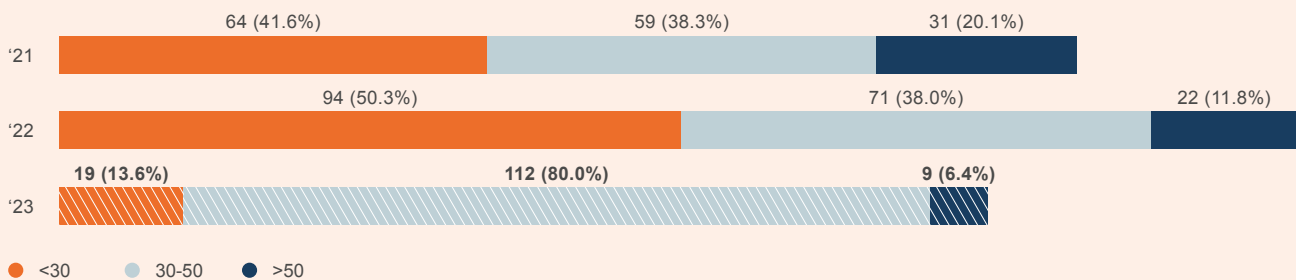
Employee turnover rate



Employee turnover by gender

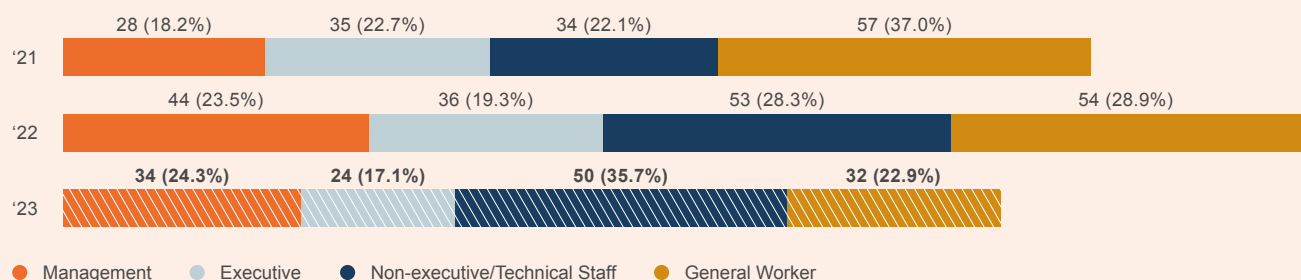


Employee turnover by age group



Diversity & Inclusion

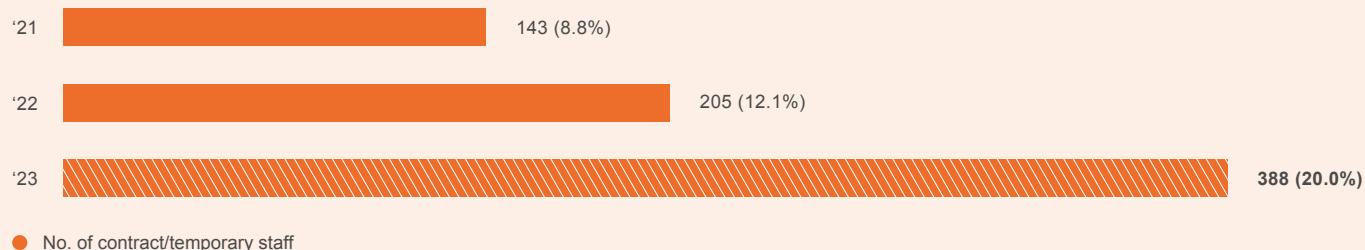
Employee turnover by category



The turnover rate at Duopharma Biotech is generally low relative to the industry but increased in 2021 and 2022 due to pandemic stress. In 2023, however, the turnover rate normalised indicating increasing stability and job satisfaction within our workforce.

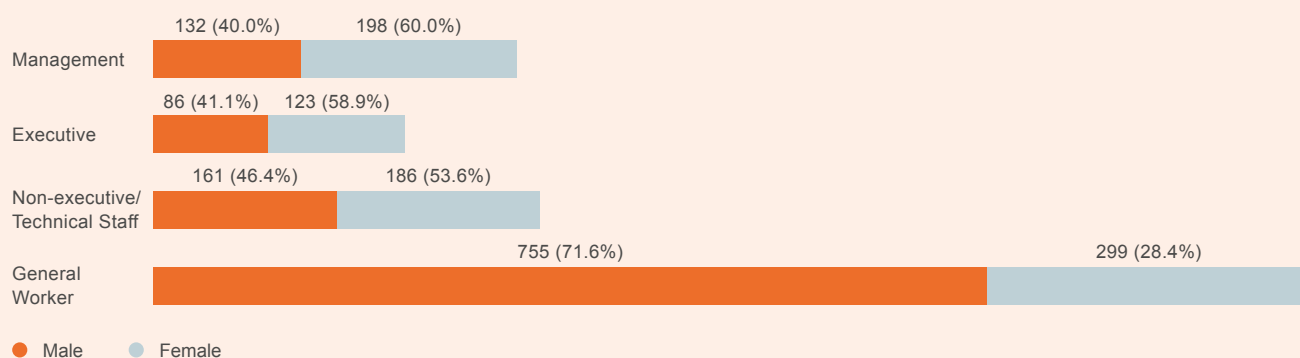
iv. Contract/temporary staff

Percentage of contract/temporary staff

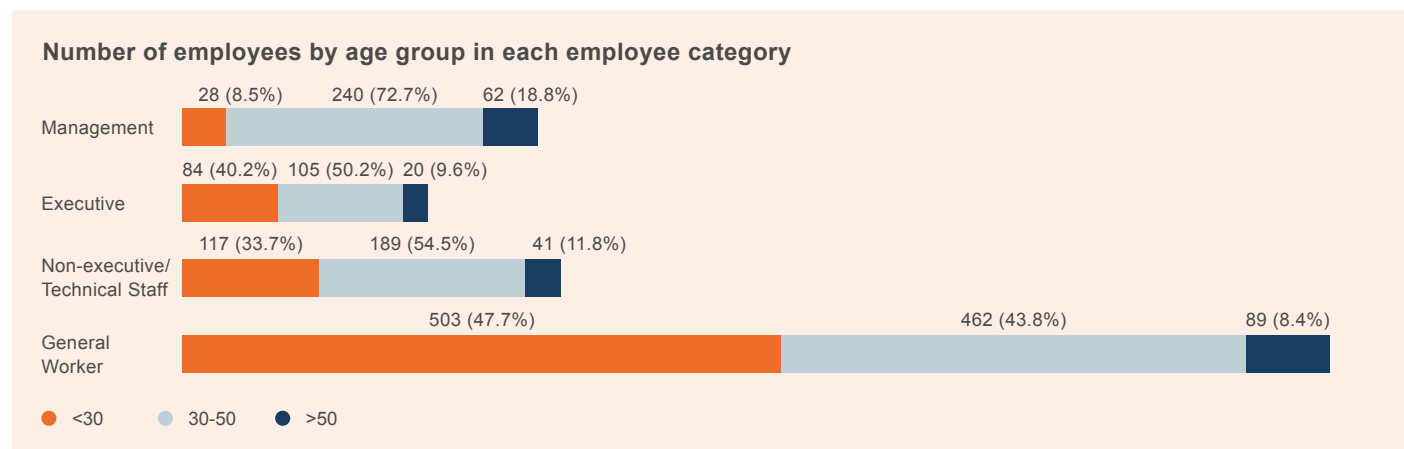


v. Number of employees

Number of employees by gender in each category



Diversity & Inclusion



vi. Parental leave

The performance data/breakdown on parental leave covers our Malaysian sites only. Moving forward, we will enhance our tracking and disclosure to include data from other countries that we operate i.e., Singapore, Indonesia and the Philippines.

Number of employees who took parental leave

Year	No. of employees entitled to parental leave (by gender)		No. of employees who took parental leave (by gender)	
	Male	Female	Male	Female
2021	518	506	14	22
2022	536	480	19	39
2023	541	469	17	26

Number of employees who returned to work after parental leave

Year	No. of employees who returned to work after parental leave (by gender)	
	Male	Female
2021	14	22
2022	19	39
2023	17	26

Diversity & Inclusion

vii. Training

The performance data/breakdown for 2021 and 2022 cover our Malaysian sites only. For year 2023, we have included all data from our operations/offices in Malaysia (data does not include foreign and contract workers less than two years), Singapore, Indonesia and Philippines.

Average training hours and average training days per employee by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total No. of Employees	782	661	779	673	841	728
Total No. of Training Hours	16,339.9	18,497.4	16,371.0	19,073.0	14,975.5	19,473.7
Average Training Hours Per Employee	20.9	28.0	21.0	28.0	17.8	26.7
Average Training Days Per Employee	2.6	3.5	2.6	3.5	2.2	3.4

Total training hours and average training hours per employee

Employee Category	2021		2022		2023	
	Total No. of Training Hours	Average Training Hours Per Employee	Total No. of Training Hours	Average Training Hours Per Employee	Total No. of Training Hours	Average Training Hours Per Employee
Management	13,732.3	48.4	13,123.0	46.9	15,759.1	52.3
Executive	10,268.6	31.9	9,602.4	32.2	5,145.7	23.2
Non-executive/Technical Staff	4,592.2	31.9	5,864.6	32.2	7,205.9	24.1
General Worker	6,244.2	9.0	6,854.0	9.9	6,339.0	8.9

Overall total training hours, average training hours per employee and average training days per employee

	2021	2022	2023
Total training hours	34,837.0	35,444.0	34,449.7
Average training hours per employee	24.0	24.0	22.0
Average training days per employee*	3	3	3

Note:

* One training day is equal to 8 training hours

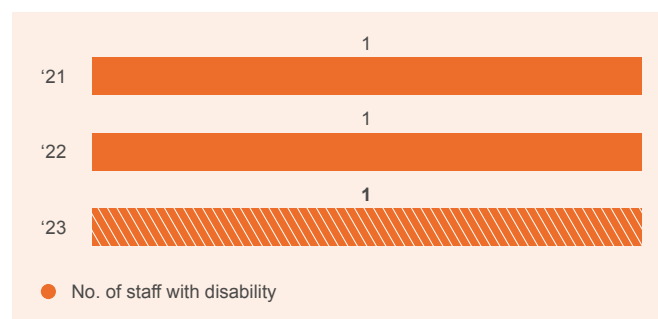
Diversity & Inclusion

viii. Performance Review and Appraisal

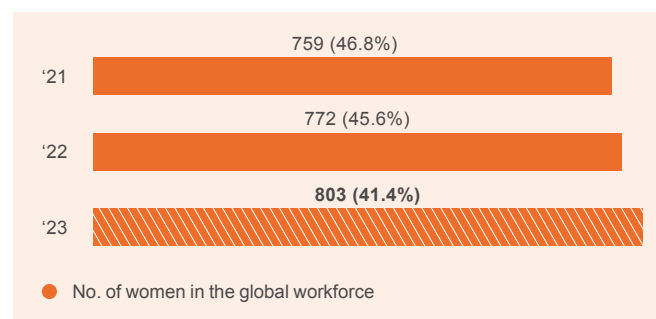
Number of employees who received regular performance and career development reviews

Year	No. of employees who received regular performance and career development reviews					
	By gender		By employee category			
	Male	Female	Management	Executive	Non-Exec/ Technical Staff	General Worker
2023	807	701	302	193	309	704
Percentage:	53.5%	46.5%	20.0%	12.8%	20.5%	46.7%
2022	748	672	288	157	296	679
Percentage:	52.7%	47.3%	20.3%	11.1%	20.8%	47.8%
2021	753	678	287	170	298	676
Percentage:	52.6%	47.4%	20.1%	11.9%	20.8%	47.2%

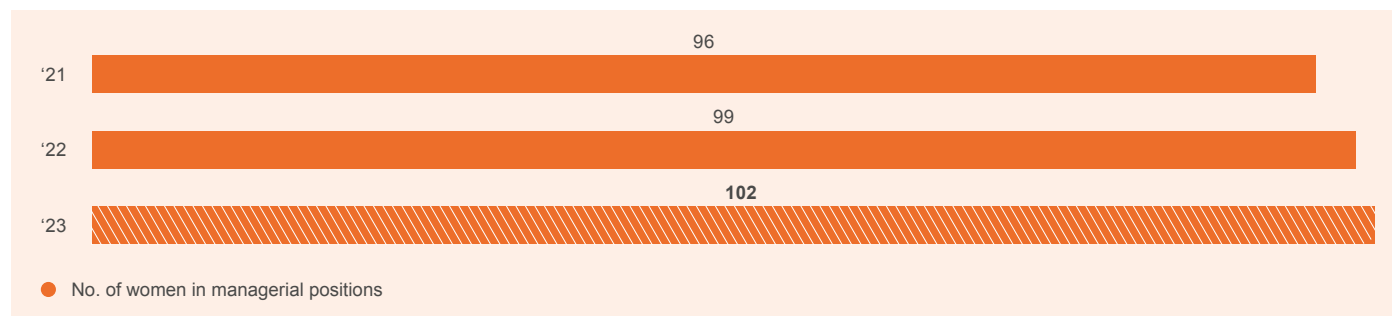
ix. Staff with disability



x. Women in the global workforce

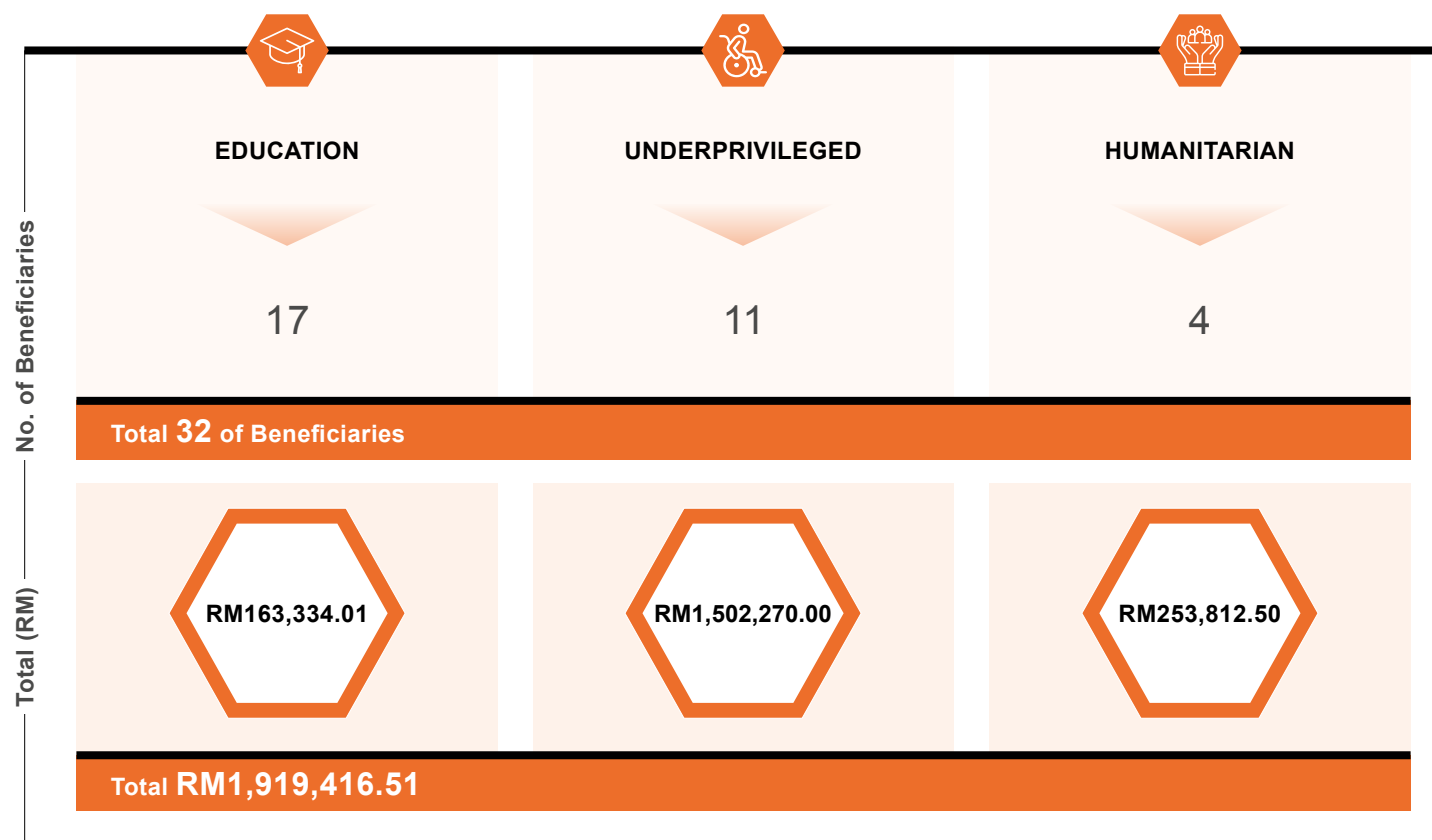


xi. Women in managerial positions



Diversity & Inclusion

Donations Made to Various Organisations



FURTHER IMPROVEMENTS IN 2024 & BEYOND



- We plan to introduce a Human Rights Policy in 2024.
- We are looking into policies to address the employment of underprivileged groups, including those from deprived backgrounds, having poor social status and with no formal education or qualifications.

Governance

GOVERNANCE

Capitals:



Stakeholder Groups Impacted:



Contribution to UN SDGs



Good governance not only builds strong stakeholder relationships by enhancing trust, it also preserves an organisation's reputation and leads to better performance. Putting in place a robust risk management framework, companies become more productive and are able to unlock new opportunities.



Our Stakeholders:

- | | | |
|---|---------------------------------------|---|
| S1 Government/
Regulatory Authorities | S2 Employees | S3 Shareholders &
Financial Community |
| S4 Customers | S5 Suppliers | S6 Business Partners |
| S7 Local Communities | S8 Healthcare
Professionals | S9 Media |

Our Capitals:

- | | |
|-------------------------------|--|
| F Financial Capital | M Manufactured Capital |
| I Intellectual Capital | S Social & Relationship Capital |
| H Human Capital | N Natural Capital |

Governance

8

DATA PRIVACY & SECURITY



WHY IT'S IMPORTANT

As organisations become increasingly more digital, the volume of data stored in our systems has increased exponentially; not just organisational data but also data belonging to our customers, partners, suppliers and other stakeholders. It is important to maintain the integrity of this data, which is critical for day-to-day operations; as well as to protect against data leaks as a result of cyber intrusion. The critical need for data privacy and security has resulted in regulatory policies which in Malaysia are governed by the Ministry of Communications and the Malaysian Communications and Multimedia Commission.



OUR APPROACH TO DATA PRIVACY & SECURITY

Committed to protecting our data as well as the data of our stakeholders, Duopharma Biotech adheres rigidly to the Personal Data Protection Act 2010 while adopting all the guidelines issued by the Department of Personal Data Protection. Referring to the act and guidelines, we have developed our own Personal Data Protection Compliance Policy which applies across the Group. In line with this policy, we have put in place security measures to safeguard all our data. We also promote good storage practises (restricting access to data) and organise cybersecurity programmes to guard against hacking, phishing, identity theft and other fraudulent activity.

Cybersecurity

We protect our network from external and internal threats by investing in the most up-to-date security software as well as creating awareness among employees of cybersecurity threats and how they can protect their devices. In addition to investing in the right hardware for the corporate IT infrastructure we also ensure that all company laptops and computers are anti-virus protected.

Top 10
Material
Matters:

8

Data Privacy
& Security

2

Anti-
Corruption

Governance

In terms of employee awareness, we conduct cybersecurity training two times a year and keep reinforcing safe behaviours via newsletters. The training comprises live sessions conducted through MDL targeting all employees. Meanwhile, the newsletters keep employees updated on cybersecurity issues and remind them of safe practices such as using strong passwords and changing these passwords regularly to protect their user identity. As of 2024, these newsletters are sent out monthly, whereas in the past they were emailed on a quarterly basis.

Cybersecurity updates were presented to the RMC and Board twice in 2023. During the Board updates, the IT team shares progress of cybersecurity-related projects, activities, risks, the Group's cybersecurity scorecard, etc. The cybersecurity scorecard is based on a Bursa Malaysia-led assessment of the level of security of a company's cybersecurity system. The exercise is carried out by an external assessor. In the two years that Duopharma Biotech has been assessed, we have obtained the highest score, i.e., A.

i. Cybersecurity Penetration Test

To assess the security of our systems, we engage a third-party international cybersecurity partner to conduct monthly cybersecurity penetration tests. The test covers all aspects of our network that are accessible by outsiders (such as our website and HR portal) as well as from within the organisation. Reports produced following the assessments rank the different cybersecurity risks as being low, medium or high. They also highlight gaps that need to be addressed, with suggestions on how this can be accomplished. The last test was conducted in December 2023.

ii. IT Internal Audits

In addition to the third-party tests, our Group Internal Audit ("GIA") conducts cybersecurity audits focused on our IT-related policies and procedures. The objective is to ensure that processes are carried out as per the policy guidelines. Among others, the audit covers our data security services, SAP and non-SAP functions, and our BCP procedures. It also checks if there are illegal users in the network. The main objective is to ensure there are no loopholes in any of our digital systems, and to plug any that are identified.

iii. Disaster Recovery

Because our operations would be severely impacted should anything disrupt our Production SAP system, we carry out a Group-wide IT Disaster Recovery exercise every year as part of our BCP. During the exercise, the Production SAP system is deliberately shut down in order to test the ability of the disaster recovery processes and procedures to keep each module of the SAP system going. The last exercise, conducted in October 2023, took six hours to complete and did not identify any issues.



HOW WE'VE PERFORMED

- There have been no complaints on customer privacy from outside parties or regulatory bodies.
- There have been no incidents of leaks, thefts or customer data losses.
- The annual cybersecurity penetration test and disaster recovery exercise were completed with zero major findings.

FURTHER IMPROVEMENTS IN 2024 & BEYOND



- Duopharma Biotech's IT department aims to further enhance its knowledge-sharing sessions so that employees are able to resolve minor issues without the need to call in for support.

Governance

2 ANTI-CORRUPTION

WHY IT'S IMPORTANT

Stakeholder trust is important for any business in any industry, but is even more so for pharmaceutical companies given the nature of our business. If stakeholders are not able to trust us to maintain integrity in our business dealings, they will have little trust in the quality of our products or of our ability to deliver on our growth ambitions. The loss of this trust would impact our stakeholder relationships and reputation, affecting our ability to operate and perform optimally.

OUR APPROACH TO ANTI-CORRUPTION

Internal Control

Supporting a culture of integrity, we have established 10 policies and a procedure, approved by the Board, that reinforce our zero tolerance for any form of corruption. These policies are reviewed and updated regularly for continued relevance. Most of the policies and procedure were revised during the year to reflect the following changes: 1) the transition of Integrity function reporting from Group Internal Audit to Group Risk Management & Integrity; 2) the applicability of ISO 37008 on Internal Investigations of Organisations; 3) the applicability of Indonesian Corruption Eradication Law; and 4) Changes to the whistleblowing process and requirements, among others. All the updates were communicated to employees Group-wide to ensure adherence to our guidelines. They were also uploaded onto our intranet for easy reference.

The integrity policies and procedure are as follows:

Policy	Approval Date	Last Update
Anti-Bribery and Anti-Corruption ("ABAC") Policy	December 2019	August 2023
Anti-Money Laundering and Counter Financing Terrorism Policy	December 2019	November 2023
Declaration of Interest Policy	August 2021	November 2023
Gift & Hospitality Policy	May 2019	August 2023
Guidelines For the Receipt of Honorarium/Speaker Fees	January 2020	November 2023
Integrity Pact Policy	August 2021	November 2023
Sponsorship Policy	August 2019	November 2023
Whistleblowing Policy	August 2021	November 2023
Whistleblowing Investigation Procedure	21 August 2021	November 2023
Anti-Bribery Management System Policy	December 2019	September 2020
Business Ethics Policy	December 2019	June 2023

Governance

All parties who wish to engage or transact with the Group are required to sign the Integrity Pact which commits them to comply with our ABAC requirements. We organise programmes and training sessions for our business partners and vendors to ensure awareness and compliance. Since 2021, Duopharma Biotech has been using Handshakes, a tool to search business entities' international corruption records, as part of due diligence before signing any business contract.

All records in relation to the Group's anti-corruption activities and programmes are maintained and produced when internal or external audits are done.

Corporate Governance

We maintain the highest level of corporate governance to protect the interests of our stakeholders. Governance is overseen by our Board assisted by the Group Company Secretary, as per the Company's Board Charter and the Terms of Reference ("TOR") of the Board Committees, and guided by a robust governance framework. This framework, in turn, reflects best practices as promulgated by the Malaysian Code on Corporate Governance ("MCCG") 2021 issued by Securities Commission Malaysia and Bursa Malaysia Securities Berhad's Corporate Governance Guidelines (4th Edition). One of the key requirements of the MCCG 2021 is for independent directors to make up more than half of the Board compositions to ensure greater Board objectivity, especially in regard to the interests of external stakeholders. Duopharma Biotech fulfils this requirement, with six (6) out of eleven (11) of our Directors (54.5%) being independent.

During the year under review, a new Senior Independent Director was appointed with effect from 1 June 2023 in place of the Senior Independent Director who retired pursuant to the policy in the Board Charter that limits the tenure of the Non-Executive Directors to not more than nine years. An annual fit and proper assessment of the Directors of the Company and its subsidiary companies was conducted in accordance with Duopharma Biotech's Fit and Proper Policy for the Board of Directors and Senior Management.

The Board continuously reviews all governance frameworks periodically to remain relevant. This year, the Board reviewed and revised its Board Charter, the TOR of all the Board Committees, the Policy of External Auditors and the Personal Data Protection Compliance Policy and Manual. It also approved and adopted a new Directors' Code of Ethics, further strengthening the standard of corporate governance and corporate behaviour.

Anti-Bribery Management System ("ABMS")

Duopharma Biotech is committed to maintaining the highest level of integrity across our businesses. We therefore comply with all anti-corruption laws in Malaysia and countries where we

operate; and report our compliance to the MACC twice a year as required. We were certified to the ISO 37001:2016 ABMS standard in 2020 and have maintained this certification ever since. Our ABMS Committee conducts Compliance Reviews across the Group functions annually. Findings are reported to all governing bodies of the Group and subsidiary companies.

Whistleblowing

To strengthen our culture of integrity, we encourage employees and other stakeholders to report any unlawful or unethical act, fraud or malpractice observed through the following Speak-Up-Pharma channels: email (seehearspeakup@gmail.com), Secured Website Form (accessible on our corporate website), SMS or any form of messaging via designated phone number and written complaint to the Head of Group Risk Management & Integrity.

We assure whistleblowers of anonymity as far as possible to protect them from any reprisal from parties being reported. Once reports are made, we investigate the claims guided by our Whistleblowing Investigation Procedure. If it is determined that a breach of our integrity policies has taken place, the appropriate action will be meted out to the party/parties involved. In 2023, we received four reports via the Whistleblowing channel, one of which was a grievance case and was transferred to Human Resources. Upon investigation, there was no clear evidence of corruption, hence all cases were closed without any further action.

Corruption Risk Assessment

Since 2020, we have been conducting a comprehensive annual corruption risk assessment covering all 37 functions within the Group, validating the results by an ISO auditor from SIRIM QAS International Sdn. Bhd. Based on this assessment we are able to identify Group-level corruption risks, which are registered for ease of monitoring. Should any risk become critical, the Board and Senior Management will be alerted to take immediate attention.

Corruption risk assessment is part of our Corruption Risk Management, which is guided by the ISO 31000:2009 Risk Management Principles and Guidelines. Through the identification of risks, we are able to identify structural weaknesses that may facilitate corruption – be it in providing approvals, obtaining certifications, the selection of vendors, or interactions with authorities and stakeholders. Corrective actions can then be instituted to strengthen our risk management framework. During the year, GRMI took the initiative to improve the Corruption Risk Register ("CRR") based on an assessment conducted together with a Technical Expertise, who is formerly the MACC Deputy Commissioner.

Governance

Among the improvements made were to:

- Redefine the risk description of the CRR to be in line with the MACC Act 2009 requirements.
- Redefine respective risk events of the CRR to reflect the actual clause of the MACC Act 2009.
- Redefine the mitigating control measures to reflect those control measures implemented during the year.
- Reassess the residual risk rating.

The CRR reviews were completed in Q4, 2023.

Organisation Integrity & Anti-Corruption Plan ("OIACP")

We believe that, to be truly effective, the culture of integrity that we are nurturing across the Group must be shared with our business associates. This inspired the launch of anti-corruption training for business associates under the OIACP. Fun activities such as quizzes and puzzles were organised to attract participation, with the main aim of gauging participants' understanding of our ABAC Policy and ensuring their adherence with the principles of integrity.

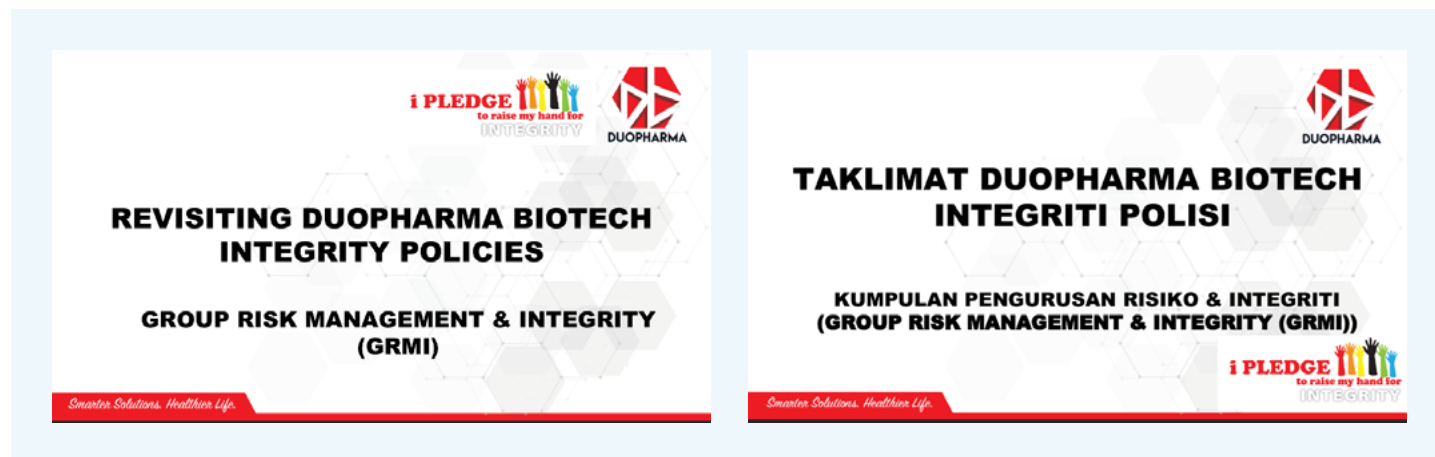


OIACP was rolled out from 2021 to 2023, while the Integrity & Anti-Corruption programme for business associates kicked off in December 2022. In 2023, a total of 10 virtual training sessions were conducted by internal staff and external parties for business associates covering different topics, as listed in the table.



Title	No. of Participants
1 st Module: What is Integrity	53
2 nd Module: Section 17A	44
3 rd Module: Guidelines Adequate Procedure	23
4 th Module: National Anti-Corruption Plan	22
5 th Module: MACC Act	20
6 th Module: Fraud and Anti-Fraud Controls	27
7 th Module: Corruption Risk Management (Training)	28
7 th Module: Corruption Risk Management (Workshop)	26
8 th Module: Whistleblowing	17
9 th Module: Gift and Hospitality	13
10 th Module: Conflict of Interest	15

Governance



Awareness and Training on Anti-Corruption

Annual awareness or refresher training sessions are held for employees across the Group on our ABAC Policy to ensure they are fully apprised of our zero tolerance for bribery and corruption. These sessions are conducted in English and Bahasa Malaysia, and recorded for those who are unable to be present. Additionally, various modules on bribery and corruption are accessible on MDL.

Further strengthening a culture of integrity, besides distributing pocket cards for all employees, buntings, posters and acrylics are placed at various locations across our offices and operating locations to keep reminding our employees of the need to be vigilant and keep malpractice at bay. These buntings and posters are refreshed regularly to catch employees' attention.

The Group Risk Management & Integrity team also conducted an "Awareverse Risk and Integrity Week and Competition" from 24 August to 14 September 2023. This included quizzes, crossword puzzles, trivia, an online adventure hunt and risk award. The main aim of the event was to gauge participants' awareness of both risk management and integrity, and to instill a culture of both.

During the year, several anti-corruption awareness training/ refresher sessions were conducted for Duopharma Biotech's employees.

In ensuring that all employees are well informed and fairly trained on anti-corruption subjects, we have recorded the pertinent training sessions and disseminated the recordings via email for their reference. We also welcome employees to provide their feedback and/or seek our clarification on any doubt over the subjects

Title
Project Management Training
Red Book Sharing Session
Induction Briefing with Nepalese - 1 st Batch (Bangi site)
Induction Briefing with Nepalese - 1 st Batch (Klang site)
Green Book Sharing Session
Red Book Sharing Session
Induction Briefing with Nepalese - 2 nd Batch (Bangi site)
Induction Briefing with Nepalese - 2 nd Batch (Klang site)
ABMS ISO 37001 Refresher Training & Internal Audit Training (for ABMS Committee)
Refresher Training Integrity Policies (sessions are conducted virtually and via MDL)

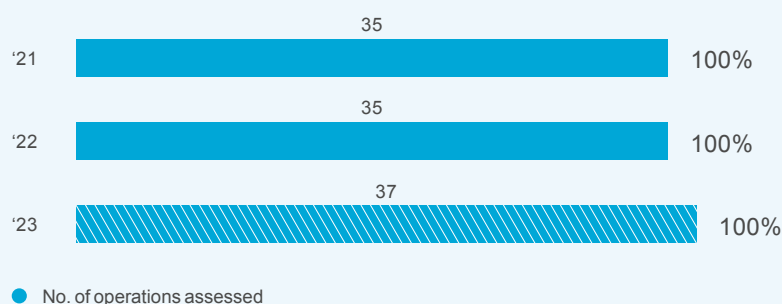
Governance



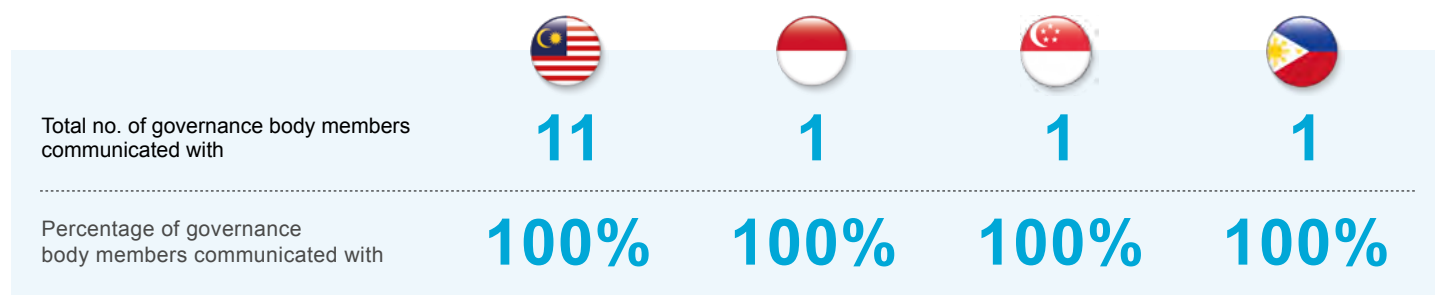
HOW WE'VE PERFORMED

- Duopharma Biotech renewed our ISO 37001:2016 ABMS certification following a recertification audit conducted from 25-27 September 2023, achieving zero Non-Conformance and only six Opportunities for Improvement (“OFI”) findings. Five of the OFIs were resolved before the end of 2023, and the remaining OFI will be completed in Q2 2024.
- We completed 93% of the OIACP targets set for 2023, and the remaining targets will be completed by Q1 2024.
- Findings from the ABMS Compliance Audit conducted by ABMS Committee members were closed for the entire functions except for one which is expected to be completed in Q1 2024.
- There were zero confirmed corruption cases that could lead to public legal action or the termination of a business partner.
- There were zero incidents of corruption resulting in either: 1) the dismissal or disciplinary action on employees; 2) the termination of business contracts; or 3) legal proceedings, fines, penalties or settlements.
- The Group did not make any political contributions during the year.
- All external sponsorship requests were reviewed and appropriately recommended in line with the Group’s policy.
- Several documents, such as the Vendor’s Integrity Pact and Pledge and Code of Conduct, were also reviewed during the year to ensure compliance with MACC Act and Duopharma Biotech’s ABAC-related policies and procedure.

Number and percentage of operations assessed for risks related to corruption

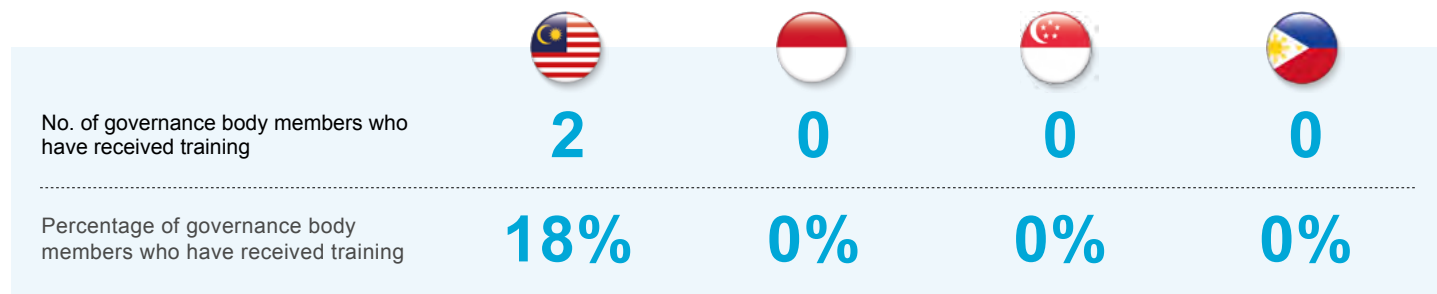


Number and percentage of governance body members that our anti-corruption policies and procedures have been communicated to during the year under review, by region

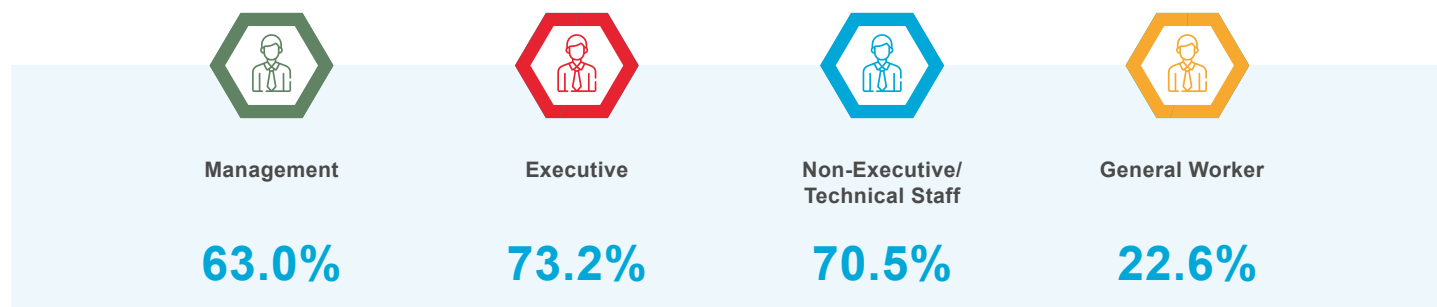


Governance

Number and percentage of governance body members who have received training on anti-corruption policies and procedures during the year under review, by region



Percentage of employees who have been communicated with and attended anti-corruption policy training during the year under review, by category



Note: The above data were extracted from MyDuopharma Learning database

FURTHER IMPROVEMENTS IN 2024 & BEYOND



- Duopharma Biotech will strive continuously to maintain or even further improve our performance in the area of governance and anti-corruption, focusing on:
 - The development of an Organisational Integrity & Anti-Corruption Plan for 2024 considering the National Anti-Corruption Strategy.
 - A thorough assessment of the Corruption Risk Register.
 - Increasing the effectiveness of ABMS auditors in conducting the Compliance Audit.
 - Improved engagement with the Integrity Champions in order for them to extend their assistance towards Integrity initiatives.
 - Improved engagement with MACC in order to maintain or improve the Group's risk rating.

Performance Data Table From ESG Reporting Platform

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	63.00
Executive	Percentage	73.20
Non-executive/Technical Staff	Percentage	70.50
General Workers	Percentage	22.60
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	5.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,182
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	1,544.59
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	248.83
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,295.76
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,477.70
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	38,141.90
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	4,085.80
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	0.00
Total energy consumption	Gigajoules	201,188.50
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	138.250000
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	48.80
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	15,759
Executive	Hours	5,146
Non-executive/Technical Staff	Hours	7,206
General Workers	Hours	6,339
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	20.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	35
Executive	Number	27
Non-executive/Technical Staff	Number	47
General Workers	Number	31
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Performance Data Table

ESG Reporting Platform

Indicator	Measurement Unit	2023
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	8.50
Management Between 30-50	Percentage	72.70
Management Above 50	Percentage	18.80
Executive Under 30	Percentage	40.20
Executive Between 30-50	Percentage	50.20
Executive Above 50	Percentage	9.60
Non-executive/Technical Staff Under 30	Percentage	33.70
Non-executive/Technical Staff Between 30-50	Percentage	54.50
Non-executive/Technical Staff Above 50	Percentage	11.80
General Workers Under 30	Percentage	47.70
General Workers Between 30-50	Percentage	43.80
General Workers Above 50	Percentage	8.40
Gender Group by Employee Category		
Management Male	Percentage	40.00
Management Female	Percentage	60.00
Executive Male	Percentage	41.20
Executive Female	Percentage	58.90
Non-executive/Technical Staff Male	Percentage	46.40
Non-executive/Technical Staff Female	Percentage	53.60
General Workers Male	Percentage	71.60
General Workers Female	Percentage	28.40
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	54.50
Female	Percentage	45.50
Under 30	Percentage	0.00
Between 30-50	Percentage	9.10
Above 50	Percentage	90.90
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,919,416.51
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	32

Performance Data Table ESG Reporting Platform

Disclaimers:

1. The performance data table is generated from the custom template of the Bursa ESG Reporting Platform, as submitted to Bursa Malaysia via Bursa Link on 19 April 2024. No changes were made to the PDF report generated from the system.
2. The Performance Data Table (as submitted in Bursa ESG Reporting Platform) includes 2023 data only. However, our 3-years performance data for relevant indicators are available and disclosed throughout the content of this Sustainability Report 2023. We will submit previous years performance data in the Bursa ESG Reporting Platform in future reporting.
3. During data entry we have identified discrepancies in terms of unit of assignment for the 'Total energy consumption data' - (Bursa C4(a)) in the template. Therefore, we have reported zero for the indicator to ensure the accuracy of our reported data with the unit of measurement used. Additionally, we have reported 'Total energy consumption' data in terms of Gigajoules instead.

GRI Content Index

Duopharma Biotech Berhad has reported the information cited in this GRI content index for the period 1st January 2023 to 31st December 2023 with reference to the GRI Standards.

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
GRI 102: GENERAL DISCLOSURE			
ORGANISATIONAL PROFILE			
102-1 to 102-7	Name; activities, brands, products and services; location of headquarters; location of operations; ownership and legal form; markets served; scale of the organisation	Integrated Annual Report: Inside Front Cover • Corporate Information • Group Corporate Structure	Page 12-13
102-8	Information on employees and other workers	Sustainability Report: • Labour Practices and Standards	Page 90-102
102-9	A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products, and services	Sustainability Report: • Sustainable Supply Chain	Page 66-72
102-10	Significant changes to the organisation and its supply chain	Integrated Annual Report: • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Sustainable Supply Chain	Page 22 Page 66-72
102-12	External initiatives	Integrated Annual Report: • Statement on Risk Management and Internal Control	Page 150
102-13	Membership of associations	Sustainability Report: • Sustainability at Duopharma Biotech	Page 24
STRATEGY			
102-14	Statement from senior decision-maker	Integrated Annual Report: • Chairman's Statement • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Message from Chairman and Group Managing Director	Page 16 Page 22 Page 10-13
102-15	Description of key impacts, risks and opportunities	Integrated Annual Report: • Our Strategic View • Group Managing Director's Management Discussion and Analysis • Statement on Risk Management and Internal Control Sustainability Report: • Sustainability Risks, Opportunities and Strategy	Page 28-36

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	Integrated Annual Report: <ul style="list-style-type: none"> • Vision/Mission • Core Values • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Message from Our Chairman and Group Managing Director • Sustainability Governance 	Page 6-7 Page 103 Page 10-13 Page 16-17
102-17	Mechanisms for advice and concerns about ethics	Integrated Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Governance 	Page 103 Page 108-112
GOVERNANCE			
102-18 to 102-25	Governance structure of the organisation, including any committees responsible for decisions on economic, environmental and social impacts; process for delegating authority for economic, environmental and social topics; executive-level person responsible for economic, environmental and social topics; process for consultation between stakeholders and highest governing body on economic, environmental and social topics; composition of highest governance body and its committees; Chairman of the highest governance body; nomination and selection process for highest governance body; processes of highest governance body for management of conflicts of interest	Integrated Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Sustainability Governance 	Page 103 Page 16-17
102-26	Highest governance body's and senior executives' role in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social topics	Integrated Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Sustainability Governance 	Page 103 Page 16-17

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
102-27 to 102-28	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics; processes for evaluating highest governance body's own performance, particularly with regard to economic, environmental and social topics	Integrated Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Sustainability Governance	Page 103 Page 16-17
102-29, 102-30, 102-31	Highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities; review of the effectiveness of the organisation's risk management processes; frequency of review of impacts, risks and opportunities	Integrated Annual Report: • Report of the Risk Management Committee	Page 140
102-32	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material topics are covered	Integrated Annual Report: • Report of the Risk Management Committee	Page 140
102-33, 102-34	Process for communicating critical concerns and nature and total number of critical concerns communicated to the highest governing body	Integrated Annual Report: • Statement of Risk Management and Internal Control Sustainability Report: • Governance	Page 150 Page 108-112
102-35 to 102-39	Remuneration policies and linkage between performance criteria in remuneration policies and highest governance body's and senior executives' economic, environmental and social topics; process for determining remuneration; how stakeholders' views are sought and taken into account regarding remuneration, including the results on the voting on remuneration policies; ratio of annual total compensation of highest paid individual to the median annual total compensation for all employees per country	Integrated Annual Report: • Corporate Governance Overview Statement	Page 103
STAKEHOLDER ENGAGEMENT			
102-40, 102-42, 102-43, 102-44	List of stakeholder groups engaged by organisation; basis for identification and selection of stakeholders with whom to engage; approaches to stakeholder engagement; key topics and concerns that have been raised through stakeholder engagement and how organisation responded	Sustainability Report: • Stakeholder Engagement	Page 18-23
102-41	Collective bargaining agreements	Sustainability Report: • Diversity & Inclusion	Page 91

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
REPORTING PRACTICES			
102-45 to 102-56	Entities included in the consolidated financial statements; Defining report content and topic Boundaries; List of material topics; Restatements of information; Changes in reporting; Reporting period; Date of most recent report; Reporting cycle; Contact point for questions regarding the report; GRI content index; External assurance	Sustainability Report: <ul style="list-style-type: none">• Basis of this Report• Our Material Issues	Page 2-3 Page 26-27
CLIMATE PERFORMANCE			
103-1	Explanation of the material topic and its boundary	Sustainability Report: <ul style="list-style-type: none">• Our Approach to Climate Risk• Sustainability Governance	Page 45-52
103-2	The management approach and its components		Page 16-17
103-3	Evaluation of the management approach		
MATERIALS			
301-1	Materials used by weight or volume	Sustainability Report: <ul style="list-style-type: none">• Recycling• Waste & Material Management• Scheduled Waste Management• Non-Scheduled Waste Management	Page 62-65
301-2	Recycled input materials used		Page 62-65
ENERGY			
302-1	Energy consumption within the organisation	Sustainability Report: <ul style="list-style-type: none">• Energy Consumption	Page 58-59
302-2	Energy consumption outside of the organisation		
302-4	Reduction of energy consumption		
WATER			
303-1	Interactions with water as a shared resource	Sustainability Report: <ul style="list-style-type: none">• Water Management• Water Consumption and Management• Water Effluents	Page 55-56
303-2	Management of water discharge-related impacts		
303-3	Water withdrawal		Page 60
303-4	Water discharge		Page 61
303-5	Water consumption		
EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report: <ul style="list-style-type: none">• Greenhouse Gas (GHG) and Energy Management	Page 56-58
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-5	Reduction of GHG emissions		

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
WASTE			
306-1	Waste generation and significant waste-related impacts	Sustainability Report: • Waste & Material Management	Page 62-63
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-5	Waste directed to disposal		Page 64
SUSTAINABLE SUPPLY CHAIN			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Our Approach to Supply Chain Management	Page 67
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
OCCUPATIONAL HEALTH & SAFETY			
403-1	Occupational health and safety management system	Sustainability Report: • Health & Safety	Page 73
403-2	Hazard identification, risk assessment, and incident investigation		Page 74
403-3	Occupational health services		Page 75-76
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system	Sustainability Report: • Health & Safety	Page 73-74
403-9	Work-related injuries	Sustainability Report: • How We've Performed	Page 76-77
403-10	Work-related ill health		
ACCESS TO MEDICINE			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Affordability and Pricing • Product Quality, Safety and Responsibility	Page 79-84
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report: <ul style="list-style-type: none">Product Quality, Safety and ResponsibilityResponsible Marketing/Advertising	Page 83 - 86
MARKETING AND LABELING			
417-1	Requirements for product and service information and labelling	Sustainability Report: <ul style="list-style-type: none">Product Quality, Safety and ResponsibilityResponsible Marketing	Page 83
DIVERSITY & INCLUSION			
103-1	Explanation of the material topic and its boundary	Sustainability Report: <ul style="list-style-type: none">Labour Practices and Standards	Page 91-96
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
EMPLOYMENT			
401-1	New employee hires and employee turnover	Sustainability Report: <ul style="list-style-type: none">Labour Practices and StandardsEmployee Engagement & Well-being	Page 97-98
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 94
401-3	Parental leave		Page 100
LABOUR/MANAGEMENT RELATIONS			
402-1	Minimum notice periods regarding operational changes	Sustainability Report: <ul style="list-style-type: none">Freedom of Association	Page 93
TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee	Sustainability Report: <ul style="list-style-type: none">Employee Training and Development	Page 101
404-2	Programmes for upgrading employee skills and transition assistance programmes		Page 95
404-3	Percentage of employees receiving regular performance and career development reviews		Page 102
DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	Sustainability Report: <ul style="list-style-type: none">Diversity and Inclusion - How We've Performed	Page 96
GOVERNANCE			
103-1	Explanation of the material topic and its boundary	Integrated Annual Report: <ul style="list-style-type: none">Corporate Governance Overview Statement	Page 103
103-2	The management approach and its components		
103-3	Evaluation of the management approach	Sustainability Report: <ul style="list-style-type: none">Corporate Governance	Page 108

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report	Page Reference
ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption	Sustainability Report: <ul style="list-style-type: none">• Anti-Corruption• Organisation Integrity & Anti-Corruption Plan (“OIACP”)• Awareness and Training on Anti-Corruption• Whistleblowing	Page 111
205-2	Communication and training about anti-corruption policies and procedures		Page 110
205-3	Confirmed incidents of corruption and actions taken		Page 108
CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report: <ul style="list-style-type: none">• Our Approach to Data Privacy & Security	Page 106

Assurance Statement

In strengthening the credibility of our reporting, selected data and information of this Sustainability Report have been subjected to the following:

- a) an internal review by the company's internal auditors i.e. Group Internal Audit ("GIA"); and
- b) independent assurance

The Scope and Indicators covered, and Conclusion are summarised below:

TYPE OF ASSURANCE	MATERIAL MATTERS	INDICATORS	SCOPE	CONCLUSION
Independent Assurance	<div>5</div> Climate Risk	Scope 1 emissions in tonnes of CO ₂ -e	Operations assessed: 1. Malaysia 2. Singapore 3. Indonesia 4. Philippines	Please refer to page 125 to 130 for the Independent Limited Assurance Statement provided by Carbon Check (India) Private Limited
		Scope 2 emissions in tonnes of CO ₂ -e		
		Scope 3 emissions in tonnes of CO ₂ -e (for 3 categories): <ul style="list-style-type: none"> Category 5 (Waste Generated in Operations); Category 6 (Business Travel); and Category 7 (Employee Commuting) 		
		Total energy consumption		
		Total volume of water used		
	<div>3</div> Health & Safety	Number of work-related fatalities		
		Lost time incident rate		
		Number of employees trained on health and safety		
		Non-compliance with environmental laws and regulations		
	<div>1</div> Product Quality, Safety & Responsibility	Communication & Publication of Basic / Biomedical trial results		
	<div>10</div> Labour Practices & Standards	Programs for upgrading employee skills and transition assistance programs		
		Non-compliance with laws and regulations in the social and economic area		

Assurance Statement

TYPE OF ASSURANCE	MATERIAL MATTERS	INDICATORS	SCOPE	CONCLUSION
Internal Auditor's Limited Assurance	9 Supply Chain Management	Proportion of spending on local suppliers	Operations assessed: 1. Malaysia 2. Singapore 3. Indonesia 4. Philippines	Please refer to page 131 to 132 for the Internal Assurance Statement by the Group Internal Audit ("GIA")
	15 Diversity & Inclusion	Percentage of employees by gender and age group for each employee category		
		Percentage of directors by gender and age group		
	16 Community Outreach	Total amount invested in the community where the target beneficiaries are external to the listed issuer		
		Total number of beneficiaries of the investment in communities		
	10 Labour Practices & Standards	Total hours of training by employee category		
		Percentage of employees that are contractors or temporary staff		
		Total number of employee turnover by employee category		
		Number of substantiated complaints concerning human rights violations		
	8 Data Privacy & Security	Number of substantiated complaints concerning breachers of customer privacy and losses of customer data		
	2 Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category		
		Percentage of operations assessed for corruption-related risks		
		Confirmed incidents of corruption and action taken		

Assurance Statement

Independent Assurance



Sustainability Assurance Report for DUOPHARMA BIOTECH BERHAD's - Sustainability Report 2023, titled "Healthier Lives, Meaningful Difference".

Assurance Provider's Moderate Level Assurance Report

To the Board of Directors of DUOPHARMA BIOTECH BERHAD (herein after referred as "DUOPHARMA BIOTECH")

We have undertaken to perform the following assurance engagements for DUOPHARMA BIOTECH vide an agreement dated 27/02/2024 (the 'agreement') for providing independent assurance services on the performances to be reported in the DUOPHARMA BIOTECH's Sustainability Report for the year 2023 titled "Healthier Lives, Meaningful Difference".

- ✓ AA1000AS v3, Type 1 assurance with "Moderate Level" assurance requirements in respect to the principles of inclusivity, materiality and responsiveness as defined in the AA 1000 ACCOUNTABILITY principles 2018 (the "AA1000 ACCOUNTABILITY Principles") and reliability of the specified information regarding the identified sustainability indicators.

Identified Sustainability Indicators

The Identified Sustainability Indicators are summarized below:

NO.	Bursa's Common Sustainability Matters		Bursa's Common Indicators	Category	Corresponding GRI Standards Indicator
Bursa Malaysia Common Sustainability Matters					
1	Energy Management	C4 (a)	Total energy consumption	Environment	GRI 302 -1 (Energy consumption within the organization)
2	Health and Safety	C5 (a)	Number of work-related fatalities	Social	<ul style="list-style-type: none"> GRI 403-5 (Worker training on occupational health and safety) GRI 403-2 (Hazard identification, risk assessment, and incident investigation) GRI 403-9 (Work-related injuries) GRI 403-10 (Work-related ill health)
		C5(b)	Lost time incident rate (LTIR)		

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Assurance Statement

Independent Assurance

<div>  Carbon CHECK </div>					
		C5 (c)	Number of employees trained on health and safety standards		
3	Water	C9 (a)	Total volume of water used	Environment	GRI 303-5 (Water Consumption)
4	Emissions management	C11 (a)	Scope 1 emissions in tonnes of CO ₂ -e	Environment	<ul style="list-style-type: none"> GRI 305-1 (Direct: Scope 1) GRI 305-2 (Indirect: Scope 2) GRI 305-3 (Other indirect GHG emissions: Scope 3)
		C11 (b)	Scope 2 emissions in tonnes of CO ₂ -e		
		C11 (c)	Scope 3 emissions in tonnes of CO ₂ -e Category 5 (Waste Generated in Operations); Category 6 (Business Travel); and Category 7 (Employee Commuting)		

Non-Bursa Indicators

No.	Corresponding GRI Standards Indicator	Category
1	GRI 307-1 (Non-compliance with environmental laws and regulations)	Environment
2	GRI 404-2 (Programs for upgrading employee skills and transition assistance programs)	Social
3	GRI 419-1 (Non-compliance with laws and regulations in the social and economic area)	Social
4	Communication & Publication of Basic / Biomedical trial results	Social

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Criteria

The criteria used by DUOPHARMA BIOTECH to prepare Identified Sustainability Indicators are:

- ✓ Criteria 1: Global Reporting Initiative (GRI) Standards by Global Sustainability Standards Board (GSSB).
- ✓ Criteria 2: AA 1000 ACCOUNTABILITY principles 2018 for determination of materiality, responsiveness and inclusivity and reliability of the specified information with regards to the identified sustainability indicators.

Management's Responsibility

DUOPHARMA BIOTECH's Management is responsible for identification of key aspects, engagements with stakeholders and the content and reliability of the specified information with regard to the identified sustainability indicators in respect of Criteria 2 and the preparation and presentation of the Sustainability Report in accordance with the Criteria 1 stated above. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the sustainability report and measurement of Identified Sustainability Indicators, which is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Responsibility

Our responsibility is to express a moderate level assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained.

We have conducted our engagement in accordance with AA1000AS v3, Type 1 assurance with "Moderate Level" assurance requirements and Guidance on applying the AA1000AS v3 for Assurance Providers. This standard and the Guidance require that we plan and perform this engagement to obtain moderate level assurance about whether the Identified Sustainability Indicators are free from material misstatement including that due to fraud or error, and to evaluate the overall presentation of the Identified Sustainability Indicators in accordance with GRI Standards and the principles set out in AA 1000 ACCOUNTABILITY principles 2018 which involves assessing the suitability in the circumstances of DUOPHARMA BIOTECH's use of the criteria as the basis for the preparation of the subject matter and reliability of the specified information with regard to the Identified Sustainability Indicators.

Our moderate level assurance shall not be taken as a basis for interpreting the DUOPHARMA BIOTECH's performance across the scope of aspects covered in the Sustainability Report. A moderate level assurance engagement is substantially less in scope than a high-level assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control and the procedures

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Assurance Statement

Independent Assurance



performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Hence, the level of assurance obtained in a moderate level assurance engagement is substantially lower than the assurance that would have been obtained with high level assurance engagement.

Accordingly, we do not express a high-level assurance opinion about:

- ✓ Whether the Identified Sustainability Indicators have been prepared in all material respects, in accordance with the Criteria, or
- ✓ Whether the requirements of the principles of inclusivity, materiality and responsiveness parameters of AA 1000 have been considered in the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

The moderate level assurance engagement involved performing the procedures listed above pursuant to which we carried out the following specific procedures. The procedures performed in a moderate level engagement vary in nature and timing from, and are less in extent than for, a high-level assurance engagement.

With regard to the compliance of the Identified Sustainability Indicators with the AA 1000 ACCOUNTABILITY principles 2018 and reliability of the specified information with regard to the identified sustainability indicators, we conducted the following procedures:

- ✓ Obtained a fundamental understanding of the application of the AA 1000 ACCOUNTABILITY principles 2018 by interviewing responsible employees for Occupational Health & safety management, skill enhancement of employees, at DUOPHARMA BIOTECH.
- ✓ Random sampling concerning the understanding of the documentation regarding Scope wise GHG emissions, water consumption.
- ✓ Understanding the materiality analysis at corporate level for analysing and prioritizing sustainability topics and ascertaining areas for action.

Regarding the compliance of the Identified Sustainability Indicators with the GRI Standards, we conducted the following procedures:

- ✓ Made enquiries of DUOPHARMA BIOTECH's management, including the Environment, Health & Safety and Sustainability team, Legal Team, Engineering team, HR, Pharmacovigilance team and those with responsibility for Sustainability reporting.
- ✓ Understand and evaluate the design of the key structures, systems, processes, and controls for managing, recording and reporting on the selected sustainability indicators.
- ✓ Review of the Sustainability Report for detecting, on a test basis, any major anomalies between the information reported in the Sustainability Report on performance with respect to Identified Sustainability indicators and relevant source data/information.
- ✓ The three member CCIPL assurance team's review covered the corporate office of DUOPHARMA BIOTECH and two sites i.e., Bangi and Klang site Performed limited

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substantive testing on a sample basis of the Selected Indicators at corporate head office, and in relation to the two sites as visited and to check that data had been appropriately measured, recorded, collated, and reported.

- ✓ Considered the disclosure and presentation of the agreed Indicators/ parameters.
- ✓ Obtained representations from DUOPHARMA BIOTECH's Management.

Exclusions

Our moderate level assurance scope excludes the following and therefore we do not express a conclusion on the same:

- ✓ Operations of the company other than those included in the reporting boundary
- ✓ Information other than those specified under 'Identified Sustainability Indicators'
- ✓ Aspects of the Report and the data/information (qualitative or quantitative) other than the Identified Sustainability Indicators above
- ✓ Data and information outside the defined reporting period i.e., Year 2023
- ✓ The company statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by DUOPHARMA BIOTECH.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for VVB (Validation & Verification body), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Management and staff of Carbon Check are committed to excellence in the provision of impartial and competent assurance services covering the relevant requirements. Our overall commitment to the success of the business and its service rests on two main pillars, being impartiality and competence, whilst also supported by openness, responsiveness and clearly defined responsibilities.

Moderate level Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- a) DUOPHARMA BIOTECH's Identified Sustainability Indicators contained in the Sustainability Report for the year 2023 are not prepared, in all material respects, in accordance with the Global Reporting Initiatives (GRI) Standards.
- b) DUOPHARMA BIOTECH does not have systems and processes in place to comply with the AA 1000 ACCOUNTABILITY principles 2018 i.e. inclusivity, materiality and responsiveness in the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

Restriction on Use

Our moderate level assurance report has been prepared and addressed to the Board of Directors of DUOPHARMA BIOTECH BERHAD's at the request of the company solely to assist the company in reporting on the Sustainability performance and activities.

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Accordingly, we accept no liability to anyone, other than DUOPHARMA BIOTECH. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Assurance Provider neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our deliverables are shown or into whose hands it may come without our prior consent in writing.

	AA1000 Licensed Report 000-213/V3-OH30S
	
Name: Amit Anand	Name: Vikash Kumar Singh
Designation: Chief Executive Officer	Designation: Executive Director
Place: New Delhi, India	Place: New Delhi, India
Date: 22/04/2024	Date: 22/04/2024

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Assurance Statement

Internal Auditor's Limited Assurance



MEMORANDUM

REFERENCE NO.	:	AUD/DBB/0008/04/24
DATE	:	23 April 2024
TO	:	En Leonard Ariff Abdul Shatar Group Managing Director Dato' Dr. Anas Alam Faizli Chief Executive Officer, Corporate Mr Krisnakumara-Reddi Chief Manufacturing & Sustainability Officer
FROM	:	Rama Sockalingam Nagappan
DEPARTMENT	:	Group Internal Audit
COMPANY	:	Duopharma Biotech Berhad
SUBJECT	:	Internal Auditor's Limited Assurance Report on Duopharma Biotech's Sustainability Report 2023

Introduction

We have been engaged by the Management of Duopharma Biotech Berhad ("Duopharma Biotech") to undertake a limited assurance engagement of Duopharma Biotech's Sustainability Report for the year 2023.

Assurance Undertaken

In strengthening the credibility of the Sustainability Report, selected aspects/parts of Duopharma Biotech's Sustainability Report for the year 2023 have been subjected to an internal review by the Internal Auditors in accordance with the 2024 approved Group Internal Audit Plan.

Subject Matter / Scope

The subject matters covered by the internal review are limited to the following indicators at all operations sites/regional offices (*Malaysia, Singapore, Indonesia and the Philippines*) established by Duopharma Biotech.

Material Matters	Indicators
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category.
	Percentage of operations assessed for corruption-related risks.
	Confirmed incidents of corruption and action taken.
Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer.
	Total number of beneficiaries of the investment in communities.
Diversity	Percentage of employees by gender and age group, for each employee category.
	Percentage of directors by gender and age group
Labour Practices and Standards	Total hours of training by employee category.
	Percentage of employees that are contractors or temporary staff.
	Total number of employee turnover by employee category.
	Number of substantiated complaints concerning human rights violations.



Assurance Statement

Internal Auditor's Limited Assurance



MEMORANDUM

REFERENCE NO.	:	AUD/DBB/0008/04/24
DATE	:	23 April 2024
TO	:	En Leonard Ariff Abdul Shatar Group Managing Director Dato' Dr. Anas Alam Faizli Chief Executive Officer, Corporate Mr Krisnakumara-Reddi Chief Manufacturing & Sustainability Officer
FROM	:	Rama Sockalingam Nagappan
DEPARTMENT	:	Group Internal Audit
COMPANY	:	Duopharma Biotech Berhad
SUBJECT	:	Internal Auditor's Limited Assurance Report on Duopharma Biotech's Sustainability Report 2023

Material Matters	Indicators
Supply Chain Management	Proportion of spending on local suppliers.
Data Privacy & Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.

Internal Audit Conclusion

Based on the limited assurance procedures we have performed, supported by the evidence and attestation we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Report 2023 is not prepared, in all material respects, in accordance with the criteria defined above aligned to the Bursa Malaysia's Main Market Listing Requirements with guidance from Bursa Malaysia's Sustainability Reporting Guide.

Kind regards,



RAMA SOCKALINGAM NAGAPPAN
General Manager, Group Internal Audit





Copy to:

Mr Ananda Rajah – General Manager, Engineering, Project & Sustainability
Pn Nur Adini Mohd Khairul Annuar – Manager, Sustainability






UN SDGs Content Index

We have identified 14 UN SDGs that are relevant to Duopharma Biotech. Our contributions to the UN SDGs are as follows:

SUSTAINABLE DEVELOPMENT GOAL		PAGE REFERENCE
GOAL 1 - End poverty in all its forms everywhere		
	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
		Diversity & Inclusion (page 92) Established Diversity, Anti-Discrimination & Anti-Harassment Policy. Conducted monthly awareness training & posters circulated weekly from Nov 2023 to Jan 2024.
GOAL 3 - Ensure healthy lives and promote well-being for all at all ages		
	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
		Access to Medicine (page 39) Additional approval for other vaccines
	3.8	Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all
		Employee Engagement & Well-being (page 93-94) Mental health awareness programmes
		Access to Medicine (page 39) Additional approval for other vaccines
GOAL 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
	4.3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university
		Employee Recruitment (page 92) Supporting the government's efforts to boost the employment rate of fresh graduates
		Employee Training & Development (page 95) Designed to enhance the skills and knowledge of employees at all levels
	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
		Employee Recruitment (page 92) Supporting the government's efforts to boost the employment rate of fresh graduates
GOAL 5 - Achieve gender equality and empower all women and girls		
	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
		Diversity & Inclusion (page 92) Established Diversity, Anti-Discrimination & Anti-Harassment Policy. Conducted monthly awareness training & posters circulated weekly from Nov 2023 to Jan 2024.




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SUSTAINABLE DEVELOPMENT GOAL		PAGE REFERENCE
GOAL 6 - Ensure availability and sustainable management of water and sanitation for all		
	6.3	<p>By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>Water Management (page 55-56) Responsible water consumption</p> <p>Water Effluents (page 60-61) Making sure effluents meet the DOE's rules and regulations</p>
	6.4	<p>By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p> <p>Water Management (page 55-56) Responsible water consumption</p>
GOAL 7 - Ensure access to affordable, reliable, sustainable and modern energy for all		
	7.3	<p>By 2030, double the global rate of improvement in energy efficiency</p> <p>Carbon & Energy Reduction Initiatives (page 54-55) Identify emissions reduction strategie</p>
GOAL 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
	8.2	<p>Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>About Duopharma Biotech Berhad (page 4) Corporate Culture</p> <p>5-year ESG Strategy - Sustainable Supply Chain (page 38) Track and trace programme</p> <p>Access to Medicines (page 39) Increase market penetration in Private and Government sectors</p> <p>Vendor Management & Evaluation (page 68) Work with consultant (e.g. UNGC) to develop a feasible sustainable supply chain strategy</p>
	8.3	<p>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>Employee Training & Development (page 95) Designed to enhance the skills and knowledge of employees at all levels</p>
	8.8	<p>Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <p>Health & Safety (page 73) Ensure workplace safety measures are in place to enable our employees to carry out their functions safely</p> <p>Diversity & Inclusion (page 92) Established Diversity, Anti-Discrimination & Anti-Harassment Policy. Conducted monthly awareness training & posters circulated weekly from Nov 2023 to Jan 2024.</p>

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SUSTAINABLE DEVELOPMENT GOAL		PAGE REFERENCE	
GOAL 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation			
	9.5	<p>Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<p>Access to Medicine (page 39) Increase market penetration in Private and Government sectors</p>
	9.B	<p>Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities</p>	<p>5-year ESG Strategy - Sustainable Supply Chain (page 38) Track and trace programme</p>
GOAL 10 - Reduce inequality within and among countries			
	10.1	<p>By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average</p>	<p>Diversity & Inclusion (page 92) Established Diversity, Anti-Discrimination & Anti-Harassment Policy. Conducted monthly awareness training & posters circulated weekly from Nov 2023 to Jan 2024.</p>
GOAL 12 - Ensure sustainable consumption and production patterns			
	12.4	<p>By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>	<p>Waste and Material Management (page 62-63) All our waste and material management are guided by DOE regulations to ensure proper disposal</p>
	12.5	<p>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>Climate Performance - How We've Performed (page 64 - 65) We adopt several waste disposal methods including recycling and material recovery as effort to reduce our waste generation</p>
	12.6	<p>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p>Throughout SR 2022 report</p>
GOAL 13 - Take urgent action to combat climate change and its impacts*			
	13.1	<p>Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>Our Approach to Climate Risks (page 45) Pledge Carbon Neutral state by 2030 & Net Zero Carbon Emissions by 2050</p> <p>GHG Emissions (page 53) Establish Greenhouse Gas (GHG) baseline for Scopes 1 & 2</p>
	13.3	<p>Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<p>Sustainability Governance (page 16-17) Sustainability Department responsible for ESG awareness by providing ESG training for all levels of employees</p>

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SUSTAINABLE DEVELOPMENT GOAL		PAGE REFERENCE
GOAL 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development		
	14.1	<p>By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p> <p>Water Management (page 55-56) Responsible water consumption</p> <p>Water Effluents (page 60-61) Making sure effluents meet the DOE's rules and regulations</p>
GOAL 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
	16.3	<p>Promote the rule of law at the national and international levels and ensure equal access to justice for all</p> <p>Whistleblowing Policy (page 108) Whistleblowing Management System</p>
	16.5	<p>Substantially reduce corruption and bribery in all their forms</p> <p>Organisation Integrity & Anti-Corruption Plan ("OIACP") (page 109) Initiate OIACP</p>
	16.6	<p>Develop effective, accountable and transparent institutions at all levels</p> <p>Vendor Management & Evaluation (page 68) Conduct due diligence by independent third party</p>
	16.7	<p>Ensure responsive, inclusive, participatory and representative decision-making at all levels</p> <p>Sustainability Governance (page 16-17) Board has oversight of strategies in sustainability and climate risks along with HSC</p>
GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development		
	17.6	<p>Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism</p> <p>Access to Medicine (page 39) Increase market penetration in Private and Government sectors</p>
	17.16	<p>Enhance the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</p> <p>Membership & Association (page 24-25) Duopharma Biotech is a participatory member of UNGC</p>

List of Abbreviations

ABBREVIATION	MEANING/DEFINITION
ABAC	Anti-Bribery and Anti-Corruption
ABMS	Anti-Bribery Management System
ACMV	Airconditioning and mechanical ventilation
ADR	Adverse reaction
AHU	Air handling unit
API	Active pharmaceutical ingredient
APPL	Approved Products Purchase List
BCM	Business Continuity Management
BCP	Business Continuity Plan
BE	Bioequivalence
BOD	Biochemical oxygen demand
CA	Collective Agreement
CADT	Centre of Affordable Diagnostics and Therapeutics
CAPA	Corrective and preventive action
CDA	Compressed dry air
CHP	Cooling, heat and power
CI	Continuous Improvement
CME	Continuous Medical Education
COC	Cycle of concentration
COGs	Cost of goods
COS	Change of manufacturing site
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRO	Contract Research Organisation
CRR	Corruption Risk Register
CSI	Customer Satisfaction Index
DOE	Department of Environment
DOSH	Department of Safety and Health
EPF	Employees' Provident Fund
EQ	Emotional quotient
ERT	Emergency Response Team
ESG	Environmental, Social and Governance
FIFO	First-in, first-out
FMA	Factories and Machinery Act
FSC	Forest Stewardship Council
GDC	Good Distribution Practice
GMC	Group Management Committee
GRMI	Group Risk Management and Integrity
GVP	Good Pharmacovigilance Practices
GVPI	Good Pharmacovigilance Practice Inspection
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HR	Human Resources
HSC	Halal and Sustainability Committee
HVAC	Heating, ventilation and air-conditioning

ABBREVIATION	MEANING/DEFINITION
IBD	International Business Department
IIUM	International Islamic University Malaysia
ISPE	International Society for Pharmaceutical Engineering
KPI	Key performance indicator
LED	Light emitting diode
LSS	Lean Six Sigma
MAB	Medicine Advertisements Board
MACC	Malaysian Anti-Corruption Commission
MDL	MyDuopharma Learning
MOH	Ministry of Health
MOPI	Malaysian Organisation of Pharmaceutical Industries
MPP	Medicine Patent Pool
MRCS	Malaysian Red Crescent Society
NCSM	National Cancer Society Malaysia
NETR	National Energy Transition Roadmap
NPRA	National Pharmaceutical Regulatory Agency
NSE	New Source Evaluation
NZTP	Net Zero Transition Plan
NUPCIW	National Union of Petroleum & Chemical Industry Workers Peninsular Malaysia
OE	Operational Excellence
OFI	Opportunities for Improvement
OH&S	Occupational Health and Safety
OIACP	Organisation Integrity & Anti-Corruption Plan
OSHA	Occupational Safety and Health Act
OTIF	On-time, in-full
QMS	Quality Management System
R&D	Research and development
REC	Renewable Energy Certificate
SAP	System Applications and Products
SDG	Sustainable Development Goal
SHE	Safety, health and environment
SME	Small and medium-sized enterprise
SS	Suspended Solids
SOP	Standard operating procedure
TNA	Training Needs Analysis
TOR	Terms of Reference
UCUACT	Unsafe Condition, Unsafe Act
UN	United Nations
UNGCMYB	United Nations Global Compact Malaysia & Brunei
VOC	Voice of Customer
VPE	Vendor Performance Evaluation



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