

TRUST, AT THE CORE OF OUR DNA





ABOUT DUOPHARMA BIOTECH BERHAD

Duopharma Biotech Group (“Duopharma Biotech” or “the Company”) began with the establishment of Duopharma (M) Sendirian Berhad in 1979. Duopharma Biotech was incorporated in 2000 and is today one of Malaysia’s leading pharmaceutical companies listed on the Main Market of Bursa Malaysia Berhad.

Duopharma Biotech has core competencies in the pharmaceutical industry inclusive of Manufacturing, Research & Development and Commercialisation & Marketing of over 300 generic drugs such as Omesec and Prelica as well as Consumer Healthcare (“CHC”) products including CHAMPS®, FLAVETTES®, PROVITON® and Uphamol, which are well-recognised and accepted by consumers in Malaysia, regionally and globally. The Company has also diversified into the biosimilars space with technology and commercialisation collaborations with credible and strong international partners.

Headquartered in Kuala Lumpur, Malaysia, Duopharma Biotech owns and operates three manufacturing plants in Klang, Bangi and Glenmarie, Selangor. Duopharma Biotech also has subsidiary companies in the Philippines and Singapore. A subsidiary of Duopharma Biotech Berhad has a representative office in Jakarta, Indonesia.



OUR BRAND

VISION

**Providing Smarter
Solutions For a
Healthier Life**

MISSION

**Leading
Healthcare Group
Providing Quality
and Innovative
Solutions**

TAGLINE

*Smarter Solutions.
Healthier Life.*

OUR CORE VALUES

Duopharma Biotech Berhad Group of Companies conducts our business operations in accordance with our CORE VALUES

PASSION

P

We inspire and energise everyone to be the best

EXCELLENCE

E

We consistently deliver outstanding performance through innovative solutions

TEAMWORK

T

We succeed together because we work as one

INTEGRITY

I

We conduct ourselves with pride in being honest and ethical

RESPONSIBLE

R

We honour the trust given to us by being accountable for our actions

RESPECT

R

We value differences and sincere intentions as the basis for achieving shared aspirations

INSIDE THIS REPORT



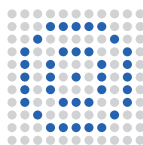
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AT A GLANCE



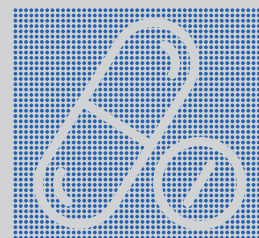
REVENUE
+ 15.6% to
RM576.46
million



PROFIT BEFORE TAX
+ 18.7% to
RM70.81
million

NO.1

Pharmaceutical
company in Malaysia
in terms of volume



56 Operational Excellence projects

completed resulting in savings of

RM6.76 million

Obtained approval for

**Malaysia's first
fill and finish line**

for a biosimilar

**Launched
two
biosimilar
products –
Erysaa,
for renal
anaemia;
and Zuhera,
for breast
cancer**

Malaysia's first

**Highly potent Active
Pharmaceutical
Ingredients (“HAPI”)
plant**

now producing a cancer treatment drug

Women make up roughly

**half of our
workforce
and 55% of
mid-senior
management**

91% Employee Engagement Score

4 percentage points higher than our 2018 score and

9 percentage points higher than the global pharmaceutical norm

Reduced energy intensity by

17.6% yoy

from 21,677.0 kwh/mil units produced to

17,867.2 kwh/mil units

ABOUT THIS REPORT



As a leading pharmaceutical company, the operations of Duopharma Biotech Berhad (“Duopharma Biotech”) have wide-ranging impact on a large number of people. Our stakeholders are, therefore, interested not only in how much profit we make, but also how we contribute towards important environmental and social issues. Our Sustainability Reports are designed to provide such information.

This is the fifth sustainability report to be produced by Duopharma Biotech Berhad (Duopharma Biotech), in which we demonstrate how we seek to create sustainable economic, environmental and social value as we uphold our vision of “providing smarter solutions for a healthier life”.



Our sustainability reports have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. Accordingly, we have conducted a material assessment to determine our material matters, and describe how we seek to create maximum value for our stakeholders in relation to each matter in the main section of this report. For ease of reading, our 20 material matters have been broadly categorised in terms of their economic, social and environmental impact under sections named Sustainability-led Business Commitment, Workforce & Community and Planet Performance.

For each material matter, we provide a qualitative narrative on why it is important and Duopharma Biotech’s approach in managing it. Where possible, we provide quantitative data to substantiate statements regarding our performance.

As indicated in last year’s report, we strive to improve on the breadth and depth of our reporting every year. This year, for example, we are providing disclosure on three matters that had been omitted previously due to insufficient data, namely: Access to Medicine, Competitive Pricing, and Counterfeit Medicines and Adulteration. We have also mapped our initiatives against the United Nations’ Sustainability Development Goals (“UN SDGs”).

In terms of scope, this Sustainability Report covers initiatives undertaken by the Malaysian operations of Duopharma Biotech from 1 January till 31 December 2019.

We welcome feedback to the report, and look forward to receiving your comments/suggestions via email to cs@duopharmabiotech.com.

MESSAGE FROM THE CHAIRMAN AND GROUP MANAGING DIRECTOR



Dear Stakeholders

Pharmaceutical companies, and especially generic producers such as Duopharma Biotech, play a vital role in society.

We ensure potentially life-saving treatments and those that enhance general well-being are affordable to the greatest number of people. Our focus is on sustaining lives. Hence when we say sustainability is part of our DNA, we are not merely paying lip service to what is generally expected of corporations today.

Given what we do, we also realise it is imperative to operate at the highest level of integrity and establish Duopharma Biotech as a brand that can be trusted. We therefore undertake comprehensive assessments of our raw materials; we invest in the best manufacturing technologies; and monitor the performance of our products in the market. These actions incur a cost, but we are willing to pay because the price of losing the trust of our stakeholders is even more damaging.

A key focus since our demerger has been to develop a robust governance framework to maintain our stakeholders' trust. Adding to initiatives already completed, this year we formalised an Anti-Bribery & Anti-Corruption Policy, Gift & Hospitality Policy, Sponsorship Policy, Declaration of Interest



Policy, Integrity Pact Policy, and Anti-Money Laundering and Counter Financing Terrorism Financing Policy. These policies have been shared with all our employees, who are constantly reminded of our zero tolerance for corruption.

Because trust underpins our entire operations, we chose it as the theme for our Annual Report and Sustainability Report this year. We hope that by reading our reports, and especially this Sustainability Report, you will appreciate the effort we are making – through our economic, environmental and social initiatives – to build and maintain your trust in Duopharma Biotech.

As mentioned in last year's Sustainability Report, we are guided in our sustainability efforts by the United Nations' Sustainable Development Goals ("SDGs"). Going a step further, at the end of 2019, we became a signatory to the Global Compact Network Malaysia, the local chapter of the United Nations Global Compact ("UNGC"). This commits us to upholding its 10 Principles that include anti-corruption, human rights, labour practices and environmental protection.

Among human rights, we believe, is the right to a safe home. Towards this end, we are proud for having partnered the non-governmental organisation, Extraordinary People Impacting Communities ("EPIC"), in building a home for an Orang Asli family in Ulu Yam Baru, Selangor, from 12-14 April.

We also have an excellent labour track record, and go beyond adherence to the relevant regulations to create a dynamic workplace that our employees will find both personally stimulating and professionally rewarding. Realising how critical our employees are to our ongoing success, we are investing even more into building their capabilities and competencies. This year, we updated our Learning and Development Framework, embarked on a Talent Management and Succession Plan, and introduced a new Competency Model. We also empower our employees to give back to the community, and were most heartened by the response received to various outreach programmes.

For the EPIC project, for example, 38 employees with no construction experience gave up their weekend to sweat it out as they built the home for a family of seven plank by plank. Later in the year, we contributed to the Ship for Southeast Asian and Japanese Youth Programme ("SSEAYP"), which brings together youth from Asean and Japan on a two-month cruise to discuss global issues. In the process, they form life-long ties that help towards stronger regional cooperation. Recognising the value of this initiative, Duopharma Biotech was one of the Platinum sponsors, providing RM10,000 towards SSEAYP, while six employees hosted 12 of the foreign participants in their own homes during the cruise's three-night stopover in Malaysia.

Environmentally, we have always met the requirements of the Environment Quality Act 1974. However, we believe we could, and should, do more. As a responsible manufacturer, we have initiated various programmes to reduce our carbon footprint while also minimising water wastage and ensuring our effluents are not hazardous. We have set targets for various key environmental parameters, such as our energy and water consumption, and hope to report on positive results in the years to come.

We believe we have made significant progress both in the implementation of sustainability programmes as well as in reporting these actions. However, sustainability necessarily entails continuous efforts to monitor, measure and enhance outcomes. We are committed to playing our part in this endeavour and invite you – our stakeholder – to guide us along our journey. Ultimately, our initiatives are geared towards creating value for you. We hope therefore that you will take the time to read this report, then provide us feedback on what more we can do.

**TAN SRI DATIN PADUKA
SITI SA'DIAH BINTI SH BAKIR**

Chairman

**LEONARD ARIFF
BIN ABDUL SHATAR**

Group Managing Director

OUR COMMITMENT TO SUSTAINABILITY



“Duopharma Biotech has always placed the highest importance on ensuring the sustainability of our business. We recognise that this is achieved by balancing our economic performance with social and environmental obligations.”

SUSTAINABILITY STATEMENT

Duopharma Biotech has always placed the highest importance on ensuring the sustainability of our business. We recognise that this is achieved by balancing our economic performance with social and environmental obligations. In 2019, we developed a new Sustainability Policy, which is described below.

SUSTAINABILITY POLICY

Sustainability is integral to our business strategy and it guides us towards achieving our vision of providing smarter solutions for a healthier life. Duopharma Biotech Berhad aspires for excellence by integrating sustainable practices in every aspect of our business and operations.

This Group Sustainability Policy applies to Duopharma Biotech Berhad and all our subsidiaries, this policy is based on three main aspects: Sustainability-led Business Commitment, Planet Performance, and Our Workforce and Community.

Sustainability-led Business Commitment

We will maintain a high level of business ethics and integrity while complying with all relevant regulations and guidelines. We have a structured system of corporate governance in place to protect our shareholders' and other stakeholders' interests in the long term. This is supported by:

- Delivering our services and products responsibly to create long-term partnerships with our customers
- Undertaking continuous research and development to develop innovative products
- Continuous improvement in our processes and systems to enhance all aspects of our operations
- Fair, reasonable and responsible engagements with all internal and external stakeholders

Planet Performance

We recognise the importance of a healthy planet by supporting the well-being of society. We understand that our actions today have an impact on the environmental outcomes tomorrow. We therefore commit to:

- Mitigate our environmental impacts through enhanced environmental performance
- Chart a path towards a carbon neutral future
- Incorporate adequate monitoring mechanisms to measure and help sustain continual improvement in our environmental performance
- Enhance awareness on environmental related matters among our stakeholders to garner their support

Our Workforce and Community

We value our employees and our local communities by enhancing their well-being through responsible corporate citizenship. This is to be achieved by:

- Ensuring a safe, healthy and efficient work environment for our employees
- Creating a safety culture throughout the organisation which influences the way we approach our work on a day-to-day basis
- Adhering to fair employment practices while embracing diversity and inclusion
- Continuously enhancing the skills and knowledge of our employees through training and development opportunities
- Engaging with our employees to create a sense of ownership of their functions
- Enriching communities and improving quality of life through humanitarian and monetary contribution

We also organised a series of sustainability workshops for the different departments in 2019, which were attended by a total of 42 mid-level management. During these sessions, we shared our sustainability strategy and vision, while implementing data collection mechanisms. This effort will be repeated in 2020 when we will also include our overseas offices.

Global Compact Network Malaysia

Further underlining our commitment to sustainability, in December 2019, Duopharma Biotech officially became a signatory to the Global Compact Network Malaysia, the local chapter of the United Nations Global Compact ("UNGC"). Global Compact Network Malaysia seeks to catalyse corporate action by Malaysian businesses in support of achieving the United Nations' Sustainable Development Goals ("SDGs").

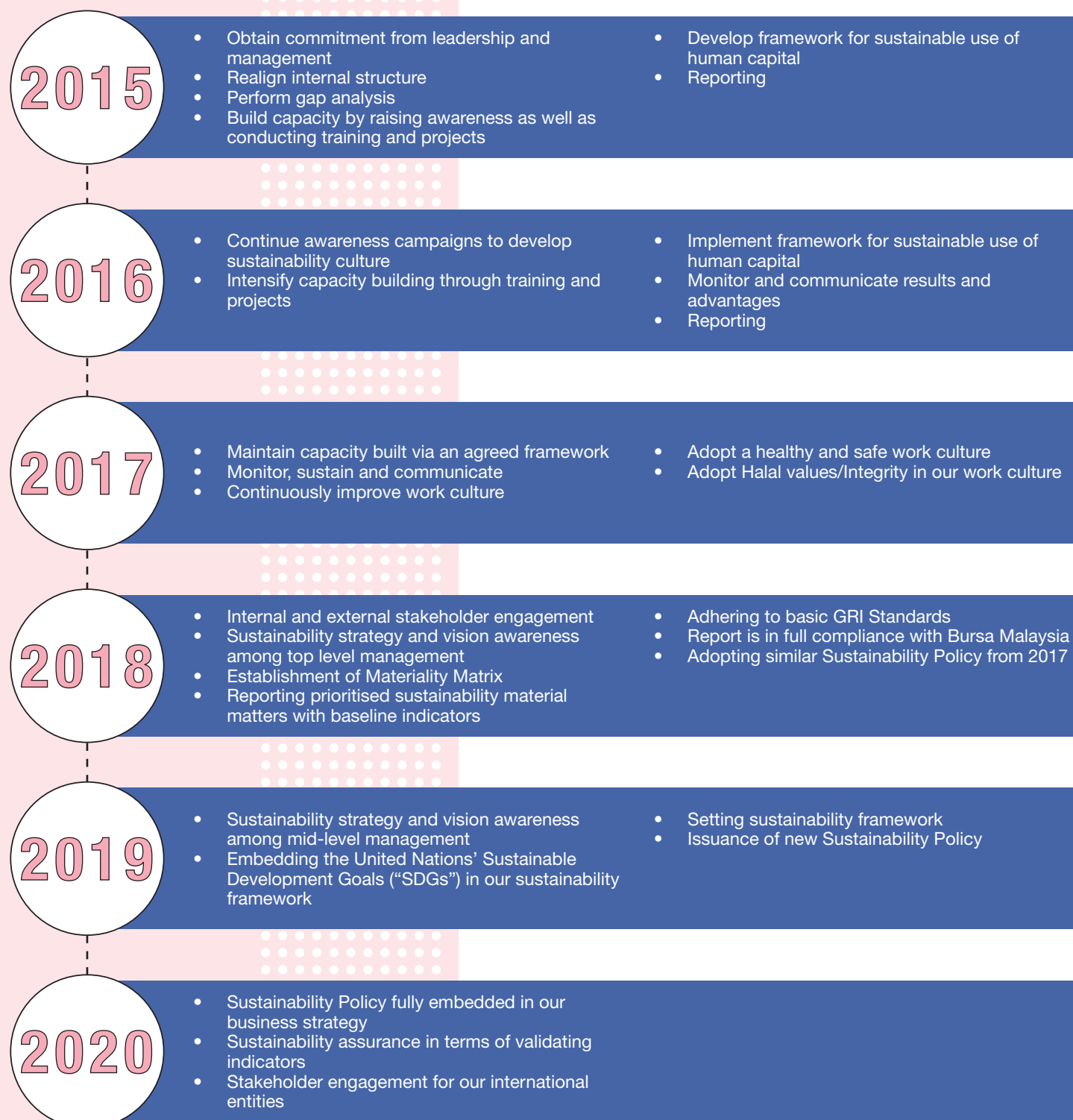
By committing to Global Compact Network Malaysia, we accept shared responsibility for achieving a better world and will align our relevant processes with the SDGs. Duopharma Biotech will also collaborate with Global Compact Network Malaysia until 2021 when it comes to awareness trainings and digital tools related to SDGs.



OUR SUSTAINABILITY JOURNEY



OUR SUSTAINABILITY JOURNEY



SUSTAINABILITY GOVERNANCE



“Sustainability at Duopharma Biotech has always been led by our Board of Directors, who are ultimately responsible for ensuring transparency and good corporate governance.”

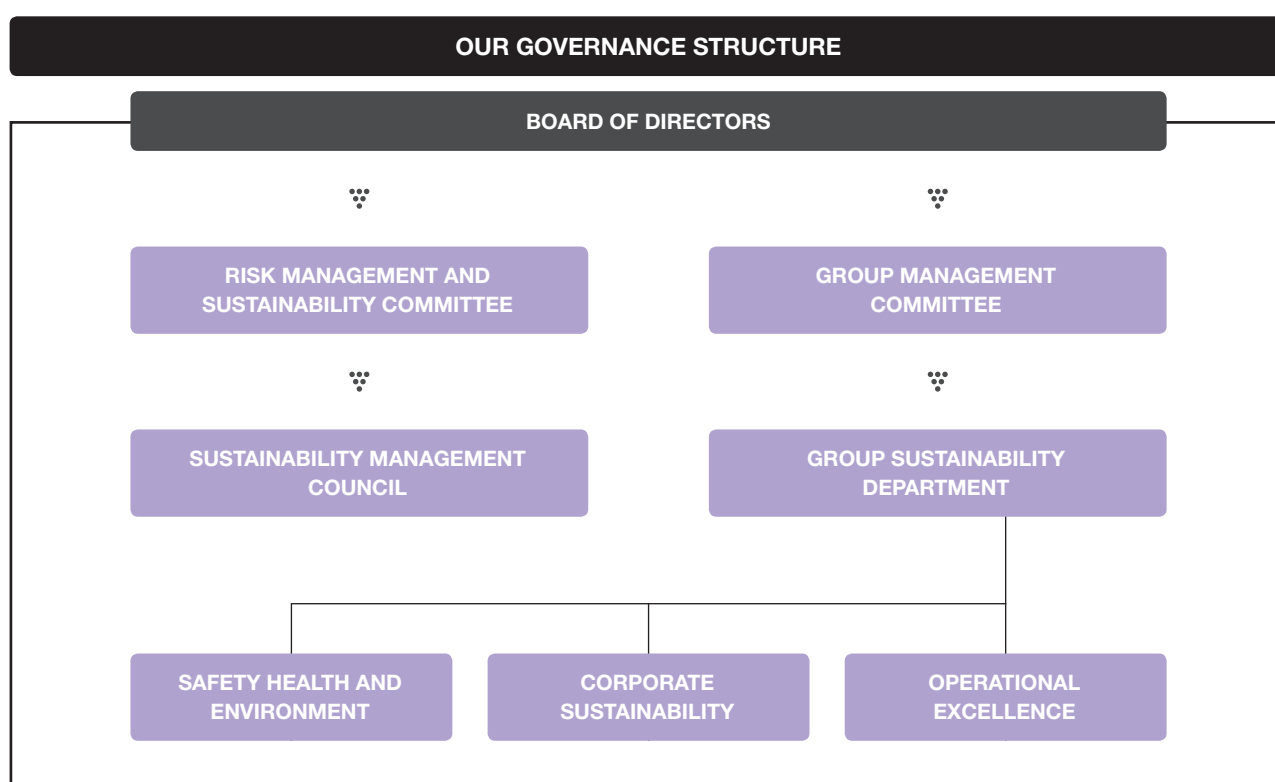
SUSTAINABILITY GOVERNANCE

The Board of Directors is accountable for the strategic direction of Duopharma Biotech's sustainability initiatives and for ensuring sustainability-related strategies are embedded into our business operations. Oversight on sustainability is provided by the Board Risk Management and Sustainability Committee, which is supported by a Sustainability Management Council.

The Board Risk Management and Sustainability Committee, chaired by a Non-Independent, Non-Executive Director and supported by all other Board members, supervises the implementation of sustainability strategies. These strategies are aligned with our risk management process to ensure a common design and purpose in all our actions and decisions.

The Sustainability Management Council comprises Heads of Department and process owners from the different functions in Duopharma Biotech who meet every two months to discuss progress made in all sustainability related initiatives. The Council reports to the Board Risk Management and Sustainability Committee on a quarterly basis, and ensures the Committee's directions are implemented.

Only Corporate Sustainability and SHE-related information are discussed as agenda items by the Board Risk Management and Sustainability Committee. Matters on Operational Excellence are reported to the Chief Manufacturing Officer and are not included in the sustainability governance structure due to their operational nature. The Sustainability Management Council held five meetings in 2019, each attended by a majority of its members.



VALUING OUR STAKEHOLDERS







“We define our stakeholders as those who are able to influence our operations and reputation, as well as those who are impacted by the same parameters. In order to identify our key stakeholders, we conducted a stakeholder analysis. This highlighted 12 stakeholder groups, with varying influence/dependence on Duopharma Biotech.”









VALUING OUR STAKEHOLDERS

We value all our stakeholders – those who influence us as well as those we influence – the former because they have a direct bearing on our performance, and the latter because we recognise and embrace our responsibility to effect positive change in society. Because we value our stakeholders, we seek to establish transparent channels of communication with them so as to keep them updated on our operations, performance and direction, as well as to obtain feedback on how well we fare in terms of matching their expectations.

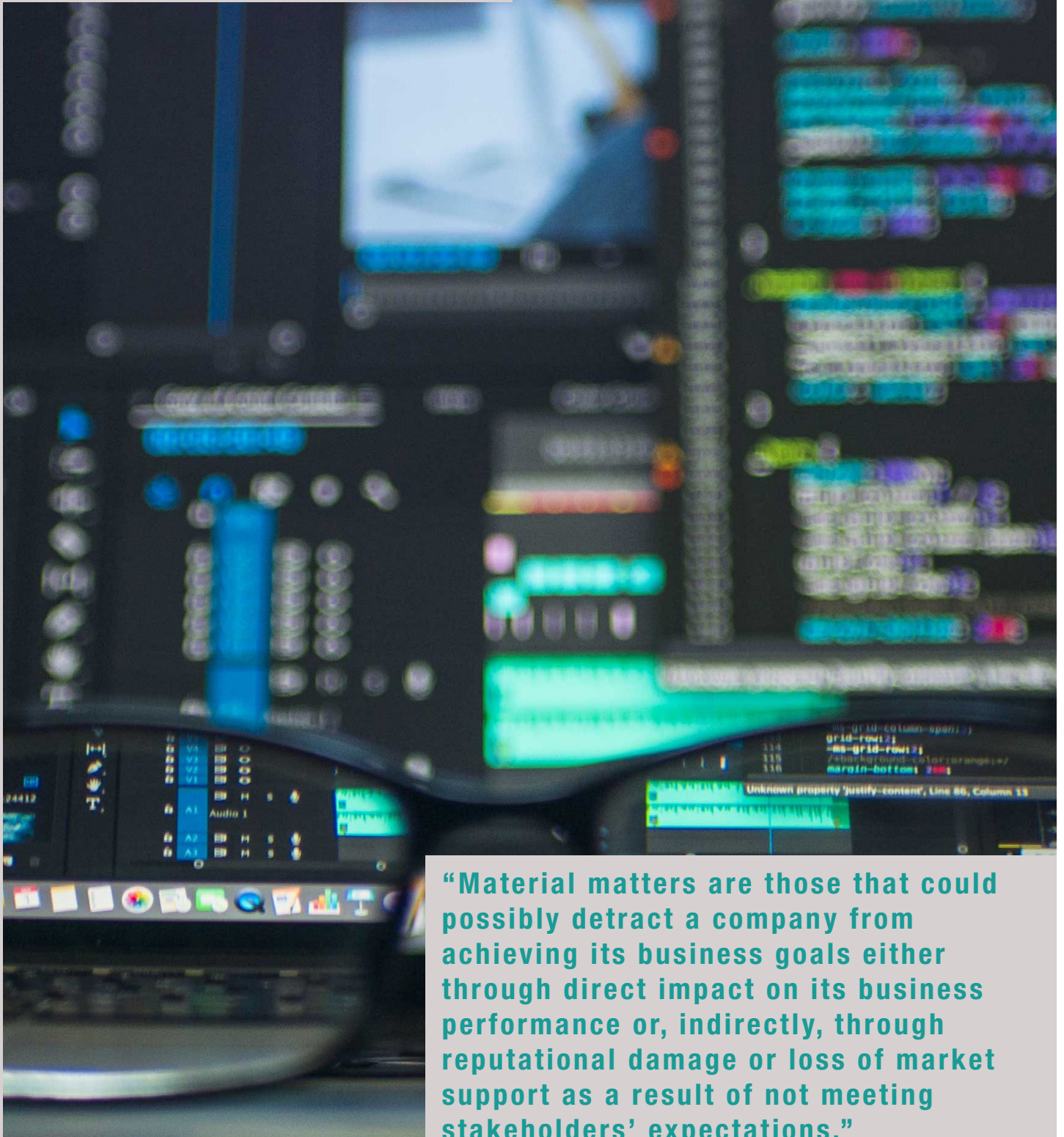
Stakeholder engagement is conducted via various platforms appropriate to each group. The manner in which we engage with our stakeholders and key topics of interest are presented in the table below.

| Stakeholder Group | Areas of Interest | Addressing Their Interests |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders | | |
|  | <ul style="list-style-type: none"> Duopharma Biotech's business direction and key corporate developments | <ul style="list-style-type: none"> Announcements on Bursa Malaysia and our corporate website Investor roadshows, updates and briefings for fund managers Annual general meetings Annual reports |
| Local Communities | | |
|  | <ul style="list-style-type: none"> Transparent, quality products and services Community development and enrichment Reaching out to the community | <ul style="list-style-type: none"> Reaching out through roadshows, seminars, exhibitions and get-together events Halal workshops and symposiums CSR programmes Philanthropy and donations |
| Customers | | |
|  | <ul style="list-style-type: none"> Safe products and services Quality management Compliance status | <ul style="list-style-type: none"> Up-to-date safety and quality certifications Zero product safety non-compliance Accurate description of our products Continuous Medical Education ("CME") sessions for medical fraternity Reaching out through roadshows, seminars, exhibitions and get-together events |
| Healthcare Professionals | | |
|  | <ul style="list-style-type: none"> Quality management Compliance status Safe products and services | <ul style="list-style-type: none"> In-house Pharmacovigilance unit CME sessions for medical fraternity Reaching out through roadshows, seminars, exhibitions and get-together events |

VALUING OUR STAKEHOLDERS

| Stakeholder Group | Areas of Interest | Addressing Their Interests |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industry Associations | | |
|  | <ul style="list-style-type: none"> • Industry developments • Relevant laws and regulations | <ul style="list-style-type: none"> • Participation in industry forums, conferences, dialogues, exhibitions and local and international networking events • Membership in Malaysian Organisation of Pharmaceutical Industries ("MOPI") |
| Government/Regulatory Authorities | | |
|  | <ul style="list-style-type: none"> • Compliance • Nation building • Helping the government achieve its goals | <ul style="list-style-type: none"> • Supporting national agendas such as the Halal Agenda and the Bumiputera Agenda • Meetings, dialogues and updates • Good representation in trade councils and associations |
| Employees | | |
|  | <ul style="list-style-type: none"> • Career development • Competitive remuneration • Work-life balance | <ul style="list-style-type: none"> • Regular communication through email, townhalls, company intranet, up-to-date Berita Farma Facebook and in person • Structured and customised training programme that meet individuals' needs • Regular benefits benchmarking exercise by Group Human Resources • Activities such as family days, festive celebrations, sports and CSR |
| Suppliers and other Business Partners | | |
|  | <ul style="list-style-type: none"> • Fair procurement • Transparency • Supplier development | <ul style="list-style-type: none"> • Bumiputera Vendor Development Programme • Group procurement policy and procurement system • Implementation of e-bidding system |
| Media | | |
|  | <ul style="list-style-type: none"> • Public-private partnerships • Transparency in communication • Responsible innovation | <ul style="list-style-type: none"> • Media releases • Press conferences and events |
| Non-Governmental Organisations (NGOs) | | |
|  | <ul style="list-style-type: none"> • Access to healthcare • Healthcare infrastructure strength | <ul style="list-style-type: none"> • Programmes and events partnering NGOs • Supporting well-being via donations |
| Financial Community | | |
|  | <ul style="list-style-type: none"> • Access to finance • Business stability | <ul style="list-style-type: none"> • Financial negotiations • Annual General Meetings • Financial statements |
| Scientific Community | | |
|  | <ul style="list-style-type: none"> • Access to knowledge • Future business growth based on R&D | <ul style="list-style-type: none"> • Research collaboration based on medicines, vaccines and halal pharmaceutical • Talks/ events on pharmaceutical research |

OUR MATERIAL MATTERS



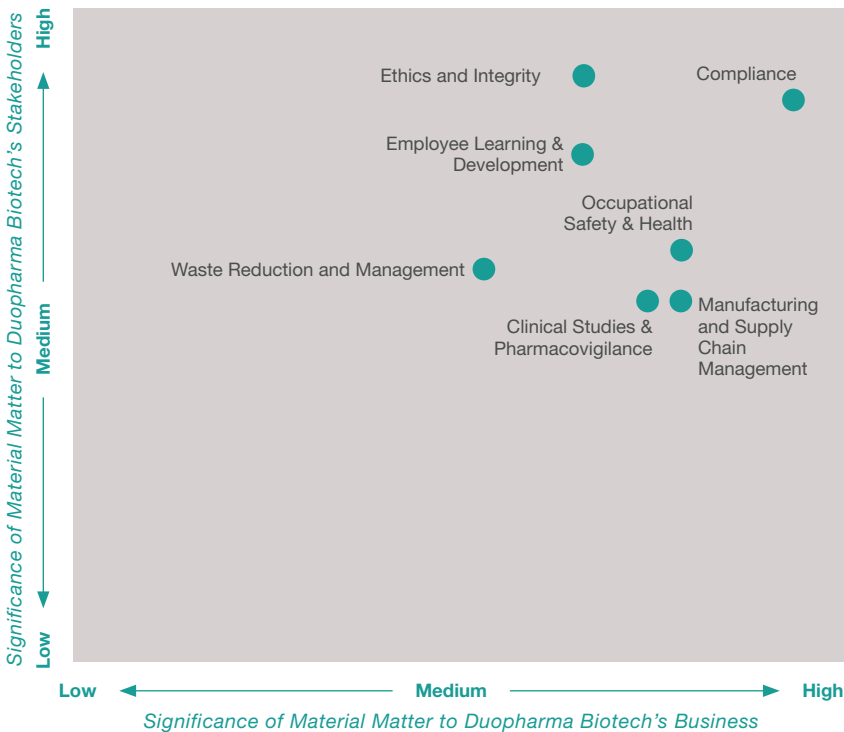
“Material matters are those that could possibly detract a company from achieving its business goals either through direct impact on its business performance or, indirectly, through reputational damage or loss of market support as a result of not meeting stakeholders’ expectations.”

OUR MATERIAL MATTERS

We had determined our material matters in 2018 by conducting a materiality assessment, guided by the GRI's three-step process of identification, prioritisation and validation. This resulted in a materiality matrix containing 20 material matters, seven of which were high-priority.

Guided by Bursa Malaysia's Sustainability Reporting Guide, we identified our material matters by considering emerging global risks and opportunities related to the pharmaceutical industry as well as those related to Duopharma Biotech specifically.

DUOPHARMA BIOTECH'S MATERIALITY MATRIX



Note: Only Duopharma Biotech's top seven material matters are depicted in the matrix above.

- Compliance
- Ethics and Integrity
- Employee Learning & Development
- Occupational Safety & Health
- Waste Reduction and Management
- Clinical Studies & Pharmacovigilance
- Manufacturing and Supply Chain Management
- Accessibility of Medicines
- Water Scarcity
- Competitive Pricing
- Carbon Footprint
- Community Outreach
- Business Innovation and Model
- Product Portfolio
- Research and Development
- Talent Recruitment & Retention
- Halal Commitment
- Counterfeit Medicines and Adulteration
- Energy Consumption
- Fair Employment Practices

OUR MATERIAL MATTERS

This year, we reviewed our material matters by once again referring to global and local trends, our business strategy, risk register and peer reports, and concluded that the 20 material matters continue to be relevant. Based on mutual agreement by the Sustainability Management Council and Board Risk Management and Sustainability Committee, these material matters have therefore been maintained in this Sustainability Report 2019.

| MATERIAL MATTER | WHY IT IS IMPORTANT | OUR RESPONSE |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainability-Led Business Commitment | | |
| Compliance | Regulation alignment based on pharmaceutical standards | <ul style="list-style-type: none"> Internal and external audits Competence assessment Standard operating procedures |
| Ethics & Integrity | To be transparent throughout the business operations; and ensure compliance to the Guidelines on Adequate Procedures pursuant to subsection (5) of section 17A under the MACC Act 2009 | <ul style="list-style-type: none"> Sign compliance pledge Audits Policies compliance |
| Clinical Studies & Pharmacovigilance | Maintain safety and efficacy of drugs | <ul style="list-style-type: none"> Maintain complaints line Internal & external awareness programmes Monitoring from Pharmacovigilance Department |
| Manufacturing & Supply Chain Management | Maintain optimal operational and distribution efficiencies | <ul style="list-style-type: none"> Procurement vendor assessment Embed Lean manufacturing processes Customer satisfaction feedback |
| Halal Commitment | To cater to needs of all consumers | <ul style="list-style-type: none"> Awareness sessions Audit inspection |
| Research & Development | To maintain formulation strength and move up the value chain | <ul style="list-style-type: none"> Incorporated Quality by Design ("QbD") in R&D In-licensing and out-sourcing |
| Product Portfolio | To cater according to diseases | <ul style="list-style-type: none"> Continuous expansion of product portfolio |
| Business Innovation & Model | To ensure relevance of business and growth based on efficient strategy | <ul style="list-style-type: none"> Continuous market analysis Assessment & revision of strategy Partnerships to stay ahead of the game |
| Counterfeit Medicines & Adulteration | To protect consumers | <ul style="list-style-type: none"> Work with industry organisations such as Malaysian Organisation of Pharmaceutical Industries ("MOPI") Use of proper labelling Adoption of new 2D barcodes |
| Accessibility of Medicines | To universalise access to medicines for different needs | <ul style="list-style-type: none"> Conduct market study and feedback analysis Analyse data from research firms on accessibility Obtain healthcare professionals' input |
| Competitive Pricing | To ensure affordability of healthcare | <ul style="list-style-type: none"> Work with industry organisations such as MOPI Collaborate with governmental agencies |
| Our Workforce & Community | | |
| Occupational Safety & Health | To ensure safety & health of our employees | <ul style="list-style-type: none"> Actively review hazards (checks/inspection) in all activities and implement controls Create safety culture via training and briefings |
| Employee Learning & Development | To provide our employees with necessary knowledge and skills for continuous growth | <ul style="list-style-type: none"> Structured in-house training Support employees to attend public trainings when required |
| Talent Recruitment & Retention | To always have the best people in the company for our success & growth | <ul style="list-style-type: none"> Structured recruitment & selection process Talent management framework to develop internal talents |
| Fair Employment Practices | To treat our employees fairly, without discrimination | <ul style="list-style-type: none"> Employee contract packages are based on merit, experience and competence Practices aligned with statutory HR regulations |
| Community Outreach | To do our part in ensuring more equitable social well-being | <ul style="list-style-type: none"> Constantly engage relevant stakeholders via CSR projects and activities |

OUR MATERIAL MATTERS

| MATERIAL MATTER | WHY IS IT IMPORTANT | OUR RESPONSE |
|------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Planet Performance | | |
| Waste Reduction & Management | To minimise our environmental impact | <ul style="list-style-type: none"> • Encourage recycling at all sites • Programmes to create awareness of recycling (such as waste oil collection) • Training and briefings |
| Energy Consumption | To minimise greenhouse gas emissions thus help mitigate climate change | <ul style="list-style-type: none"> • Look at ways to reduce electricity consumption • Solar energy generation • Preventive maintenance to ensure optimal equipment operations • Replacement of old inefficient equipment |
| Carbon Footprint | To track carbon and move towards carbon neutral pathway | <ul style="list-style-type: none"> • Review of supply chain mechanism • Team formed to sell our products online • Consolidate delivery to reduce number of trips needed to ship to customers |
| Water Scarcity | To prevent depletion of water as water is becoming scarce | <ul style="list-style-type: none"> • Implement rain water harvesting in new buildings • Re-use waste water from our water purification process |

For ease of reading, and in line with Economic, Environmental and Social (“EES”) style of reporting, we have grouped our material matters into three broad categories: Sustainability-Led Business Commitment, Planet Performance and Our Workforce & Community.

Last year, we had reported on 17 of our material matters, omitting Accessibility of Medicines, Competitive Pricing, and Counterfeit Medicines and Adulteration due to insufficient data. As part of efforts to continuously improve our reporting, we have included these three matters in the current report, all under the “Sustainability-Led Business Commitment” section.

SUSTAINABILITY-LED BUSINESS COMMITMENT



“We are driven to uphold the highest level of governance in our operations and to conduct our business with integrity in order to build and maintain the trust of our stakeholders. In pursuing our business goals, we seek to support the local pharmaceutical ecosystem through responsible procurement and supply chain management, while empowering halal entrepreneurs through skills development and capability enhancement.”

SUSTAINABILITY-LED BUSINESS COMMITMENT

COMPLIANCE

The pharmaceutical industry is highly regulated, and manufacturers are subject to various regulatory controls to ensure product safety and efficacy. A number of laws and regulations exist for the different phases of the value chain, from testing, safety, efficacy and marketing of drugs to their patenting.

In Malaysia, pharmaceutical companies are required to adhere to the following acts:

Poisons Act 1952
and Regulations

Dangerous
Drugs Act 1952

Patent Act 1983

Sale of Drugs
Act 1952

Medicines Advertisements and Sales
Act 1956

Control of Drugs and Cosmetics
Regulations 1984

Duopharma Biotech makes every effort to comply with these legal requirements, not only because they are mandatory for the annual renewal of our Manufacturing, Wholesale, Import and Pharmacist Type A Poison Licenses, but also because we care about creating positive outcomes. Quality assurance is integral to everything we do, from research and development ("R&D") to procurement, manufacturing, marketing and communication.

Our Malaysian operations are guided by the current Good Manufacturing Practice ("cGMP") and Good Distribution Practice ("GDP") as advocated by the Pharmaceutical Inspection Co-operation Scheme ("PIC/S") which ensure the quality, safety and efficacy of pharmaceuticals. We also actively seek cGMP certification by the relevant authorities in our international markets.

All our operations have been certified with the relevant ISO standards, namely ISO 9001, ISO 13485 and Good Distribution Practice for Medical Devices ("GDPMD"). The former applies across the board to all organisations ensuring the ability to consistently provide products and services

that meet customer regulatory requirements. ISO 13485 and GDPMD are specific to the provision of medical devices. Our lab in Glenmarie, meanwhile, is ISO17025 accredited meaning it is technically proficient to produce precise and accurate test and calibration data.

Our overriding goal is to serve people around the world with products and services hallmarked by integrity, quality and care.

QUALITY POLICY

We have a Quality Policy that outlines our commitment to building trust by offering products and services that not only satisfy customers' expectations but that also comply with local and overseas regulatory and quality requirements.

OUR QUALITY POLICY

Understand and fulfil our customers' requirements

Provide a high standard of service to internal and external customers, with teamwork being the essence of our success

Nurture a culture of excellence, resourcefulness and innovation

Adhere to the concept of prevention by Doing It Right First Time, Every Time

Continuously engage and delight our customers and stakeholders

Continuously improve our processes, products and services

Ensure that our suppliers are similarly committed to quality improvement

In line with GMP and ISO compliance, we test our drugs and medicines rigorously before releasing them into the market. Quarterly GMP Management Meetings are held while quality updates are reported to senior management every month. We also audit our plants and marketing operations on a regular basis.

Audits conducted at our subsidiaries by local and foreign regulators and ISO 9000 certification bodies in 2019 are presented below.

| COMPANY | DATE | TYPE OF AUDIT | AUDITED BY |
|------------------------------------------------|-----------------|----------------|----------------------------------------------------|
| Duopharma (M) Sdn Bhd | 04-05 March | GMP | Iraqi Ministry of Health |
| | 28-29 May | ISO 9001:2015 | TUV SUD |
| | 28-29 May | ISO 13485:2016 | TUV SUD |
| | 10-13 September | GMP | National Pharmaceutical Regulatory Agency ("NPRA") |
| Duopharma Manufacturing (Bangi) Sdn Bhd | 06-08 March | ISO 9001:2015 | TUV SUD |
| Duopharma Marketing Sdn Bhd | 04 March | GDPMD | TUV SUD |
| Duopharma HAPI Sdn Bhd | 16-17 Jul | GMP | NPRA |

SUSTAINABILITY-LED BUSINESS COMMITMENT

Certifications received by our subsidiaries:

| COMPANY | CERTIFICATION | INITIAL DATE OF CERTIFICATION | VALID UNTIL |
|-----------------------------------------|------------------|-------------------------------|-------------|
| Duopharma Innovation Sdn Bhd | MS ISO/IEC 17025 | 18 Jan 2010 | 18 Jan 2022 |
| Duopharma (M) Sdn Bhd | ISO 9001:2015 | 02 May 2014 | 01 May 2020 |
| | ISO 13485:2016 | 01 Jul 2014 | 30 Jun 2020 |
| Duopharma Manufacturing (Bangi) Sdn Bhd | ISO 9001:2015 | 22 Apr 2015 | 21 Apr 2021 |
| Duopharma Marketing Sdn Bhd | GDPMD | 29 Apr 2015 | 28 Apr 2021 |



HALAL CERTIFICATION

We comply with MS2424:2019, Halal Pharmaceuticals – General Guidelines and adopt the Halal Assurance Management System issued by the Department of Islamic Development, Malaysia (“JAKIM”) as well as Lembaga Pengkajian Pangan Obat-obatan dan Kosmetika Majelis Ulama Indonesia (“LPPOM MUI”). The Halal Assurance Management System covers internal halal audits, evaluation of new sources of materials, vendor audits and training. Currently, 350 out of 369 (or 94.8%) of our active products (93.5% in Bangi and 96.5% in Klang) are halal certified. The certification process for the remaining 5.2% of our active products is ongoing.

VENDOR GMP AUDITS

We audit our vendors/suppliers under our vendor management programme to ensure they meet GMP standards. In 2019, we audited 33 out of 816 vendors that supply our manufacturing plants in Bangi and Klang. Vendors that do not meet GMP criteria are given the opportunity to rectify existing gaps, failing which their contracts are terminated.

Audits & Approvals in Klang

Total number of approved vendors

292

Number of vendors audited



Number of vendors that passed GMP audit



Vendor Corrective Action Reports raised due to non-conformance



Audits & Approvals in Bangi

Total number of approved vendors

524

Number of vendors audited



Number of vendors that passed GMP audit



Vendor Corrective Action Reports raised due to non-conformance



2017 2018 2019

COUNTERFEIT AND ADULTERATION

Counterfeits are fakes or unauthorised replicas of the real product, while adulterated medicines contain inferior, defective or otherwise useless or harmful substances in addition to the original components. There is no guarantee of the efficacy of counterfeit products; while both counterfeits as well as adulterated medicines pose potential health hazards.

To protect consumers, we place holograms on our tamper-proof packaging to prevent counterfeits or adulteration of our products.

Reports regarding counterfeit or adulterated products are received and managed through our product complaints channel. Between 2017 and 2019, we did not receive any complaints regarding counterfeit or adulterated products.

ETHICS & INTEGRITY

Trust is essential in building and maintaining strong stakeholder relationships. To reinforce the trust that the market has in us, we place the highest priority on ethics and integrity.

Ethics and integrity are monitored by our Board through the Board Audit and Integrity Committee ("AIC") which oversees our governance framework including all programmes to integrate ethics and integrity into our day-to-day operations. Underlining our commitment to integrity, we are a signatory to the Malaysian Anti-Corruption Commission ("MACC")'s Corruption-Free Pledge. In 2019, we also signed the Corporate Integrity Pledge. We also have in place formal whistle-blowing channels through which employees and other stakeholders can report unlawful or unethical incidents.

ANTI-CORRUPTION

We seek to create a culture in which everyone in Duopharma Biotech fully understands what constitutes corruption and is aware of the Group's zero tolerance for corruption. Integrity

training is provided for newly recruited employees monthly/quarterly at sites, while anti-corruption news and values-based reminders are shared on the intranet weekly. To reinforce our key anti-corruption messages, we organise an annual Halal, Integrity & Sustainability Month.

Formalising our culture of integrity, we developed an Anti-Bribery & Anti-Corruption Policy which was approved by the Board in December. Beyond the required Adequate Procedures, Duopharma Biotech is embarking on the ISO 37001 Anti-Bribery Management System certification to ensure world-class best practices are in place to prevent, detect and address bribery. The Board and Management are optimistic of obtaining the certification by December 2020.

CORRUPTION RISK ASSESSMENT

All directors, officers and employees are required to play their part in curbing bribery and corruption. Each business area within the Group has been tasked with assessing the risk of corruption while ensuring mitigation plans and internal controls are in place. Risks are to be rated according to severity and monitored accordingly. To enhance our organisational risk management capabilities, in April we conducted Corruption Risk Management ("CRM") training for managers and senior managers, at the end of which each department developed its own corruption risk register.

THIRD-PARTY ENGAGEMENT

Under our Anti-Bribery & Anti-Corruption Policy, the Group can only engage with third parties if there is a legitimate need for the goods or services they provide. Engagement of agents to facilitate payment of bribes on behalf of Duopharma Biotech is strictly prohibited. Our employees are tasked with ensuring all business partners that act on our behalf comply with the relevant regulations.

SUSTAINABILITY-LED BUSINESS COMMITMENT

NEW POLICIES

In addition to the Anti-Bribery and Anti-Corruption Policy, the following policies were approved in 2019:

| POLICY | DESCRIPTION | APPROVAL DATE |
|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Gift & Hospitality Policy | Gifts and hospitalities given or received must comply with our values, the Group's Anti-Bribery & Anti-Corruption Policies and all applicable laws, regulations and related policies. | May 2019 |
| Sponsorship Policy | Sponsorships received must comply with our values, policies and all applicable laws. | May 2019 |
| Declaration of Interest Policy | This serves to prevent any conflict of interest arising between any of our directors, officers or employees and the Group. | August 2019 |
| Integrity Pact Policy | The Integrity Pact developed by Transparency International commits us to create a business environment that is free from corruption in tandem with the Anti-Corruption Principles for Corporations. | August 2019 |
| Anti-Money Laundering and Counter Financing Terrorism Financing Policy | Duopharma Biotech will establish appropriate procedures to ensure compliance with the Anti-Money Laundering, Anti-Terrorism Financing Proceeds of Unlawful Activities Act 2001 ("AMLATFPUAA 2001") governed by Bank Negara Malaysia, and any other related international laws. | December 2019 |

The new policies have been communicated to all employees via email and site briefings. They have also been uploaded on our intranet for easy reference, in English and Bahasa Malaysia. Compliance with the policies will be monitored and reported to the AIC every quarter.

Meanwhile, an Investigation Procedure endorsed by the AIC was approved by the Group Managing Director in February 2019. The Investigation Procedure provides guidelines to ensure any investigation conducted by the Group is thorough, objective and effective, in accordance with the Malaysian Anti-Corruption Commission Act 2009, Whistleblower Protection Act 2010, Penal Code and other best practices.

WHISTLE-BLOWING

The Group's Whistle-Blowing Policy was approved by the Board on 28 November 2018, following which it has been made available on our intranet. As the mechanism for reporting suspected unethical behaviour has changed from when the Group was under Chemical Company of Malaysia Berhad ("CCMB"), all staff were briefed on our new whistle-blowing channels in the third and fourth quarters of 2019.

There are currently five Speak-Up-Pharma channels that stakeholders can use to address their concerns, i.e. e-mail, via our corporate website, designated phone lines, SMS and via written complaints lodged confidentially to the Head of Group Internal Audit & Integrity. Whistle-blowers can also opt to channel their concerns or complaints directly to the Board Audit & Integrity Committee Chairman. Preliminary evaluations of all reports will be completed

within seven working days. We also assure that all reports made via the hotline and associated investigatory records will remain confidential. Further, whistle-blowers will be protected from possible reprisals or victimisation provided they made their disclosure in good faith.

During the year, we received five reports through our whistle-blowing channels, but none of the cases constituted unethical behaviour. They were mainly to do with grievances and have been highlighted to the relevant personnel in charge of the matters.

PERFORMANCE

In 2019, no staff, management or director was subject to disciplinary action or dismissed due to corruption, bribery or fraud. There was also no record of any fine, penalty or settlement in relation to corruption charged to our company.

GOING FORWARD

Integrity programmes have been identified for inclusion in the Group's Organisational Integrity & Anti-Corruption Plan 2020-2023.

BUSINESS INNOVATION & MODEL

Our strategy for growth is to move up the value chain by continuing to invest in niche and high-value biotherapeutics while expanding our current product range. As part of this initiative, we have made strategic partnerships through which we are able to introduce new generic biotherapeutics and treatments in areas such as regenerative medicine.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Three milestones were achieved during the year:

Milestones

Launch of Erysaa



We had partnered with Korean PanGen Biotech to conduct joint Phase III clinical trials for an erythropoietin (“EPO”) which were completed in 2017. Following from the clinical trial, NPRA granted approval for first source registration for this product on 31 January 2019. Concurrently, the first biotherapeutics pre-filled syringe line for the EPO was installed. Upon successful registration of the product, *Erysaa* was launched in April 2019. In anticipation of increased demand for the therapy which treats kidney disease-related anaemia, we developed a second fill and finish line with a larger capacity in Klang, which obtained second-source registration approval from NPRA on 10 January 2020.

Commercialisation of HAPI



Development of the first Highly-Potent Active Pharmaceutical Ingredients (“HAPI”) plant was completed in 2018. The plant received Good Manufacturing Practice (“GMP”) certification on 21 August 2019, and is now producing Letrozole, a cancer treatment drug. Meanwhile, other key drugs are in the pipeline plan to be produced at the plant.

Stem Cell Project



SCM Lifescience Co, Ltd (“SCM Lifescience”), another Korean partner, passed the technical evaluation required for an initial public offering (“IPO”) and is expected to go for listing on KOSDAQ in 2020.

STRATEGY REVIEW

During the year, we also completed a comprehensive review of our Strategy and Business Plan, assessing our achievements against targets while analysing the potential of niche areas in lending us a competitive edge in Malaysia and ASEAN. Following the review, in December 2019, our Board approved a seven-year strategy document (2019-2025) outlining a roadmap to achieve RM1 billion in revenue by 2025. The strategy document outlines seven strategic pillars which include Accelerate Growth, Leadership in Halal, Lead in Innovation and People Development, thus covering all sections of the business.

Under the review, we identified digital healthcare technologies as one of our new focus areas. We are also collaborating with customers to integrate current drug supply with digital therapeutics applications to improve data management and demand forecast analysis. This application is a value add to customers in improving data management and helps in cost control. We hope to launch this platform over the next few years.

BUSINESS CONTINUITY MANAGEMENT (“BCM”)

BCM is a framework for identifying an organisation’s risk of exposure to internal and external threats. The objective is to enable effective response to threats such as natural disasters or breach of data to protect the organisation’s interests. BCM includes disaster recovery, business recovery, crisis management, incident management, emergency management and contingency planning. In 2019, we engaged a consultant to develop a BCM plan for Duopharma Biotech. The consultant is currently studying our systems and will work with our relevant stakeholders in 2020 to finalise a framework.

PRODUCT PORTFOLIO

We are driven to develop a diversified portfolio of products that meets the varied healthcare and well-being needs of Malaysians and our neighbours within the region. This includes everything

from Consumer Healthcare (“CHC”) products to ethical and specialty treatments including biotherapies and, soon, regenerative modalities. Our products cater to market needs, hence the current focus on cancer, diabetes and heart as well as kidney diseases.

CHC – CATERING TO EVERYDAY NEEDS

We have more than 70 CHC products, from supplements to pain killers, eye drops, skin care and antacids. Of these, Flavettes, Champs and Eye Glo are the brand leaders in their adults and children’s vitamins and eye care categories in Malaysia. This business has recorded strong growth in the last three years due to increased advertising & promotion spend as well as the launch of new products.

During the year, we launched a new Uphamol 1000mg Honey Lemon Effervescent powder for the relief of fever and pain related to colds and flu. We also introduced to the market Champs Vitamin C and Zinc Effervescent for children after soft launches in 2018.

ETHICAL CLASSICS – MANAGING MEDICAL AILMENTS

As at end 2019, we had 318 registered Ethical Classic products in seven main categories – Anti-Infectives, Alimentary Tract and Metabolism, Musculoskeletal, Respiratory, Central Nervous System, Sensory and Others. The aim is to introduce at least two new products a year. In 2019, we launched a Moxifloxacin generic, the first generic for the antibiotic to be locally manufactured.

ETHICAL SPECIALTY – COST EFFECTIVE TREATMENTS FOR ALL

Our Ethical Specialty Business is committed to providing better access to quality products especially biosimilars via our Diabetes Care, Cancer Care and Renal Care Franchises.

SUSTAINABILITY-LED BUSINESS COMMITMENT

We have a total of six biosimilars that provide more affordable solutions for the treatment and management of diabetes, cancer and renal anaemia. Two of these biosimilars were launched during the year: *Zuhera*, a trastuzumab for breast cancer; and *Erysaa*, an EPO alfa for renal anaemia. We also commercialised *Basalog One*, an insulin glargine for diabetes.

- *Basalog One* was listed in various private sector clinics and hospitals, and won two tenders from the Ministry of Education and Ministry of Health for two years until 2021.
- Since its launch on 14 February, *Zuhera* has been well accepted by healthcare professionals and patients, especially with its price advantage. It has captured 25% of the total intravenous trastuzumab market by volume.
- *Erysaa*, launched in April, is the sixth EPO to be marketed in Malaysia. Despite stiff competition by both short and long-acting EPOs, *Erysaa* has made good headway into the dialysis market with 17% of dialysis centres and hospitals prescribing it for their renal anaemia patients.

In order to address certain misconceptions regarding biosimilars, we invest in creating greater awareness of their benefits. Our biosimilars were featured in all the major events that Duopharma Biotech participated in throughout the year. We organised plant visits for healthcare professionals including nephrologists, and collaborated with the National Diabetes Institute (“NADI”) on workshops. We also organised events for healthcare professionals at which science-based evidence on the efficacy and safety of biosimilars were discussed. In addition, we collaborated with media companies on articles covering biosimilars.

ACCESS TO MEDICINES

As the biggest pharmaceutical manufacturer in Malaysia, and No.2 in term of sales, one of our priorities is to ensure our products are available and accessible to patients that need them.

Key channels used for the government sector include government hospitals, klinik kesihatan, dental

clinics and medical centres of public institutions of higher learning. This is done through participation in central tenders for the Approved Pharmaceutical Products List (“APPL”) and those issued by the MoH, as well as Local Purchase Orders (“LPO”). For APPL central tenders, we supply our products via the government-appointed logistics and distribution concession holder who has the responsibility to deliver to all 4,000 government healthcare facilities nationwide. For MoH direct tenders and LPOs, we distribute directly to some 500 relevant purchasing points.

Within the private sector, our key channels are private clinics, retail and independent pharmacies as well as private hospitals. These channels are served by our Sales team who visit our customers and take orders from them. As at 31 December 2019, our penetration rate within the private sector stood at 91%. To maintain our leadership position in the private market, we strive to maintain a penetration rate above 90% every year.

While we strive to promote our products as widely as possible, we are committed to ethical advertising and promotional activities, and adhere to all relevant rules and regulations, especially the Malaysian Organisation of Pharmaceutical Industries (“MOPI”) Code of Pharmaceutical Marketing Practices on Prescription (Ethical) Products.



COMPETITIVE PRICING

By virtue of being a generic pharmaceutical organisation, we offer products of the same quality, safety and efficacy as the originator but at competitive prices. Our inherent role is to ensure our customers and, ultimately, patients are able to access required medicines at competitive prices.

That we have succeeded in being price competitive is evidenced by our ability to secure a 60% win rate in all products tendered by the Government through the APPL as well as direct MoH tenders and Institutional tenders in the 2018/2019 tender cycle. This is further supported by our ability to maintain our pricing for the APPL tender, which was extended for 25 months from end 2019 to end 2021.

In the private sector, our pricing competitiveness is reflected in our target of maintaining our market share in the similar-molecule category at close to 40%.

CLINICAL STUDIES & PHARMACOVIGILANCE

Supporting our business growth, we have ventured into new biotherapeutic areas such as biologics and specialty drugs. Towards this end, it is important that we develop our capabilities in clinical studies and pharmacovigilance, which are required for the development, manufacture and marketing of more innovative therapies.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Following the clinical trials conducted with PanGen for *Erysaa*, we continue to support ongoing trials being conducted by our partner.

PHARMACOVIGILANCE

In 2014, we were the first pharmaceutical company in Malaysia to set up our own Pharmacovigilance Team. Since then, we have been building Group awareness of what pharmacovigilance entails via continuous training sessions targeting the different departments. Members of the Pharmacovigilance Team themselves are sent for training to further enhance their knowledge and skills.

In monitoring the performance of our products, we adhere to the Malaysian Pharmacovigilance Guidelines and comply with the requirements as stipulated under the Safety Data Exchange Agreements ("SDEA") with partner companies. As further assurance of the propriety of our pharmacovigilance processes and procedures, we take part in audits conducted by our business partners.

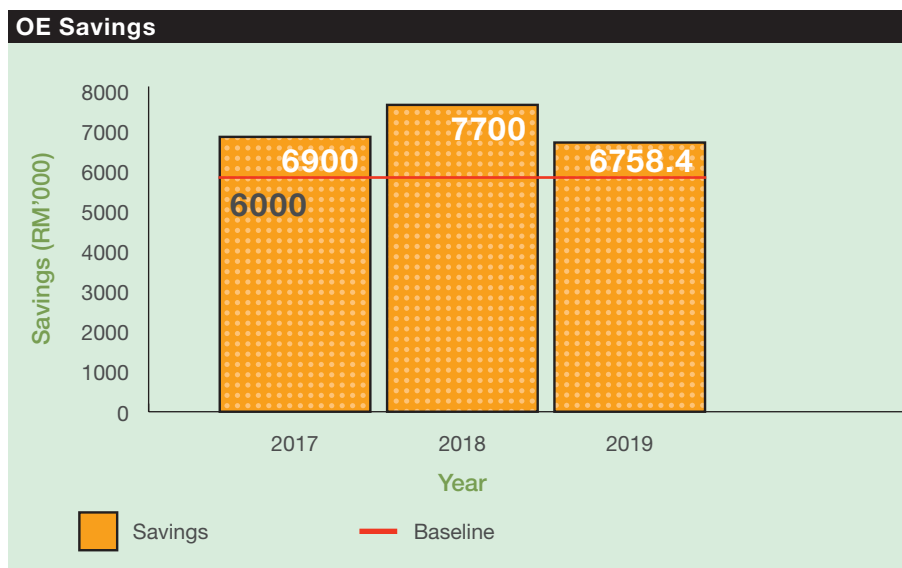
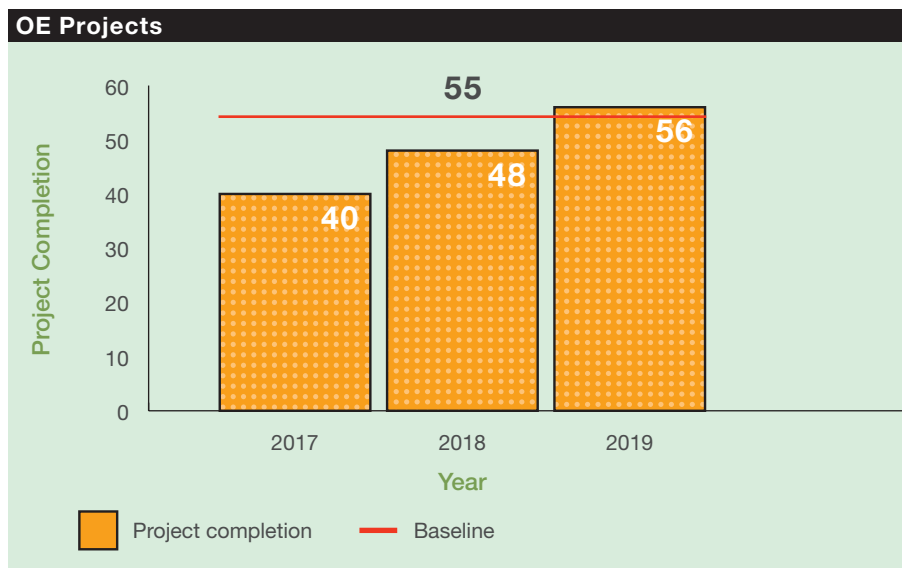
During the year, all valid cases received on negative effects of our products were reported to the regulatory authority and partner companies within the stipulated time frame. We were not fined or summoned for any irregularity in relation to our existing drugs, nor for clinical trials conducted in 2017 and 2018.

We seek to further enhance the pharmacovigilance ecosystem in the country by reaching out to more healthcare practitioners, while working closely with our peers and the regulatory authorities as well as other government agencies to promote awareness of its importance.

MANUFACTURING & SUPPLY CHAIN MANAGEMENT

We drive operational excellence through concerted focus on improving our systems and processes along our entire supply chain – from our manufacturing plants through our warehouses and logistics channels until our products reach our customers. Manufacturing and supply chain management is the responsibility of our Operational Excellence ("OE") department, which has spearheaded continuous improvement projects Group-wide encompassing Kaizen, LEAN and Six Sigma methods.

During the year 56 OE projects were completed, exceeding our target, and resulting in savings of RM6.76 million.



Two of the projects were especially noteworthy, gaining Band 5 (highest) and Band 4 (second highest) ranking at the Annual Productivity & Innovation Conference ("APIC") 2019 organised by Malaysia Productivity Corporation ("MPC").

The *Lead Time Reduction on Uphamol Suspension 250mg* project, which gained Band 5 ranking, used Lean methodology to improve packing efficiency by eliminating one step in the process and reducing the lead time from 38.58 hours to 20.08 hours. The second project, *Effervescent Project 2.0*, was a continuation of an effervescent

SUSTAINABILITY-LED BUSINESS COMMITMENT

project from 2018. The team found that adding one more staff at the granulation stage of production reduced the cycle time from 24 hours to 17 hours per batch, thus enhancing productivity from the average of 12 batches per month to 20 batches per month.

In 2020, OE will continue with the same activities as this year, but with greater focus on LEAN methodology. This is because LEAN is more straightforward, feasible and results-oriented, as proven by the award-winning Uphamol project.

PURCHASING PROCEDURE

Our purchasing procedure provides guidelines for departmental managers and employees to ensure efficient procurement that generates value for the Group. Savings from procurement have the potential to contribute significantly to our profitability.

Apart from written standard operating procedures ("SOP"), our Systems Applications and Products ("SAP") sets out purchasing approval limits for those authorised to procure for the Group. Departmental managers are allowed to approve low-cost purchases such as stationery and office supplies. For higher value purchases, approval is required from more senior management. There are two stages of control – at the Purchase Requisition ("PR") stage (User/Buyer level) and at the Purchase Order ("PO") processing stage. At each stage, approvals are aligned with Limits of Authority. For purchases over the agreed limit, or for equipment purchases that represent capital investments, users/buyers are required to obtain the Board's approval.

We also have guidelines for direct negotiations and requests for quotation or auctions, to secure competitive and reasonably priced goods and services. To facilitate the attainment of the best possible prices, our Purchasing department leverages e-auction/bidding. In 2019, 99 purchases worth a total of RM15 million went through e-auctions, achieving average savings of 14.98%.

NEW SOURCE EVALUATION

It is a challenge to secure the necessary approvals for new suppliers of raw materials in pharmaceutical manufacturing, as the process involves many chemical and technical evaluations by different departments.

Upon sourcing a potential supplier, the Purchasing Department has to obtain approval/clearance from the Halal Site Committee and Business Improvement team. Subsequently, chemical and physical quality control ("QC") sample tests are done, a pilot batch is manufactured with the support of Production and Engineering, a stability study is conducted and, finally, Quality Assurance approval has to be obtained. Following that, Regulatory Affairs submits a variation registration. If approved, we can finally issue commercial orders from our new alternate source.

Despite the challenges, it is important for us to constantly explore alternative suppliers to serve as back-ups should our existing suppliers fail to meet their obligations, as well as to obtain the most competitive prices. Towards this end, in 2019, we submitted the names of 111 suppliers for evaluation and obtained 111 new source approvals, meeting our targets of 100 submissions and 50 approvals for the year.

Alternate sources evaluated and approved in 2017, 2018 & 2019

| | No of Alternate Source Submitted for evaluation | | | No of Alternate Source approved for commercial use | | |
|----------|-------------------------------------------------|------|------|----------------------------------------------------|------|------|
| | Year | | | Year | | |
| Location | 2017 | 2018 | 2019 | 2017 | 2018 | 2019 |
| Klang | 60 | 62 | 42 | 18 | 43 | 61 |
| Bangi | 65 | 74 | 69 | 40 | 66 | 50 |

VENDOR MANAGEMENT

We engage with our vendors regularly in order to establish strong relationships with them. We also conduct a Vendor Performance Evaluation ("VPE"), through which we obtain feedback on any issues they may face in meeting their obligations. This provides us with insight on potential risks, which we can then manage more effectively.

VPE scores in 2017, 2018 & 2019

| Location | 2017 | 2018 | 2019 |
|----------|--------|--------|--------|
| Bangi | 98.71% | 98.90% | 98.70% |
| Klang | 98.66% | 97.69% | 98.45% |

We were pleased with our VPE scores for 2019, which met our target of 98%.

ON TIME IN FULL

The completeness of delivery to customers is measured by the On Time in Full ("OTIF") index, which measures the number of orders that are sent out from our warehouse, in quantities required, within 24 hours upon their placement.

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Reports on pending orders are generated daily and shared during morning briefings among warehouse staff. Monthly OTIF reports, meanwhile, are shared with the sales team and warehouse supervisors to update them on delivery performance. In general, since implementing our Warehouse Management System (“WMS”) in January 2018, daily operational activity has become smoother and more organised.

Based on their previous performance, the 2019 OTIF target for Bangi warehouse was 97% and for Klang it was 99%. Both warehouses achieved an average OTIF of 98.1%. The Klang warehouse did not achieve its 99% OTIF target mainly due to external factors such as failure of third-party transporters to deliver goods within the required timeline.

Our aim is to achieve a consistent OTIF of 100%. Towards this end, we will continue to closely monitor incomplete orders and optimise the WMS in performing daily operations.

VOICE OF CUSTOMERS

Voice of Customers (“VOC”) indicates customers’ satisfaction with products and services provided by Duopharma Biotech. The survey is conducted on customers from various channels including CHC, Ethical Classic and Ethical Speciality across the public and private domains, and exports. It covers four major sections: products, people, processes and halal awareness. The questions are distributed to sales managers for them to cascade down to their sales representatives via WhatsApp.

In 2019, we attracted an overwhelming response to the survey, with 2,116 respondents against a target of 2,015. Our target itself was 12% higher than the target of 1,800 respondents set for 2018.

| | 2019 | | 2018 | | 2017 | |
|------------------|--------|--------|--------|--------|--------|--------|
| | Target | Actual | Target | Actual | Target | Actual |
| Ethical | 1,200 | 1,219 | 1,100 | 1,112 | 1,200 | 774 |
| CHC | 350 | 390 | 300 | 319 | 300 | 380 |
| Government | 220 | 225 | 200 | 219 | 200 | 72 |
| Specialty | 130 | 138 | 100 | 154 | 100 | 80 |
| Private Hospital | 100 | 124 | 100 | 70 | 100 | 53 |
| Export | 15 | 20 | NA | 12 | 3 | 3 |
| TOTAL | 2,015 | 2,116 | 1,800 | 1,886 | 1,903 | 1,362 |

We aim to further increase the number of respondents to the survey in 2020, and to cover a wider range of customers from different backgrounds.

CUSTOMER RETURNS ANALYSIS

Products sent to customers may be returned for a number of reasons, including nearness to the expiry date. A returns analysis is conducted and shared with sales managers every two months during our sales and operational (“S&OP”) meetings. As the reason for stocks being returned is always recorded, sales managers are able to identify corrective actions to reduce the rejection rate.

Percentage of returns against target in 2019

| | KPI | Actual |
|------------------|------|--------|
| CHC | < 5% | 3.98% |
| Ethical Business | < 1% | 0.56% |

We met our targets for both CHC and Ethical products in 2019.

SUSTAINABILITY-LED BUSINESS COMMITMENT

RESEARCH & DEVELOPMENT

R&D is critical as we seek to expand our portfolio of products with greater focus on higher-value therapies. We depend to a large extent on the R&D capabilities of our business partners in introducing better, more effective treatments. However, we also conduct our own R&D at Duopharma Innovation Sdn Bhd, which develops new products in line with the Group's mission and vision for growth.

A New Product Pipeline Committee, represented by cross-functional departments, evaluates and identifies new products according to patents, our manufacturing capabilities and focus markets. The committee ensures all new products adhere to relevant regulatory standards such as PIC/S and the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("ICH"). The new products are registered in Malaysia and identified regional countries, and manufactured at GMP-compliant plants.

To enhance our new product capabilities, we have incorporated Quality by Design ("QbD") into our development standard procedures and are growing the QbD knowledge of our R&D team. Our R&D team takes the lead in technology transfer at our manufacturing sites. It also prepares all the relevant documents for product registration for both the domestic and export markets. In addition, we carry out in-licensing and out-sourcing activities to increase our capacity in new product development.

During the year, four new CHC products and five new Ethical products were submitted to NPRA for registration.

Moving forward, we will explore advanced technologies and new dosage forms or combinations while further developing our QbD knowledge. We also seek to close identified gaps for regional registration requirements; identify more partners or contract research organisations for out-sourcing and in-licensing; while improving our technology transfer procedures to ensure smoother and more successful "right first time" production in plants.



FOCUS ON CANCER

Cancer is the fourth most common cause of death in Malaysia with approximately 37,000 cases reported every year. At the World Cancer Congress 2018, it was said to be responsible for 12.6% of all deaths in government hospitals and 26.7% in private hospitals in the country.

To reduce Malaysia's dependence on imported cancer drugs, we have established a Highly-Potent Active Pharmaceutical Ingredients ("HAPI") plant to produce small-molecule drug products. This dedicated facility, equipped with manufacturing technology that minimises potential hazard exposure to operators and cross-contamination between products, has been GMP certified and is now manufacturing one cancer drug, Letrozole, with production of another starting in 2020.

In setting up the HAPI plant, we have seen a significant amount of technology transfer from our Indian partner, Natco Pharma Ltd

("Natco"). We have also undergone a number of quality control tests to ensure the products manufactured are safe, efficacious and of quality. Pilot and trial batches for Letrozole were conducted with guidance and oversight from Natco leading to the successful transfer of technology to our technical and production team. Currently, validation batches are being analysed and commercial production is expected to commence in April 2020.

HALAL COMMITMENT

The global halal industry is rapidly growing as more and more Muslims seek products they can consume, safe in the knowledge these meet the requirements of their religion in addition to being efficacious. Malaysia seeks to be at the forefront of this growth, and has outlined a Halal Industry Master Plan to firmly establish the country's credentials as a leader in this segment.

Duopharma Biotech has been supporting the local Halal Agenda and has been an active participant in the development of a robust



SUSTAINABILITY-LED BUSINESS COMMITMENT

halal pharmaceutical ecosystem through various initiatives. We were integral to the Working Group that developed the world's first halal standard, Malaysian Standard ("MS") 2424, Halal Pharmaceuticals – General Requirements; and contributed to its revision, which was approved in mid-2019, which now incorporates requirements on the production of halal vaccines and biologicals.

We continue to participate in Malaysian Standards Development Committees on the development of Malaysian Standards on halal pharmaceuticals and medical devices, in particular the following committees:

- Technical Committee on Halal Pharmaceuticals
- Working Group on Halal Pharmaceuticals
- Working Group on Halal Medical Devices

We were also part of a workshop organised by the Halal Industry Development Corporation on 21 February 2019 to gather input from relevant stakeholders in crafting the Halal Industry Master Plan ("HIMP") 2030.

BUILDING INTERNAL CAPACITY

Our Halal and Government Relations Department organises at least three awareness and training sessions a year to keep employees updated on the halal ecosystem in Malaysia. The following programmes were carried out in 2019:

- Board of Directors & Senior Management Training
Eleven directors and senior management attended the training which provided updates on the Malaysia Halal Certification Governance Structure, Halal Certification Manual Procedure & Halal Assurance System Guidelines, and the Halal Professional Board. The sessions received 81% favourable feedback.

- Celik Halal Train-the-Trainer
Four sessions were held, attracting the participation of 109 employees from the Events & Promotion team, Outsourced team, Ethical Classic Sales Team, Sales and Marketing, R&D, QA/QC, Regulatory Affairs, Risk Management and Project Management, among others. The sessions received 94% overall favourable feedback.

- Halal, Integrity & Sustainability ("HIS") Month
More than 1,000 employees participated in various activities organised from 11 November to 5 December, including a forum, UN Sustainable Development Goals ("SGDs") project, waste cooking oil collection, and visit to Nestle (M) Berhad. The launch session received 83% favourable feedback.

A separate programme was organised for our vendors, which included a talk on current developments related to Halal Malaysia Certification and also administration of medicines from Islamic perspectives. A total of 31 vendors from 21 companies and 20 internal staff attended the programme. The vendors represented logistics providers, wholesale chemicals distributors, suppliers of industrial and medical products, and healthcare laboratory solutions providers, among others. The session received 81% favourable feedback.

ENTREPRENEUR DEVELOPMENT

Externally, we are strengthening our halal pharmaceutical value chain by training community pharmacists in financial, human resources, digital marketing and other skills to improve their business under the Duopharma Biotech Halal Pharmapreneur programme. Launched in 2017, this programme taps into the Skim Peningkatan Produktiviti Enterprise grant offered by MPC for small and medium-sized enterprises ("SMEs").

Ten retail pharmacies took part in the programme in 2019, bringing the total number of participants since 2017 to 29. We have been very encouraged by the extremely positive response to the programme.

Six-month training for the SMEs is provided by the Centre of Entrepreneur Development and Research ("CEDAR") in the following topics:

- Marketing and branding
- Sales force management
- Muslim-centric customer service
- Pharmacy retail business operations and inventory control
- Financial management
- Managing people
- Kaizen-5S

Our direct intervention was organising a Halal Pharmaceutical Workshop for the participants on 16-17 November. One of the experts speaking at the workshop was the Terengganu Mufti, who gave a talk on *Maqasid Shariah dan Peranan Fatwa Dalam Industri Halal*. The workshop received 99% favourable feedback.

SUSTAINABILITY-LED BUSINESS COMMITMENT

ESTABLISHING HALAL LEADERSHIP

Other than to nurture halal “pharmapreneurs”, we are establishing our leadership in the halal pharmaceutical space through a number of initiatives.

- **R&D Collaboration with UKM**
We collaborated with Universiti Kebangsaan Malaysia (“UKM”) on four R&D projects, namely:
 - Public knowledge and attitude towards halal pharmaceuticals
 - Contents marketing: theory & practice
 - Medication guidelines for the month of Ramadhan
 - Rapid discrimination of halal and non-halal excipients (inactive substances) in pharmaceuticals

The projects have been completed and reports on their findings will be presented by UKM at the Halal Pharmaceutical Symposium in February 2020.

- **Digital Outreach**
Our Consumer Healthcare Business and Halal and Government Relations Department reached out to Malaysian consumers through a five-month awareness campaign, from 25 April to 30 September. Targeted primarily at Muslims aged 35 years and above, the campaign directed those interested in knowing more about halal pharmaceuticals to our digital platform, halal4pharma.com.
- **Branding and Communication**
Branding and communication initiatives were carried out throughout the year on national and international platforms such as Konvensyen Halal Farmaseutikal Kebangsaan Kelantan, Global Halal Summit 2019, and World Halal Conference 2019.

During the year, we produced communication materials to enhance public knowledge on halal pharmaceuticals. We printed a booklet, called *Beyond Quality Assurance*, which has been distributed to government hospitals and clinics in Pahang, Terengganu, Kelantan, Negeri Sembilan, Johor, Melaka, Wilayah Persekutuan and Selangor.

Through such programmes, awareness of our halal initiatives earned an estimated public relations (“PR”) and advertising value of RM1.7 million.

PARTICIPATION IN HALAL THOUGHT LEADERSHIP PLATFORMS

Duopharma Biotech’s continuous support as a halal pharmaceutical thought and market leader in international platforms was underlined by our participation in the following events held in Kuala Lumpur in 2019:

- Global Halal Pharmaceutical Symposium Summit (“GHaS”), organised by JAKIM from 1-6 April
- World Halal Conference, hosted by the Ministry of Economic Affairs and organised by Halal Industry Development Corporation (“HDC”) on 3-4 April
- The 16th Malaysia International Halal Showcase (“MIHAS”), hosted by the Ministry of International Trade and Industry and organised by the Malaysia External Trade and Development Corporation (“MATRADE”) on 3-6 April
- 8th Edition of Halal Fiesta Malaysia Expo, from 4-8 September
- Selangor International Business Summit for 3rd Selangor ASEAN Business Conference on 10-11 October

In addition, we were part of a Malaysian delegation under the Prime Minister’s Office to the Sarajevo Business Forum held in Sarajevo, Bosnia-Herzegovina, from 17 to 19 April 2019. We also sponsored the State of the Global Islamic Economy Report 2019/2020, developed and produced by DinarStandard, and submitted a proposal to the Standards and Metrology Institute For The Islamic Countries (“SMIIC”) to hold a dedicated Halal Pharmaceutical programme during the 5th World Halal Summit, Istanbul 2019. Although SMIIC did not accept the proposal, the organisation is considering a stand-alone session at some point in 2020.

Locally, Duopharma Biotech was invited as a speaker/panellist for the following halal-related events. For some of these, we were also a strategic partner or sponsor.

| Date | Event | Additional Contribution |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 19 Jan | Hyper-Interdisciplinary Conference, Kuala Lumpur | |
| 14 Feb | Seminar Halal Farmaseutikal under Program Hospital Ibadah Mesra Ibadah Negeri Selangor 2019 | |
| 2 Mar | 10 th Penang International Halal Conference in conjunction with Penang International halal Exposition and Conference (“PIHEC”) | Strategic Partner |
| 1 Apr | 10 th Halal Certification Bodies Convention in conjunction with GHaS | Silver Sponsor |
| 3-4 Apr | World Halal Conference | Strategic Partner |
| 2-4 July | Konvensyen Halal Farmaseutikal Kebangsaan, Kota Bharu, Kelantan | Platinum Sponsor |
| 18 Sep | Awareness Seminar for MS 2424, organised by the Department of Standards Malaysia | |
| 10 Oct | Selangor International Halal Conference, organised by Halal International Selangor and Jabatan Agama Islam Selangor (“JAIS”) | |
| 11 Oct | 3 rd Selangor ASEAN Business Conference, organised by Invest Selangor Berhad | |

SUSTAINABILITY-LED BUSINESS COMMITMENT

In addition, we participated in and/or sponsored the following halal platforms to further establish our leadership in the halal market:

- Sponsored Majlis Tilawah dan Menghafaz Al-Quran Peringkat Antarabangsa Ke-61 Tahun 1440H/2019M from 15-20 April
- Booth participation at the Program Pameran Kesihatan Sempena Jelajah Jom Kenal Ubat Negeri Johor 2019, 27-28 July at AEON Mall Kulai, Johor
- Halal Malaysia 2019 – Sabah, 19-22 August, Kota Kinabalu, Sabah, where we were a strategic partner for HDC Halal Youth Program and World Halal Conference 2020 Brainstorming session
- Booth participation at the 8th Edition of Halal Fiesta Malaysia Expo (Halfest Jakim 2019), on 4-8 September, Mines Exhibition Centre, Kuala Lumpur
- Sponsored National Scientific Seminar in Pharmacy and Health Sciences 2019, organised by University Kuala Lumpur, Royal College of Medicine Perak, 7 September
- Booth participation at the 5th Selangor International Expo in conjunction with the Selangor International Summit 2019, Kuala Lumpur, 10-13 October

HALAL INDUSTRY STAKEHOLDER ENGAGEMENT

We seek to enhance understanding of the development and production of halal pharmaceuticals especially among government bodies, foreign dignitaries and students. Towards this end, we welcome visitors to our plants.

Visitors in 2019

| Date | Visitors |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 29 March | Malaysia Bosnia Trade Cooperation Association, led by H.E. Emir Hadzikadunic, Ambassador of Bosnia and Herzegovina in Kuala Lumpur |
| 14 June | Students from Sekolah Berasrama Penuh Integrasi and International Schools in Japan, Indonesia, Vietnam and the Philippines under the Fully Residential School International Symposium ("FRSIS") 2019 |
| 28 June | Negeri Sembilan Mufti, S.S. Datuk Hj Mohd Yusof Bin Hj Ahmad, and members of the Jawatankuasa Fatwa Negeri Sembilan |
| 30 June | Islamic Development Bank |
| 1 July | Reverse Linkage Department, Islamic Development Bank ("IsDB"), Jeddah, and representatives from Malaysia External Trade Development Corporation ("MATRADE") |
| 10 July | PICOMS International University College |
| 17 July | Delegation from Ministry of Health, Bangladesh |
| 24 September | Ramsay Sime Darby Healthcare (Subang Jaya Medical Center), Ara Damansara and Park City Medical Centre |
| 27 September | Terengganu Mufti, S.S. Dato' Dr Haji Zulkifly Bin Haji Muda, and officers from the Mufti's office |
| 9 October | Representatives of the Cooperative Republic of Guyana ("COG") and Republic of Suriname ("ROS") |
| 31 October | Al Hidayah Group and Dr Muhammad Ado Jimada Gana from Nigeria |

We also paid courtesy calls to the following religious authorities, during which we presented a brief on our halal initiatives and discussed issues related to halal pharmaceuticals:

- 24 February – Mufti Pahang
- 11 March – Mufti Melaka
- 9 April – Mufti Terengganu
- 19 April – Mufti Negeri Sembilan
- 29 August – Deputy Directory General (Policy) Department of Islamic Development Malaysia (JAKIM)

AWARDS

Our contributions to the development of the halal pharmaceutical sector has led to several awards. In 2019 itself, we were the recipient of the Halal Excellence Award for the Halal Brand category at the World Halal Conference held in Kuala Lumpur, and were named Malaysia Halal Pharmaceutical Company of the Year 2019 at the Frost & Sullivan Asia-Pacific Best Practices Awards held in Singapore.

OUR WORKFORCE & COMMUNITY



“We reinforce our social citizenry through actions that enhance our employees’ well-being and that serve to bridge existing gaps within the community. We place great emphasis on our employees’ safety while also providing ample opportunity for their professional development. With our employees as volunteers, we identify needs in local communities and contribute both financially as well as in terms of time and physical effort to improve lives.”

OUR WORKFORCE & COMMUNITY

SAFETY: ALWAYS A PRIORITY

The safety of our people, contractors and visitors is given top priority. To ensure a safe work environment, we have in place an occupational health and safety ("OHS") framework which includes an OHS Policy that supports our safety targets and objectives. Adhering to our OHS policy, we comply with all relevant statutory laws and regulations in Malaysia, including the Occupational Safety and Health Act ("OSHA") 1994 and Factories and Machinery Act ("FMA") 1967.

Among others, our Safety & Health Policy commits Duopharma Biotech to:

- Provide a safe and healthy work environment
- Ensure all plants, equipment, substances and processes have relevant operating procedures for safe operations, maintenance and use
- Anticipate, recognise and evaluate safety and health risk factors; and implement appropriate measures to eliminate, control or minimise such risks
- Require all employees to exercise personal responsibility for their own safety and that of others

To read the policy in full, refer to the Policy and Procedure section of our corporate website at www.duopharmabiotech.com.

Our goal is for every site within Duopharma Biotech to be safe, and to consistently achieve zero lost time incident ("LTI") and a total recordable cumulative frequency ("TRCF") of 1.28 or less. TRCF is also linked to our senior management's key performance indicators ("KPIs").

SAFETY ORGANISATIONAL STRUCTURE

We believe safety is everyone's responsibility, and have developed an organisational structure that involves all employees in maintaining a safe work environment.

Our Safety, Health and Environment ("SHE") Department is entrusted with identifying, assessing, reviewing and monitoring all existing OHS hazards and controls. The department reports to the Group Management Committee ("GMC") monthly, and to the Board Risk Management and Sustainability Committee ("RMSC") quarterly. Together, the GMC and RMSC oversee and review

all SHE-related indicators.

Under the SHE Department are SHE Committees at all operations sites. These committees, comprising employees and management representatives from the different departments, meet every quarter.

Their role is to:

- Conduct workplace inspections and propose ways to improve workplace safety
- Get involved in SHE awareness programmes
- Be part of site Emergency Response Team during identified emergencies
- Be part of investigating teams in SHE related incidents

IDENTIFICATION OF HAZARDS & RISKS

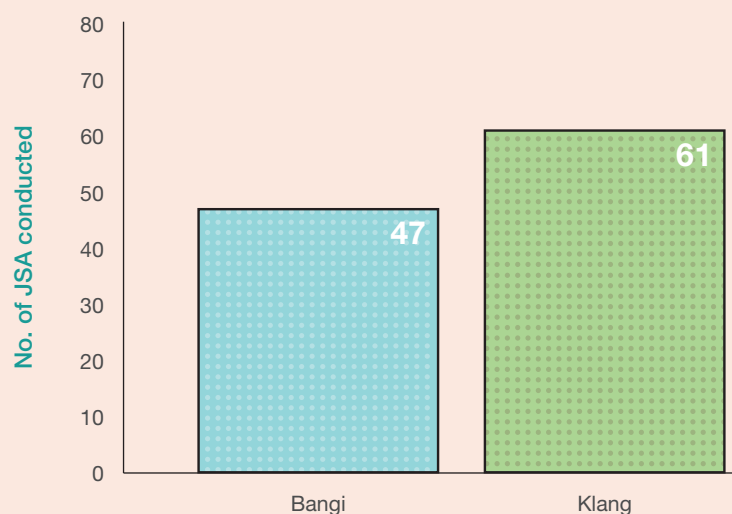
The process of identifying work-related hazards and risks is necessarily ongoing. Risks identified by the SHE team are assessed and rated according to the

OUR WORKFORCE & COMMUNITY

probability of their occurring and the severity of their impact on the Group. Reviews of existing controls are conducted by the SHE Department in collaboration with other departments such as Engineering and Administration. Additional controls are implemented if needed.

In 2019, SHE teams conducted Job Safety Analysis (JSA) at our manufacturing sites in Bangi and Klang.

Job Safety Analysis (JSA)



month held from 11 November to 5 December 2019 featured the following activities:

- Use of fire extinguishers
- Blood donation campaign
- Organ donation pledge
- Stop Smoking programme



REPORTING UNSAFE INCIDENTS

Employees are encouraged to be vigilant and to report any observed unsafe incident or condition via Unsafe Condition Unsafe Act ("UCUACT") forms. They can also notify area SHE Committee members if they have any OHS concerns.

All work-related OHS incidents have to be reported to the SHE team within 24 hours, following which the team will investigate and produce an OHS incident notification which is circulated to the relevant parties. Upon the completion of full investigations, SHE will propose corrective and preventive actions to avoid future recurrence of the incident.

EMERGENCY PREPAREDNESS AND RESPONSE

Each site has its own Emergency Response Team ("ERT"). Potential emergencies have been identified and ERT members have been trained on how to respond in such cases, as well as to seek additional resources to manage and control the situation if required. We test our emergency incident response capabilities yearly.

AWARENESS PROGRAMMES

SHE Department conducts regular briefing sessions for all operations employees. During these sessions, safety officers reinforce the importance of adhering to all set procedures in order to keep safe. They also discuss any safety concerns that employees may have and share OSH-related updates.

In addition, an SHE week/month is held every year during which various activities are organised to increase SHE awareness. The Halal, Integrity and Sustainability ("HIS")

CONTRACTOR MANAGEMENT

To ensure the safety of our contractors, we require them to go through SHE induction before starting work at any of our sites. Frequent checks and inspections are carried out to ensure compliance at all times.

OUR WORKFORCE & COMMUNITY

OHS PERFORMANCE

| | 2017 | 2018 | 2019 |
|----------------------------------------|------|------|------|
| LTI | 6 | 5 | 6 |
| TRCF (incidents per million man-hours) | 1.85 | 1.14 | 1.58 |
| Recordable incidents | 7 | 5 | 8 |
| Penalty by authorities | 0 | 0 | 1 |

In 2019, we saw a reduction in number of finger injuries. At the same time, there were more OHS incidents, especially falls. SHE Department has conducted extensive investigation into the incidents and remedial actions are being taken to prevent their recurrence. The penalty in 2019 was due to administrative misunderstanding on the time period provided by the Department of Environment (“DOE”) to declare completion of pollution control equipment. The declaration was made after the legal time limit.

LEARNING & DEVELOPMENT

We believe in providing continuous learning and development opportunities to our employees because increased competencies lead to better performance and productivity, while also enhancing job satisfaction.

The Training section within our Human Resources (“HR”) Department is tasked with identifying gaps in competencies and organising relevant programmes to equip our employees with the skills and knowledge required for them to excel in their roles. While most training programmes are held in-house, employees are also encouraged to attend external programmes, in line with their individual development plans. These plans are discussed with their superiors during the annual appraisals. In certain instances, employees are sent for training or attachment overseas.

Training Calendars are prepared every year and shared with employees. E-mails are sent to superiors requesting for nominations of employees to attend the programmes. To facilitate the process of signing up and storing accurate data on employee training, we introduced e-training in October 2019 for supervisors onwards.

NEW COMPETENCY MODEL

During the year, we established a Competency Model which defines the competencies required for different employee categories as well as the interventions needed to develop these competencies at progressively higher levels. The model, which focuses on the pillars of Thinking, Self-Managing, Influencing and Achieving, has been incorporated into our Talent Management, Succession Planning & Learning and Development frameworks. It will also be integrated into our recruitment and performance management processes in the near future.

TALENT MANAGEMENT & SUCCESSION PLANNING

HR has embarked on a programme to identify high-potential talents via assessment of their aptitude, behaviours, competencies and emotional quotient (“EQ”). These talents will then be prepared for future leadership roles within the Group through appropriate training and other interventions.



OUR WORKFORCE & COMMUNITY

TRAINING STATISTICS

Every year since 2017, we have exceeded our targeted training hours across all categories of employees, with the total number of training hours as well as average number of training hours per employee steadily increasing. In 2019, 82.82% of our training budget was utilised amounting to RM1.04 million. This was equivalent to an average of RM798.92 per employee. Our training budget allocation remains constant, and we do not set targets on training expenditure as training needs differ from year to year. Our goal is to meet our organisational and individual full-time employees' training needs.

| 2019 | | | | |
|---------------------------------------|--------------|--------------------------|---------------------------------------|------------------------------------|
| Category | No. of staff | Total No. Training Hours | Total No. Training Hours per Employee | Training Hours Target per employee |
| Senior Execs to Top Management | 248 | 12,414 | 50.06 | 32 |
| Supervisors, Technicians & Executives | 389 | 18,643.35 | 47.93 | 16 |
| Clerical & Manufacturing Employees | 664 | 9,156.25 | 13.79 | 8 |
| Total | 1,301 | 40,213.60 | 30.91 | |

| 2018 | | | | |
|---------------------------------------|--------------|--------------------------|---------------------------------------|------------------------------------|
| Category | No. of staff | Total No. Training Hours | Total No. Training Hours per Employee | Training Hours Target per employee |
| Senior Execs to Top Management | 228 | 13,140.25 | 57.63 | 32 |
| Supervisors, Technicians & Executives | 345 | 11,690.25 | 33.88 | 16 |
| Clerical & Manufacturing Employees | 625 | 8,545.5 | 13.67 | 8 |
| Total | 1,198 | 33,376 | 27.86 | |

| 2017 | | | | |
|---------------------------------------|--------------|--------------------------|---------------------------------------|------------------------------------|
| Category | No. of staff | Total No. Training Hours | Total No. Training Hours per Employee | Training Hours Target per employee |
| Senior Execs to Top Management | 173 | 6,326.5 | 36.57 | 32 |
| Supervisors, Technicians & Executives | 295 | 7,499.45 | 25.42 | 16 |
| Clerical & Manufacturing Employees | 640 | 7,096.85 | 11.09 | 8 |
| Total | 1,108 | 20,922.8 | 18.89 | |

| | 2017 | 2018 | 2019 |
|---------------------------------------------|--------|--------|--------|
| Total number of training hours | 20,923 | 33,376 | 40,214 |
| Total number of training hours per employee | 19 | 28 | 31 |

LEARNING & DEVELOPMENT FRAMEWORK

In 2019, we reviewed and updated our Learning & Development Framework to be in line with our Competency Model and the development needs of our employees. To be implemented in 2020, the new framework encompasses five modules:

- On-Boarding: Specifically designed for new recruits, this module aims to acclimatise them to Duopharma Biotech culture.
- Core Learning: Compulsory soft skills needed for all employees to develop their ability to work effectively and harmoniously.
- Professional Learning: Foundation and technical courses that enable employees to carry out their roles effectively.
- Leadership Learning: Applicable to supervisors onwards to sharpen their management & leadership skills.
- Talent Development: To develop identified talents for higher roles.

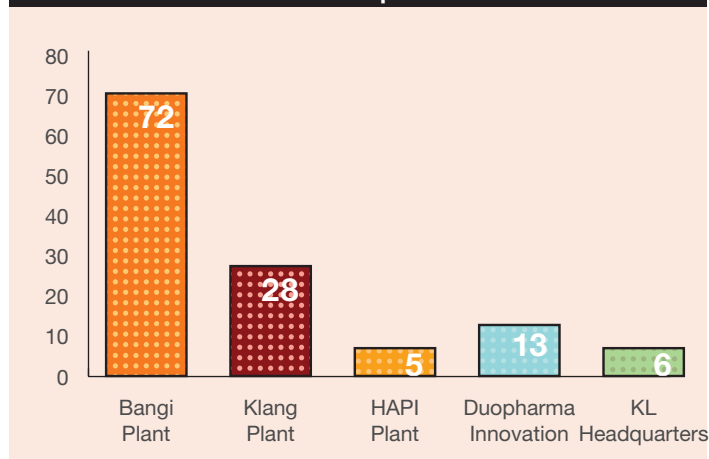
OUR WORKFORCE & COMMUNITY

TALENT RECRUITMENT & RETENTION

In view of Duopharma Biotech's continuous growth and expansion, we are always on the look-out for fresh talents while developing internal talents to be able to assume positions of higher responsibility.

In 2019, we recruited a total of 124 employees at the supervisory to management levels based on their experience, skills, abilities and cultural fit. To widen our pool for new talents, we place advertisements online while also welcoming write-in applications and employee referrals.

No. of new talent at different premises



The year also saw us roll out our Graduate Trainee Programme called ProGrad. A total of eight young talents were recruited to be groomed for bigger roles in the future.

Duopharma Biotech is one of the most sought-after employers, as proven by the Group winning HR Asia's Award for Best Company to Work For in Asia for four consecutive years. We are also regularly listed among the Top Most Attractive Employee Brands by Graduates' Choice Award.

EMPLOYEE ENGAGEMENT

We believe it is important for our employees to feel engaged as it increases their sense of belonging while encouraging greater ownership of roles and responsibilities. Towards this end, we communicate important corporate news to all employees regularly while also organising events during which the management team engages directly with employees. In addition, employees get to connect with each other and with the community through various internal and external programmes.

In order to gauge how effective our efforts are, we conduct an Employee Engagement Survey every year, through which we obtain valuable feedback on how we are performing and what we can do to further improve in terms of delivering on promises to our employees.

Engagement Activities in 2019

| Event | Date |
|----------------------------------------------|--------------------------------------------------------------------------|
| Majlis Berbuka Puasa | 28 & 30 May |
| Annual Dinner | 7 Dec |
| Townhalls | 20 Feb 22 Mar 23 Sept 9 Dec |
| Long-service Awards | 22 Nov |
| Merdeka Appreciation & Celebration | 27 – 29 Aug |
| Retirement Plan Talk | 8, 9, 13 May |
| Skincare Class & Retirement Scheme Awareness | 25 & 31 July |
| Free Eye Examination | 25 & 26 Sept |
| Appreciation Lunch with Performers | 26 June |
| Merchant product sales | 29 – 31 May 26 & 27 Aug 25 & 26 Sept 26 & 27 Nov 26 & 27 Dec |
| Inheritance & Will Talk | 26 & 27 Nov |
| Trees for Tomorrow | 29 June |

OUR WORKFORCE & COMMUNITY

Kelab Sukan Duopharma Biotech (“KSDB”) Activities in 2019

| Description |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Each site organises its own Majlis Berbuka Puasa yearly, inviting children from orphanages, Management and our Directors. |
| The Kelab Sukan Annual Dinner is an evening of fun and camaraderie for employees across the Group. In 2019, the dinner was held at One World Hotel, themed Movie Night. |
| Quarterly Townhall sessions are held at all sites for the Group Management Committee to share updates on the Group’s performance, and open the floor for questions & answers. |
| This year, we feted 92 employees who had served the Group more than 10 years, at a dinner held at Concorde Hotel Shah Alam. Four employees received the Gold Medallion in recognition of their dedication and loyalty for 20 years or more. |
| We celebrated the country’s independence with a Merdeka Decoration Contest. |
| We organised a Retirement Plan Talk by a Private Pension Administrator (“PPA”) and the Employees Provident Fund (“EPF”). CIMB Principal, Kenanga Investors, AIA, Public Mutual, Pelaburan Hartanah Berhad, RHB Asset Management Berhad and AmlInvest set up booths to explain how their products can help with retirement financial planning. |
| Free Skin Check & Personal Care Workshops by Mary Kay were conducted at all sites. In addition, AIA, Kenanga Investors, Yakult, Vitagen and Beryl’s set up booths promoting their retirement and wellness products. |
| Free eye examinations were conducted by Arith Optometry at the Bangi and Klang plants. Booths were set up by Beryls, Kellogs & Pringles, and Public Mutual Retirement Scheme. |
| We organised an Appreciation Lunch at Pullman Kuala Lumpur, attended by our Chairman, Board of Directors, Group Management Committee and top performing employees. |
| Merchants such as Christy Ng, Yakult, Farm Fresh, Vitagen, Beryls promoted their products by giving discounts to employees. |
| RHB Trustee Berhad gave talks on Inheritance & Wills at our Bangi and Klang operations. |
| Our Sports Club organised a tree planting initiative at the Forest Research Institute Malaysia (“FRIM”), which attracted the participation of 40 employees. |

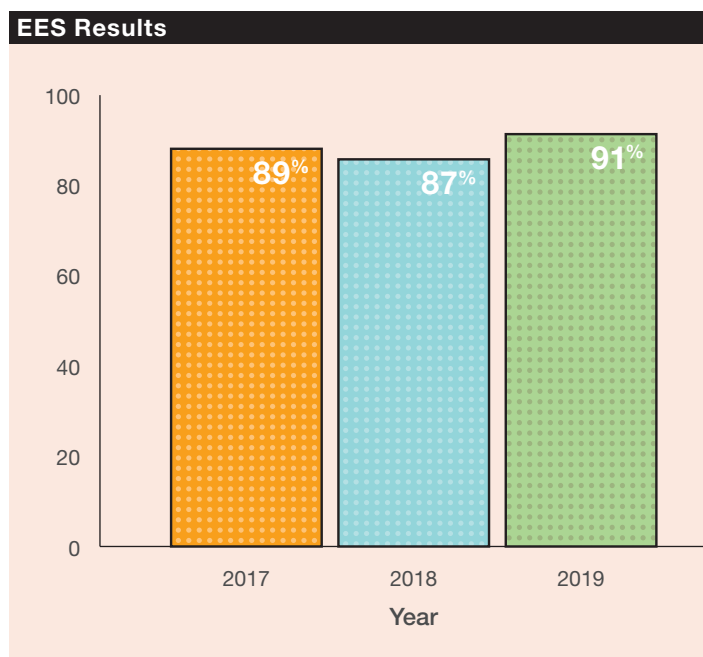
| EVENT | DATE | DESCRIPTION |
|--------------------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Hiking 1.0 @ Lata Medang | 16 Mar | 80 KSDB members went on a hike to Lata Medang waterfall, Kuala Kubu Baru, Selangor. |
| Fishing Competition | 20 Apr | This annual event was held at Kolam Pancing Sea Lion, Port Klang, involving 80 participants from all three subsidiaries. |
| Biggest Loser Challenge | 04 Apr – 25 Jun | The initiative seeks to help staff adopt a healthier lifestyle, offering cash prizes to those who lose the most weight. |
| Hi-Tea & Education Excellence Award | 06 Jul | Group Managing Director Leonard Ariff Abdul Shatar presented the Educational Excellence Award to 12 children of KSDB members who performed well in the UPSR, PT3 and SPM in 2018. The event was held at Sunway Hotel. |
| E-games & Indoor Sports Carnival | 13 Jul | Participants at the carnival, held at Duopharma Manufacturing (Bangi) Sdn Bhd, took part in darts, carrom, chess, Lexulous, FIFA, sudoku and PUBG contests. |
| Kayak Competition | 03 Aug | The competition was held at Tasik Varsiti, University of Malaya. |
| Hiking 2.0 @ Lata Hammer | 24 Aug | 80 members took part in a hike at Lata Hammer Bentong, Pahang. |
| Outdoor Sports Carnival | 21 & 28 Sep | Netball, football, table tennis, badminton and sepak takraw games were held at UiTM Sports Complex, UiTM Shah Alam. |
| KSDB 2019 Family Day & Treasure Hunt | 12 – 13 Oct | Family Day was held at Bukit Merah Laketown Resort, Perak, which was the destination of the Treasure Hunt that began at Duopharma Innovation Sdn Bhd, Glenmarie. |
| Bowling Competition | 02 Nov | The annual competition was held at Sunway Mega Lanes, Sunway Pyramid. |
| KSDB 2019 Sports Carnival Closing | 16 Nov | The ceremony was held at Stadium Panasonic Shah Alam, officiated by KSDB Patron, Leonard Ariff. |
| Annual Dinner | 07 Dec | 1,000 members attended the memorable evening themed “Movie Night” which was held at One World Hotel, Petaling Jaya. |

OUR WORKFORCE & COMMUNITY

In addition, KSDB organised a number of CSR events, which are described on pages 43-44.

EMPLOYEE ENGAGEMENT SURVEY

We engage an external consultant, Willis Towers Watson, to conduct our annual Employee Engagement Survey. The 2019 survey, from 21 October to 1 November, attracted a participation rate of 99%, which is above the Malaysian average of 85%. Even more encouragingly, we achieved an engagement score of 91%, which is four percentage points higher than our score in 2018 and nine percentage points higher than the Malaysian and global pharmaceutical norm.



According to the survey our strengths lie in:

- Employee alignment to Duopharma Biotech's new Vision and Mission.
- Adherence to core values which inspire employees to do their best.
- Positive sentiment around learning and development, specifically the opportunity for development and growth within the organisation.

Meanwhile, areas in which we could further improve include:

- To better understand perception of diminished respect among employees.
- Create a more open and supportive environment in which employees feel they can speak up on ethical concerns.

PROFESSIONAL TRAINING AND EDUCATION FOR GROWING ENTREPRENEURS ("PROTÉGÉ")

PROTÉGÉ is a government programme managed by the Ministry of Entrepreneur Development and Cooperatives ("MEDAC") to upskill unemployed graduates in order to increase their marketability in the workspace. Under the programme, Duopharma Biotech provides 12-month on-the-job training to participants. The participants also receive training in grooming and etiquette, communication and networking skills, organisational adaptability, creative and analytical thinking, sustainability, entrepreneurship and values.

In 2019, the trainees successfully raised RM46,267.30 in sales of our Consumer Healthcare ("CHC") products under their Entrepreneurship Project, a good indicator of the application of training received.

We took in 50 PROTÉGÉ trainees in 2019 and have offered full-time employment to 25 of them.

FAIR EMPLOYMENT PRACTICES

Duopharma Biotech adheres to all relevant laws and regulations regarding employment practices. We seek not just to meet, but exceed, labour policy requirements in areas such as wages, benefits, and diversity and inclusivity, among others. We strongly believe that, by treating our people right, we are able to attract and keep the right people.

WAGES AND BENEFITS

We benchmark our salaries against industry standards and offer competitive remuneration. Salaries are commensurate with employees' level of responsibility within the organisation, irrespective of gender or race. We have always adhered to the minimum wage law, and as of 1 January 2020 are paying the new minimum of RM1,200, one month ahead of the official date of its implementation, ie February 2020. Together with wages offered, we believe our compensation packages are among the most attractive in the industry.

FREEDOM OF ASSOCIATION

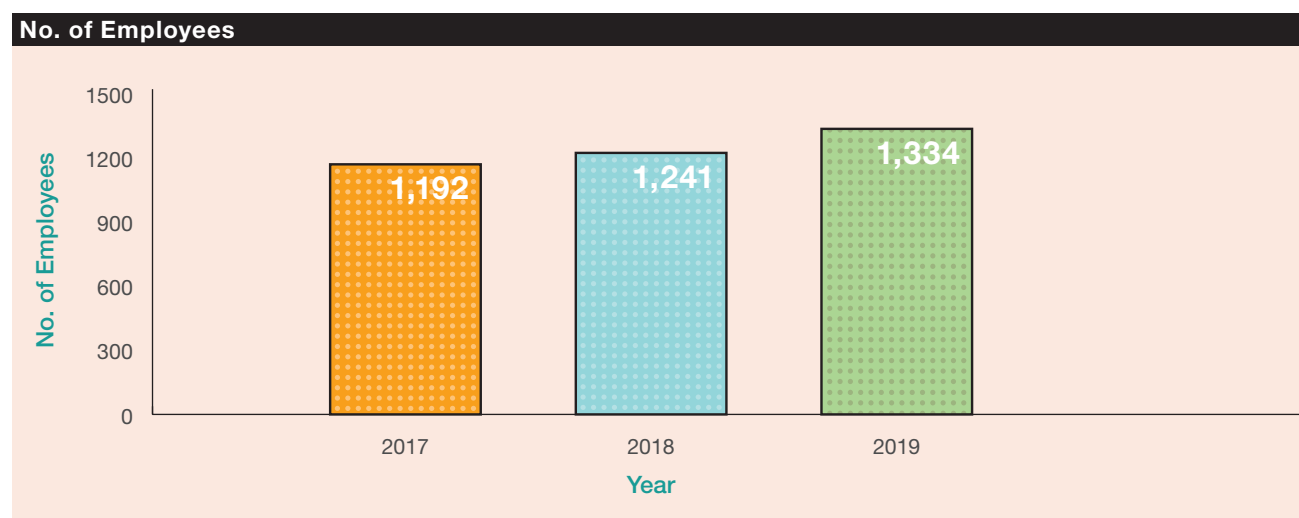
We fully support employees' right to bargain collectively and allow them to join unions. We collaborate closely and have a good working relationship with the National Union of Petroleum and Chemical Industry Workers Peninsular Malaysia ("NUPCIW"). Through the Union, our employees are able to voice their opinions on work-related matters and be part of the decision-making process.

OUR WORKFORCE & COMMUNITY

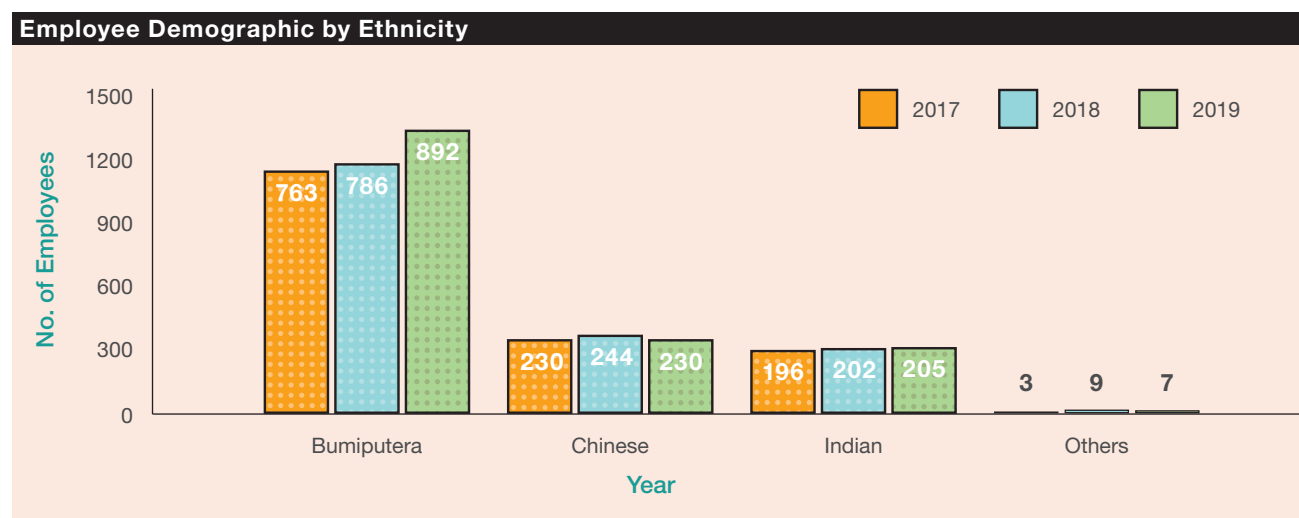
DIVERSITY & INCLUSIVITY

We seek to bring together a diverse workforce with a good mix of ethnic backgrounds and age as well as a good balance of the two genders. Diversity enriches our collective skills, knowledge and creativity, while providing a broader-based perspective for more informed and effective decision-making. All employees are treated the same at Duopharma Biotech, and we do not tolerate any racial or gender discrimination.

The number of employees Group-wide has increased by 7.5% from 2018 to 2019.



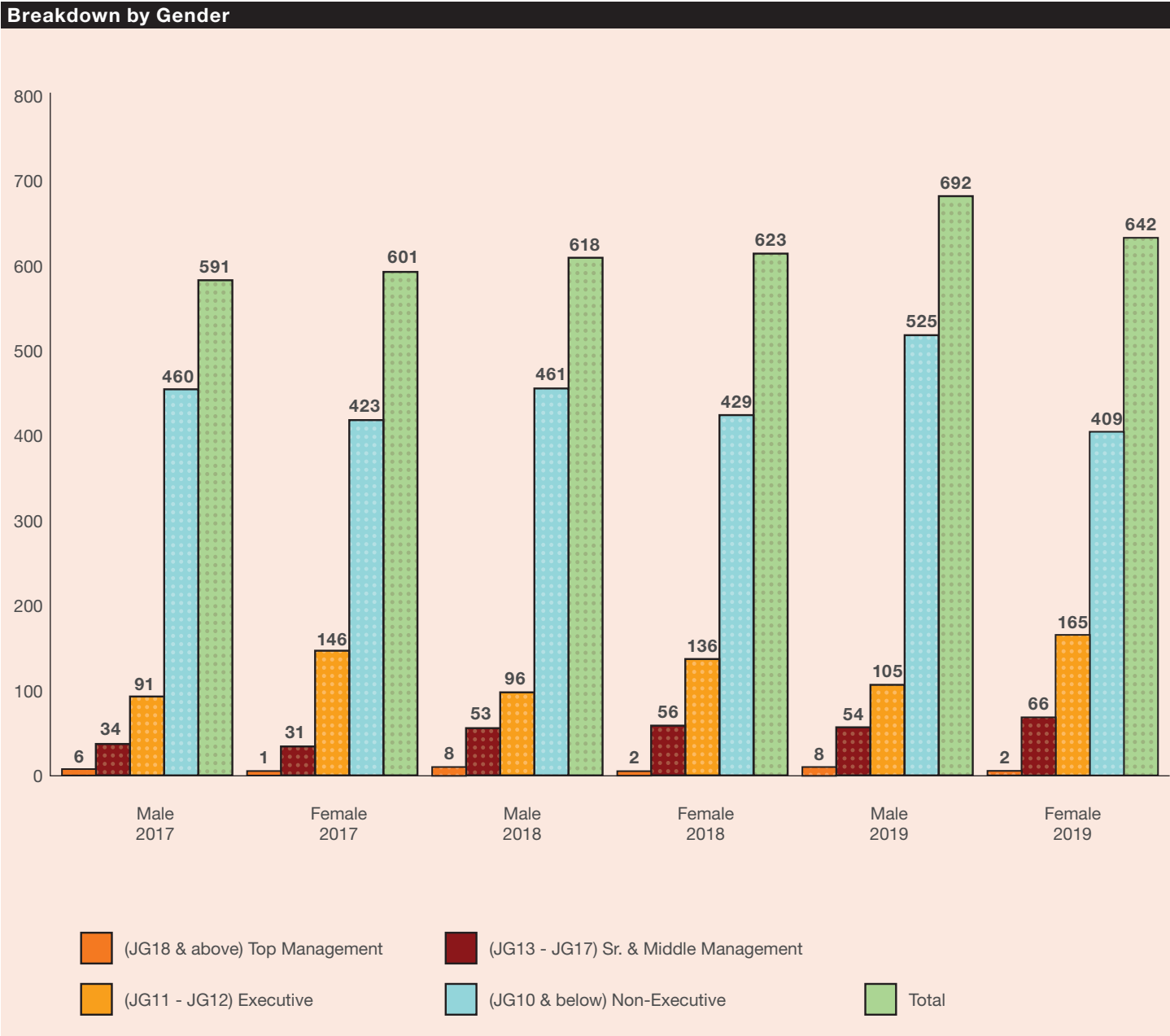
The ethnic demographics within the Group roughly mirrors that of the country's population – with 66.9% Bumiputera, 17.2% Chinese and 15.4% Indian and 0.5% others employees, reflecting our approach to diversity and inclusivity.



OUR WORKFORCE & COMMUNITY

GENDER EQUALITY FOR OPPORTUNITY

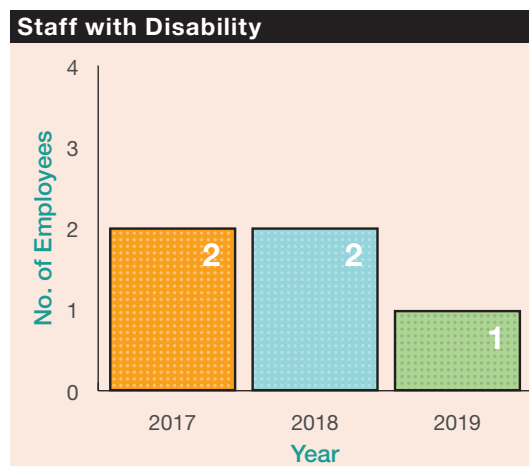
We believe it is not only right to offer equal job and career progression opportunities to men and women, but that it also makes business sense. In recruiting and promotions, we judge a candidate’s potential by his/her individual merit and not gender. Women make up roughly half of our workforce and 55% of mid-senior management. This number reflects our gender inclusivity and recognition based on merit. Among other initiatives, we provide designated parking spaces for pregnant employees and enable them to take time off for monthly maternity check-ups.



OUR WORKFORCE & COMMUNITY

STAFF WITH DISABILITY

As an inclusive organisation, we believe in providing job opportunities to persons with disability, and encourage all employees to provide support to such staff. During the year, we had one staff with disability within the Group.



SERVING THE COMMUNITY

The most important manner in which we serve the community is through the provision of effective, affordable treatments. Over and above this, we believe in giving back in ways that are meaningful. We also leverage our network of medical practitioners and biotech experts to elevate medical knowledge among the healthcare fraternity.



In 2019, we formalised our Corporate Social Responsibility ("CSR") Policy to focus on three main areas: the underprivileged, educational enhancement and humanitarian efforts.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Duopharma Biotech Berhad recognizes the significance of being an organization that practices the highest level of responsible and ethical work operation.

While operating in a sustainable custom, we recognize the importance of corporate social responsibility (CSR) that acts as a guiding pathway that will accommodate us to manage our business related risks and opportunities.

This is carried out based on our transparent and consistent interactions with our stakeholders to ensure that our vision to be a leading a healthcare company is achieved simultaneously. We identify that our operation may impact the process of economy, environment and social in which we operate. Therefore, we are committed for monitoring and managing our social, environmental and economic impact in order to enable us to contribute to the goal of sustainable development.

In order to reach the designated commitment, we aim to demonstrate responsibilities via our corporate actions and policies. Duopharma Biotech Berhad will ensure the integration of CSR in its business and throughout its operations.

This policy acts as a guiding framework for CSR related initiatives throughout the organization. Following core principles will be integrated into business conduct in order to ensure Duopharma Biotech Berhad's CSR objectives are met.

Underprivileged:

We actively support philanthropic and charitable initiatives for local communities. This commitment is aligned with our financial contributions and volunteer support. We encourage our employees to help local community organizations and activities in the areas where we operate in.

Education Enhancement:

We provide continuous support for young talents in their education and knowledge enhancement at all levels via collaborations with higher education corporations and institutions. We educate our users on the right usages of our products together with disposal methods during relevant collaborations.

Humanitarian:

We utilize partnership and collaborative approaches in our humanitarian investment programs because there is a need to integrate community based investment deliberations into business practices. This will ensure local capacity building to generate valuable relationships with relevant stakeholders jointly. We are aligned to support innovative programs in the areas of health, social services and environment therefore social, economic and environmental opportunities can be attained.

CSR shall be implemented and maintained through Policies described in Duopharma Biotech Berhad's Code of Conduct.

Duopharma Biotech Berhad will conduct regular monitoring on CSR related programmes and activities to ensure the management of this policy compliance.

OUR WORKFORCE & COMMUNITY

An EPIC Success



Over the weekend of 12-14 April, 38 Group employees descended on Kampung Orang Asli Gurney in Ulu Yam Baru, Selangor to help build a new home for Kaseh A/L Sidin and his family of seven. Though inexperienced in construction, the team was guided by the non-governmental organisation (“NGO”) EPIC Homes, which stands for Extraordinary People Impacting Community, and completed the two-bedroom home with a dry kitchen and spacious living area within the stipulated three-day period.

Making the event more memorable for Kaseh, his wife Ina and their five children, they were handed the keys to their new home by our former Prime Minister’s wife, Tun Dr Siti Hasmah Mohd Ali. The entire experience was also memorable for our volunteers who not only developed new skills but also created life-long bonds of friendship with the Orang Asli community.

The Group contributed RM60,000 towards this EPIC programme, which was organised by Kelab Sukan Duopharma Biotech.

Other CSR activities undertaken during the year are summarised below.

| Activity | Date | Description |
|------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Entrepreneurship Talks | 21 August 3 October 17 October 7 November 13 December | 5 talks were organised for our interns, contract and temporary employees & students at International Medical University and Universiti Kebangsaan Malaysia. A total of 300 youth attended these talks. |
| Sustainability Talk | 19 March | A sustainability specialist from Duopharma Biotech gave a talk to Environmental Science students at the University of Nottingham Malaysia on sustainability from the viewpoint of a pharmaceutical company. The talk piqued the interest of the students and may serve to attract talent. |
| Ship for Southeast Asian and Japanese Youth Programme (“SSEAYP”) | 30 November – 2 December | We sponsored RM10,000 as well as goodie bags worth more than RM1,000 towards the annual programme organised by the Japanese Government, that brings together about 300 youth from Asian and Japan on a 50-day cruise during which they discuss political and cultural issues. Our employees also played host to some of the participants. |
| Vitamins Donation | 26 July | We handed over RM5,923.20 worth of Champs products to the Malaysian Ambassador to Bosnia & Herzegovina, to be distributed to Muslim communities in Sarajevo and Mostar. |
| Flavettes Glowing Stars | | Five women were mentored by successful personalities in their chosen professions. We also donated RM20,000 to the Women’s Aid Organisation (“WAO”). |
| Lavender Ribbon Campaign | 9 March | An oncologist presented a talk on what to do as a cancer patient when consulting a doctor. A total of 66 cancer survivors and 29 healthcare professionals attended the event at which we also donated RM10,000 to the National Cancer Society of Malaysia (“NCSM”). |
| Save Our Earth, Save Our Future | 24 August – grand finale | Collaboration with the Ministry of Energy, Science, Technology, Environment and Climate Change on a university video challenge to raise awareness of environmental issues. Videos developed by 15 teams were uploaded onto Facebook, reaching more than 10,000 netizens. |
| Trees for Tomorrow | 29 June | 40 volunteers from KSDB planted 20 trees in the Forest Research Institute of Malaysia (“FRIM”). |
| Si Kancil @ Zoo Negara | 18 August | 35 volunteers from KSDB took 40 children from Rumah Titian Kasih Al-Inayah on a fun and educational outing to the zoo. |
| Volunteered Zookeeper | 14 September | 30 KSDB members volunteered to be assistant zoo keepers, helping to clean up enclosures, prepare meals, and carry out behavioural enrichment activities. |

PLANET PERFORMANCE



“Climate change and the water crisis have been listed as being among the top 10 global risks in terms of likelihood and impact. Without urgent and effective multi-stakeholder intervention, these issues threaten to irrevocably damage the world as we know it. As a responsible corporate organisation, Duopharma Biotech takes seriously our role in helping to manage these and other environmental issues.”

PLANET PERFORMANCE

We recognise that our operations necessarily have an impact on the environment. Specifically, we contribute to the depletion of natural resources such as water, hydrocarbons and other raw materials, while our manufacturing processes release gases and fluids, some of which are potentially hazardous.

We believe, however, that we can minimise our environmental footprint by optimising our use of natural resources, reducing waste, and leveraging energy-efficient systems throughout our value chain. We continuously assess all environmental risks associated with our processes and look for opportunities to mitigate these in line with our Environmental Policy. *(To access our Environmental Policy, please refer to the Policy & Procedure page on our corporate website, www.duopharmabiotech.com.)*

ENVIRONMENTAL GOVERNANCE

Our Sustainability Department is responsible for ensuring our operations are environmentally responsible, and that we meet all requirements under the Environment Quality Act 1974 and its regulations. Our Safety, Health and Environment (“SHE”) team monitors our environmental performance, and is assisted in this regard by Environmental Performance Monitoring Committees (“EPMCs”) at our manufacturing sites.

Each EPMC is tasked with:

- Monitoring the operation, maintenance and performance of pollution control systems
- Ensuring we meet our waste reduction targets
- Continual improvement of existing environmental management systems



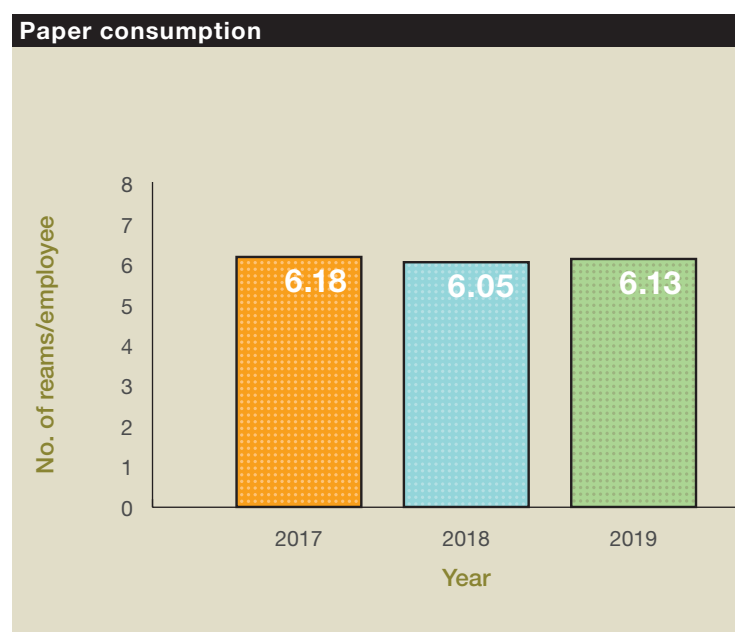
PLANET PERFORMANCE

The Group Management Committee (“GMC”) is updated monthly on critical environmental indicators and reports to the Board Risk Management and Sustainability Committee (“RMSC”) every quarter on sustainability related activities at our sites.

NATURAL RESOURCES OPTIMISATION

Under our employee-driven continuous improvement programme (“CIP”), teams across our operations identify problem areas and outline projects to improve the way things are done. These include environmental projects, and those aimed specifically at reducing or eliminating waste. In 2019, the following natural resource optimisation projects were completed:

1. Elimination of detergent usage from the Oral Solid Dosage (“OSD”) line in Bangi
2. Reduction of water consumption in washing of parts at the Klang sterile department
3. Recycling of water from cooling processes in Klang for use in toilets



Paper use has been steadily increasing in tandem with greater paper work as production volume has grown. To reduce our paper consumption, we are looking to migrate more of our systems and processes online. Among the first systems to be transitioned will be our standard operating procedures (“SOPs”).

ENERGY CONSUMPTION

We aim to minimise the use of energy throughout our operations, and have set the target of a 5% energy intensity reduction on a yearly basis. Towards this end, we have implemented a number of energy-saving initiatives such as:

1. Replacing old fluorescent tubes and metal halide high bay lights with light emitting diodes (“LED”)
2. Use of solar panel powered street lighting
3. Upgrading and replacing inefficient machinery such as chillers

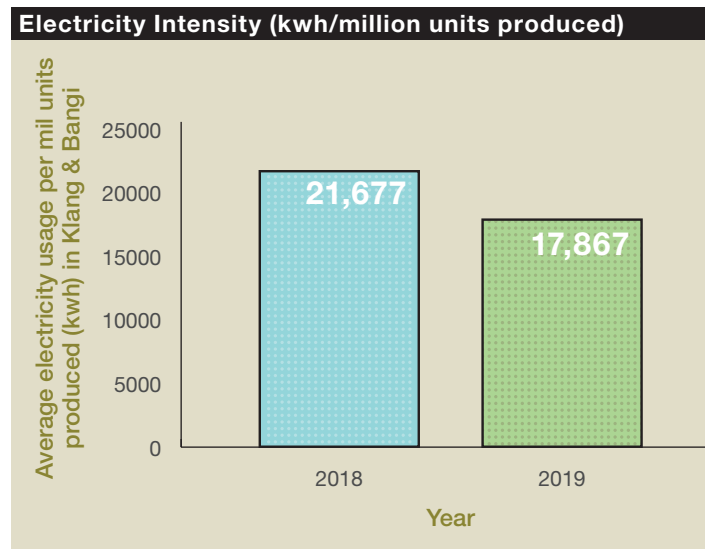
| Diesel consumption | | | |
|----------------------------|---------|---------|---------|
| | 2017 | 2018 | 2019 |
| Total Consumption (litres) | 312,675 | 412,889 | 361,991 |

Diesel is used for some of our machinery. Consumption reduced by 12.3% from 2018 to 2019, mainly as a result of replacing old and inefficient equipment with new machines.

| Electricity Consumption (kilowatt hours) | | | |
|------------------------------------------|-------------------|-------------------|-------------------|
| | 2017 | 2018 | 2019 |
| Klang | 14,601,610 | 15,246,270 | 15,560,258 |
| Bangi | 19,865,044 | 21,720,119 | 21,464,146 |
| Glenmarie | 613,422 | 1,426,505 | 2,102,189 |
| Total | 35,080,076 | 38,392,894 | 39,126,593 |

PLANET PERFORMANCE

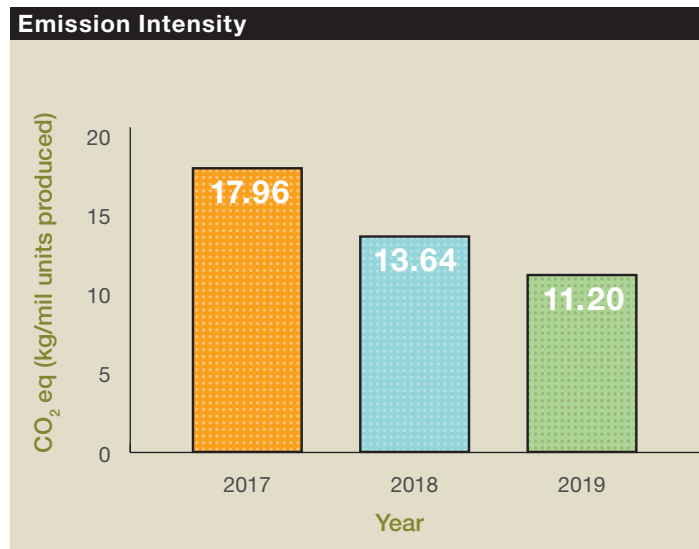
While electricity consumption was fairly stable at our plants in Klang and Bangi, it has been increasing significantly in Glenmarie. This is due to the commissioning and, then, trial production at the HAPI plant. As a rule of thumb, our energy consumption increases along with production volume. The goal is for the rate of increase in energy consumption to be lower than that of production, ie for our energy intensity to improve.



As the table above indicates, our electricity intensity improved by 17.6% year on year, exceeding the 5% target. We have not included Glenmarie in calculating our electricity intensity because in 2019 the plant had not started commercial production; it was still undergoing trials.

CARBON FOOTPRINT

Along with increased electricity consumption, our greenhouse gas ("GHG") emissions have also gone up. However, our emissions intensity (excluding Glenmarie) reduced by 17.9%, from 13.64 kg/mil units to 11.20 kg/mil units.



We plan to introduce energy monitoring systems at our plants in Klang, Bangi and Glenmarie in 2020. We also intend to leverage solar energy at our Klang and Bangi plants to further reduce our carbon footprint.

WATER SCARCITY

All our factories are located in Malaysia, ie in Bangi, Klang and Shah Alam, which are not considered water stress regions. Our supply comes from one of the country's main water utility companies, SYABAS. We do not extract any ground water.

Despite operating in non-water stressed areas, we recognise that water is becoming increasingly scarce and have implemented programmes to reduce our consumption. We harvest rainwater at our sites in Bangi and Klang, and use the water collected for external cleaning and gardening.

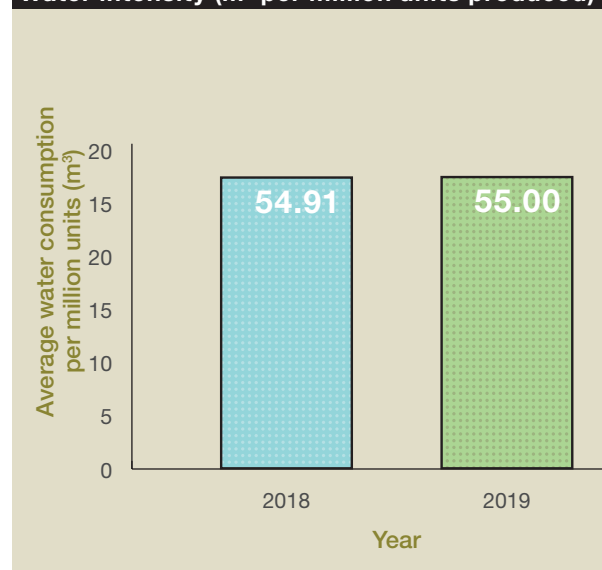
We are also looking into water recycling, especially for water from our purification process. A project has been implemented in Klang where waste water from the cooling process is recycled and used in toilets for flushing. We expect to save up to 1,000 m³ of water yearly from this initiative. Our target is to reduce our water consumption by at least 1% annually.

| Total water consumption (m ³) | | | |
|---------------------------------------------------|---------|--------|---------|
| | 2017 | 2018 | 2019 |
| Klang | 83,293 | 42,029 | 61,770 |
| Bangi | 49,811 | 48,298 | 46,774 |
| Other sites | 4,549 | 3,312 | 5,429 |
| Total treated water from SYABAS (m ³) | 137,653 | 93,639 | 113,973 |

PLANET PERFORMANCE

The 21.7% increase in water consumption from 2018 to 2019 was caused by the increase in production volume, and especially that of liquid haemodialysis products.

Water intensity (m³ per million units produced)



The slight increase in water consumption intensity was also due to the increase in production of liquid haemodialysis products.

WASTE REDUCTION AND MANAGEMENT

EFFLUENT DISCHARGE

We abide by all Department of Environment (“DoE”) rules and regulations regarding the treatment of effluents. We monitor the chemical oxygen demand (“COD”) and biochemical oxygen demand (“BOD”) of treated effluent before it is released into the environment, and submit reports on this as well as other key indicators to the DoE every month. Both COD and BOD measure the amount of oxygen required to oxidise organic matter in a water body. The higher the figures, the higher the oxygen-stripping capacity of the effluent and the greater the likely damage to biological life in those waters.

Our plants in Bangi have to comply with more stringent (Standard A) requirements of the Environmental Quality (Industrial Effluent) Regulations 2009 than the plants in Klang because their effluents are discharged upstream of Sungai Langat. In 2019, all our plants met the relevant regulatory limits for effluent discharge.

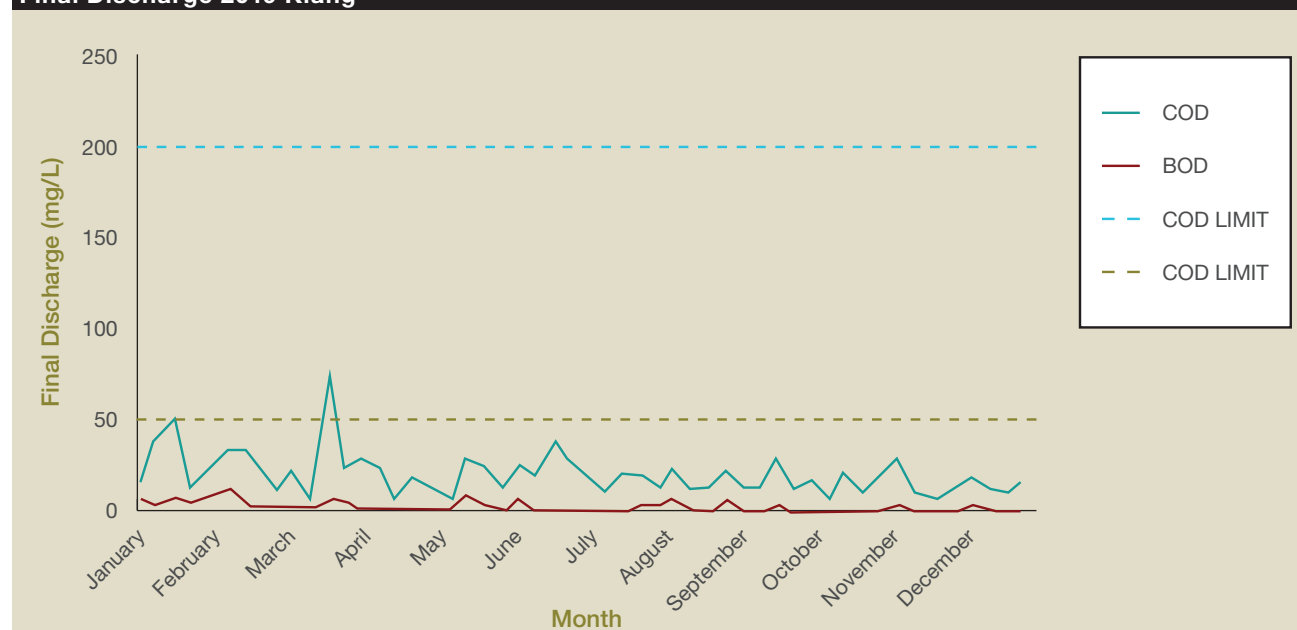
Volume of treated effluent discharged (m³) from factories

| | 2017 | 2018 | 2019 |
|-------|--------|--------|--------|
| Bangi | 11,310 | 13,971 | 12,253 |
| Klang | 3,600 | 4,630 | 4,442 |

The volume of effluents discharged reduced year on year at the two sites due to more efficient production processes.

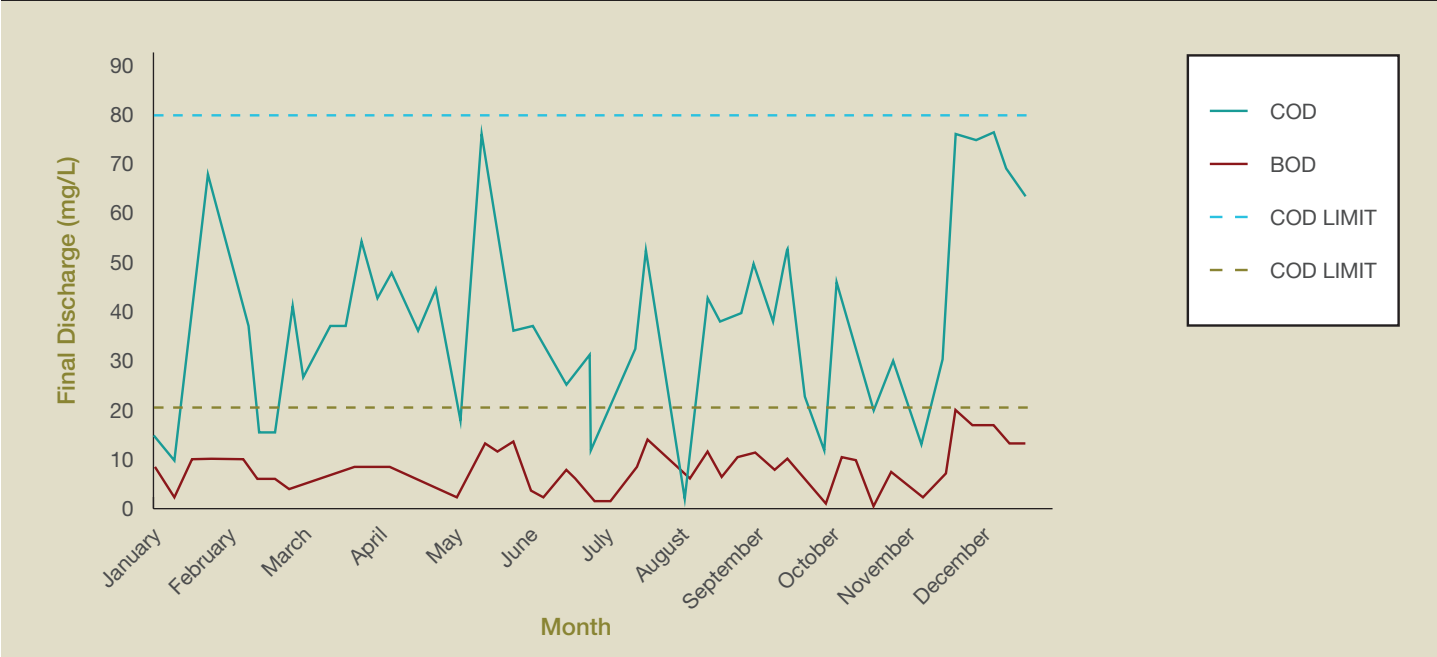
Monthly COD and BOD final discharges

Final Discharge 2019 Klang

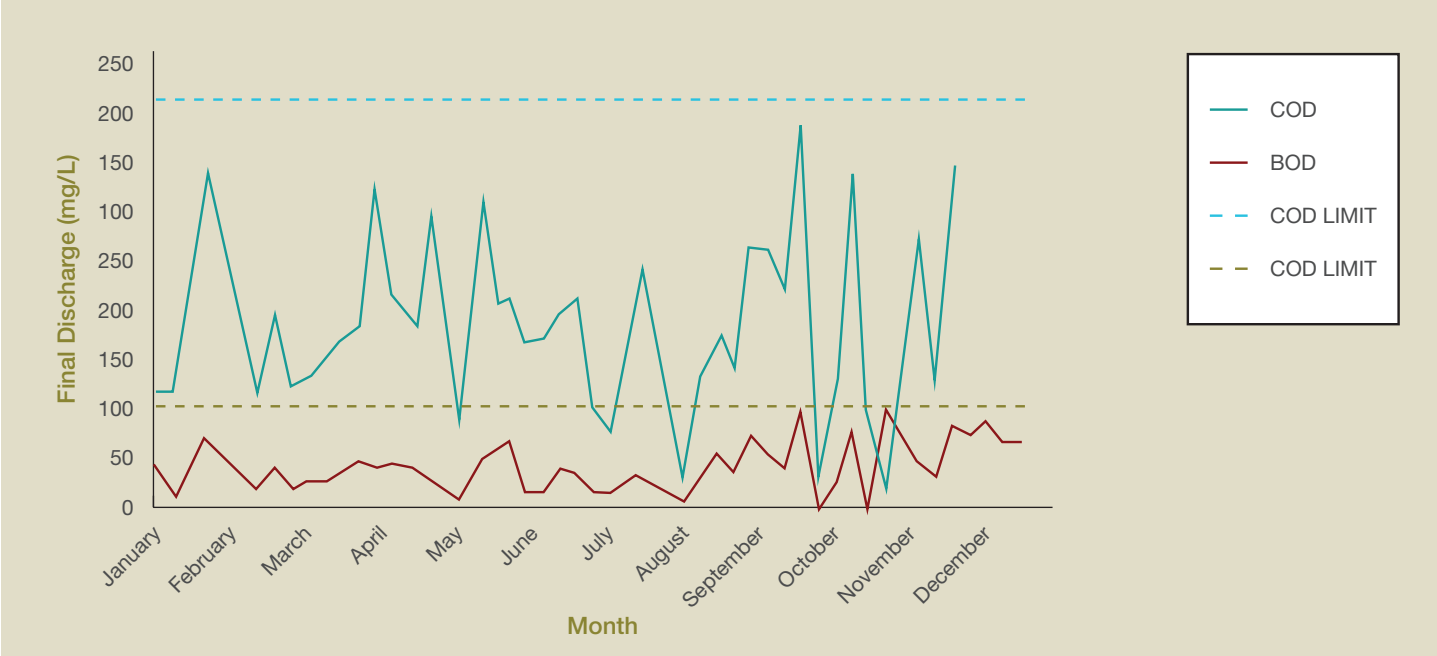


PLANET PERFORMANCE

Final Discharge 2019 Bangi 1



Final Discharge 2019 Bangi 2



PLANET PERFORMANCE

WASTE MANAGEMENT

We produce scheduled and non-scheduled waste from our operations. Our aim is to reduce all types of waste and to manage scheduled waste according to the relevant regulations.

Non-scheduled waste

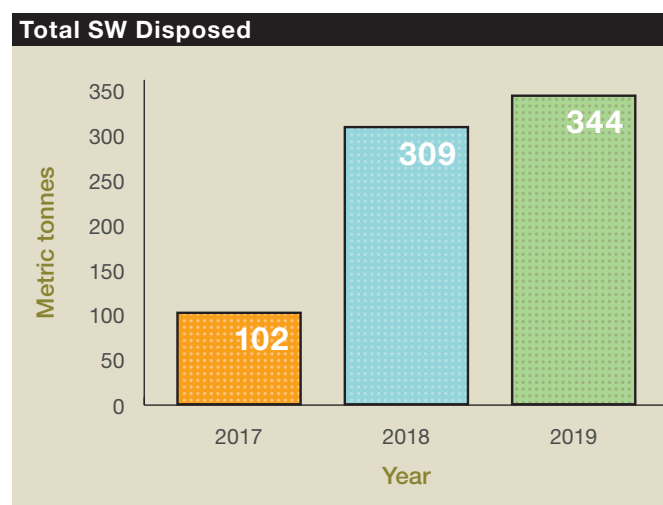
Staff are encouraged to recycle paper, plastic and glass using recycling bins placed at all our offices and sites. Non-scheduled waste from production, meanwhile, is sorted at site then sent to recycling centres. Waste that cannot be recycled is sent to municipal landfills.

Scheduled waste

Our plants produce seven types of scheduled waste ("SW") which are collected by licensed operators and disposed of according to regulations. The total scheduled waste disposed increase in 2019 is due to increase in production volume. Our target is to reduce the production of scheduled waste from our sites by 3% annually.

Scheduled waste disposed from all sites

| SW Code | Description | Total Disposed (mt) |
|--------------|---------------------------------------|---------------------|
| SW109 | Used Fluorescent Lamp | 0.038 |
| SW204 | Metal Hydroxide Sludge | 21.4 |
| SW322 | Spent Non-Halogenated Organic Solvent | 5.82 |
| SW401 | Spent Alkalis | 98.6 |
| SW405 | Waste Pharmaceutical | 119.6 |
| SW409 | Contaminated Container | 98.3 |
| SW430 | Obsolete Chemical | 0.56 |
| Total | | 344.318 |



AWARENESS INITIATIVES

During the Halal, Integrity and Sustainability ("HIS") month organised from 11 November to 5 December by the Sustainability Department, various events were held that raised awareness of the need to preserve and protect the environment. Teams from different departments prepared posters on the different SDGs that their departments were able to contribute to, with explanation of actions being taken to achieve their goals. A collection was also held for waste cooking oil, which was sent to the appropriate recycler.



GRI CONTENT INDEX

This disclosure index ("GRI Index") identifies the location of the general and specific standard disclosures required by the Sustainability Reporting Standards developed by the Global Reporting Initiative ("GRI Standards"), although all may not be entirely in accordance with the GRI Standards. The 2019 Sustainable Report is aligned with the core "in accordance" option of the GRI Standards.

The references included in this GRI Index refer mainly to sections of the Company's 2019 Annual Report and the 2019 Sustainable Report in respect of the financial year ended 31 December 2019, both published on the Company's website at www.duopharmabiotech.com.

| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| GRI 102: GENERAL DISCLOSURES | | | |
| 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 | Annual Report: • Corporate Information • Corporate Structure | P. 4 P. 5 |
| 102-8 | Information on employees and other workers | Sustainability Report: • Our Workforce and Community | P. 33-44 |
| 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: • Manufacturing and Supply Chain Management | P. 26-27 |
| 102-10 | Significant changes to the organisation and its supply chain | Annual Report: • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Manufacturing and Supply Chain Management | P. 13-20 P. 26-27 |
| 102-12 | External initiatives | Annual Report: • Statement on Risk Management and Internal Control | P. 74-81 |
| 102-13 | Membership of associations | - | Not reported |
| STRATEGY | | | |
| 102-14 | Statement from senior decision-maker | Annual Report: • Chairman's Statement • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Message from Chairman and Group Managing Director | P. 9-12 P. 13-20 P. 4-5 |
| 102-15 | Description of key impacts, risks and opportunities | Annual Report: • Strategy • Group Managing Director's Management Discussion and Analysis • Statement on Risk Management and Internal Control Sustainability Report: • Managing our Material Issues | P. 21 P. 13-20 P. 74-81 P. 15-18 |

GRI CONTENT INDEX

| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| GRI 102: GENERAL DISCLOSURES (CONTINUED) | | | |
| ETHICS AND INTEGRITY | | | |
| 102-16 | Values, principles, standards and norms of behaviour | Annual Report: <ul style="list-style-type: none"> • Vision/Mission • Core Values • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Our Commitment to Sustainability • Sustainability-Led Business Commitment | IFC IFC P. 48-65 P. 6-7 P. 19-32 |
| 102-17 | Mechanisms for advice and concerns about ethics | Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Sustainability-Led Business Commitment | P. 48-65 P. 19-32 |
| 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 | Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Our Sustainability Governance | P. 48-65 P. 10-11 |
| 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 | Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Our Sustainability Governance | P. 48-65 P. 10-11 |
| 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 | Annual Report: <ul style="list-style-type: none"> • Corporate Governance Overview Statement Sustainability Report: <ul style="list-style-type: none"> • Our Sustainability Governance | P. 48-65 P. 10-11 |
| 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 | Annual Report: <ul style="list-style-type: none"> • Risk Management and Sustainability Committee Report | P. 71-72 |

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| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| GRI 102: GENERAL DISCLOSURES (CONTINUED) | | | |
| GOVERNANCE (CONTINUED) | | | |
| 102-32 | Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material topics are covered | Annual Report: • Risk Management and Sustainability Committee | P. 49, P. 71-72 |
| 102-33, 102-34 | Process for communicating critical concerns and nature and total number of critical concerns communicated to the highest governing body | Annual Report: • Risk Management and Internal Control Framework Sustainability Report: • Sustainability-Led Business Commitment | P. 74-81 P. 19-32 |
| 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 | Annual Report: • Corporate Governance Overview Statement | P. 48-65 |
| 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: • Valuing our Stakeholders | P. 12-14 |
| 102-41 | Collective bargaining agreements | Sustainability Report: • Our Workforce and Community | P. 40 |
| REPORTING PRACTICE | | | |
| 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: • About This Report • Managing our Material Issues | P. 3 P. 15-18 |
| GRI 103: MANAGEMENT APPROACH | | | |
| 103-1 | Explanation of the material topic and its boundary | Sustainability Report: • Managing Our Material Issues | P. 15-18 |
| 103-2 | The management approach and its components | Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Managing Our Material Issues | P. 48-65 P. 15-18 |
| 103-3 | Evaluation of the management approach | Sustainability Report: • Sustainability Governance | P. 10-11 |

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| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------|
| MATERIAL SPECIFIC STANDARD DISCLOSURES | | | |
| SUSTAINABILITY-LED BUSINESS COMMITMENT | | | |
| DIVERSITY AND EQUAL OPPORTUNITY | | | |
| 405-1 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity | Sustainability Report: • Our Workforce and Community | P. 33-44 |
| NON-DISCRIMINATION | | | |
| 406-1 | Incidents of discrimination and corrective actions taken | - | Not Reported |
| LOCAL COMMUNITIES | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programmes | Sustainability Report: • Our Workforce and Community | P. 33-44 |
| ANTI-CORRUPTION | | | |
| 205-3 | Confirmed incidents of corruption and actions taken | - | Not Reported |
| ANTI-COMPETITIVE BEHAVIOUR | | | |
| 206-1 | Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices | - | Not Reported |
| SOCIO-ECONOMIC COMPLIANCE | | | |
| 419-1 | Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area | - | Not Reported |

GRI CONTENT INDEX

| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------|
| MATERIAL SPECIFIC STANDARD DISCLOSURES (CONTINUED) | | | |
| OUR WORKFORCE AND COMMUNITY | | | |
| OCCUPATIONAL HEALTH AND SAFETY | | | |
| 403-2 | Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work- related fatalities by region and by gender | Sustainability Report: • Our Workforce and Community | P. 34-36 |
| EMPLOYMENT | | | |
| 401-1 | Total number and rate of new employee hires and terminations, and employee turnover by age group, gender and region | Sustainability Report: • Our Workforce and Community | P. 38 |
| TRAINING AND EDUCATION | | | |
| 404-2 | Type and scope of programmes implemented and assistance provided to upgrade employee skills, and transition assistance programmes provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment | Sustainability Report: • Our Workforce and Community | P. 36-44 |
| PLANET PERFORMANCE | | | |
| ENERGY | | | |
| 302-1, 302-3, 302-4 | Energy consumption within the organisation; energy intensity; reduction of energy consumption | Sustainability Report: • Planet Performance | P. 46-48 |
| EMISSIONS | | | |
| 305-1, 305-2, 305-3 | Direct greenhouse gas (GHG) emissions (scope 1); indirect GHG emissions (scope 2); other indirect GHG emissions (scope 3) | Sustainability Report: • Planet Performance | P. 48 |
| COMPLIANCE | | | |
| 307-1 | Monetary value of fines and number of non-monetary sanctions for non- compliance with environmental laws and regulations | - | Not Reported |

GRI CONTENT INDEX

| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| OTHER SPECIFIC STANDARD DISCLOSURES | | | |
| CATEGORY: ECONOMIC | | | |
| ECONOMIC PERFORMANCE | | | |
| 201-1 | Direct economic value generated and distributed | Annual Report: • At A Glance • Strategy | P. 2 P. 21 |
| 201-2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change | - | Not Reported |
| 201-3 | Coverage of the organisation's defined benefit plan obligations and other retirement plans | - | Not Reported |
| 201-4 | Financial assistance received from government | - | Not Reported |
| MARKET PRESENCE | | | |
| 202-1 | Ratios of standard entry-level wage by gender compared to local minimum wage at locations of significant operation | Sustainability Report: • Our Workforce and Community | P. 42 |
| 202-2 | Proportion of senior management hired from the local community at locations of significant operation | - | Not Reported |
| INDIRECT ECONOMIC IMPACTS | | | |
| 203-1 | Infrastructure investments and services supported | Annual Report: • Chairman's Statement • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Valuing our Stakeholders (Community) • Sustainability-Led Business Commitment | P. 9-12 P. 13-20 P. 12-14 P. 19-32 |
| 203-2 | Significant indirect economic impacts, including the extent of impacts | Sustainability Report: • Sustainability-Led Business Commitment | P. 19-32 |
| PROCUREMENT PRACTICES | | | |
| 204-1 | Proportion of spending on local suppliers at significant locations of operation | New Source Evaluation | P. 27 |

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| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------|
| OTHER SPECIFIC STANDARD DISCLOSURES (CONTINUED) | | | |
| CATEGORY: ENVIRONMENTAL | | | |
| MATERIALS | | | |
| 301-1, 301-2 | Materials used by weight or volume; Recycled input materials used | - | Not Reported |
| ENERGY | | | |
| 302-2, 302-5 | Energy consumption outside the Organisation; Reductions in energy requirements of products and services | - | Not Reported |
| WATER | | | |
| 303-1, 303-2, 303-3 | Total water withdrawal by source; Water sources significantly affected by withdrawal of water; Percentage and total volume of water recycled and reused | Sustainability Report: • Planet Performance | P. 48-49 |
| EMISSIONS | | | |
| 305-4, 305-5, 305-6, 305-7 | GHG emissions intensity; Reduction of GHG emissions; Emissions of ozone- depleting substances (ODS); NOx, SOx and other significant air emissions | Sustainability Report: • Planet Performance | P. 47-48 |
| EFFLUENTS AND WASTE | | | |
| 306-1, 306-2, 306-3, 306-4, 306-5 | Total water discharge by quality and destination; Waste by type and disposal method; Significant spills; Transport of hazardous waste; Water bodies affected by water discharges and/or runoff | Sustainability Report: • Planet Performance | P. 49-51 |
| MATERIALS | | | |
| 301-3 | Percentage of products sold and their packaging materials reclaimed | Not applicable | - |
| SUPPLIER ENVIRONMENTAL ASSESSMENT | | | |
| 308-1, 308-2 | New suppliers that were screened using environmental criteria; Negative environmental impacts in the supply chain and actions taken | - | Not Reported |

GRI CONTENT INDEX

| GRI STANDARD DISCLOSURE REFERENCE | DESCRIPTION | SECTION OF REPORT | PAGE REFERENCE |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------|
| OTHER SPECIFIC STANDARD DISCLOSURES (CONTINUED) | | | |
| CATEGORY: SOCIAL (LABOUR PRACTICES AND DECENT WORK) | | | |
| EMPLOYMENT | | | |
| 401-2 | Benefits provided to full-time employees, that are not provided to temporary or part-time employees, by major operations | Sustainability Report: • Our Workforce and Community | P. 33-44 |
| 401-3 | Return to work retention rates after parental leave | - | Not Reported |
| LABOUR/MANAGEMENT RELATIONS | | | |
| 402-1 | Minimum notice period(s) regarding operational changes | - | Not Reported |
| OCCUPATIONAL HEALTH AND SAFETY | | | |
| 403-1, 403-3, 403-4 | Workers presentation in formal joint management-worker health and safety committees; Workers with high incidence or high risk of diseases related to their occupation; Health and safety topics covered in formal agreements with trade unions | Sustainability Report: • Our Workforce and Community | P. 34-36 |
| TRAINING AND EDUCATION | | | |
| 404-1, 404-3 | Average hours of training per year per employee and percentage of employees receiving regular performance and career development reviews | Sustainability Report: • Our Workforce and Community | P. 37 |
| DIVERSITY AND EQUAL OPPORTUNITY | | | |
| 405-2 | Ratio of basic salary and remuneration of men to women by employee category | - | Not Reported |
| FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | | | |
| 407-1 | Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be at risk | Sustainability Report: • Our Workforce and Community | P. 40 |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 1 | SUSTAINABLE DEVELOPMENT GOAL 1 - End poverty in all its forms everywhere | Page Reference | Check Box | 1 | SUSTAINABLE DEVELOPMENT GOAL 1 - End poverty in all its forms everywhere | Page Reference | Check Box |
| 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 | Pg 24, 25 | Ethical speciality cost effective treatments for all, access to medicine, Competitive pricing | 1.4.1 | Proportion of A4:R268 living in households with access to basic services | | |
| | | | | 1.4.2 | Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure | | |
| 1.B | Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions | P. 43-44 | Humanitarian | 1.B.1 | Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups | | |
| 3 | SUSTAINABLE DEVELOPMENT GOAL 3 - Ensure healthy lives and promote well-being for all at all ages | Page Reference | Check Box | 3 | SUSTAINABLE DEVELOPMENT GOAL 3 - Ensure healthy lives and promote well-being for all at all ages | Page Reference | Check Box |
| 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 | P. 24, 25, 29, 43-44 | Access to medicines, Focus on cancer competitive pricing, Serving the community, CSR policy, Humanitarian, Ethical Specialty, Cost effect treatments for all | 3.4.1 | Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease | | |
| | | | | 3.4.2 | Suicide mortality rate | | |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 3 | SUSTAINABLE DEVELOPMENT GOAL 3 - Ensure healthy lives and promote well-being for all at all ages | Page Reference | Check Box | 3 | SUSTAINABLE DEVELOPMENT GOAL 3 - Ensure healthy lives and promote well-being for all at all ages | Page Reference | Check Box |
| 3.8 | Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all | P. 24, 25, 29, 43-44 | Access to medicines, Focus on cancer competitive pricing, Serving the community, CSR policy, Humanitarian, Ethical Specialty, Cost effect treatments for all | 3.8.1 | Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population) | | |
| | | | | 3.8.2 | Proportion of population with large household expenditures on health as a share of total household expenditure or income | | |
| 3.B | Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all | P. 29 | Share expertise on the causal and other correlated links between poverty, health seeking behavior, malnutrition, morbidity and mortality to inform public policies, strategies and investment. | 3.B.1 | Proportion of the population with access to affordable medicines and vaccines on a sustainable basis | | |
| | | | | 3.B.2 | Total net official development assistance to medical research and basic health sectors | | |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 4 | SUSTAINABLE DEVELOPMENT GOAL 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Page Reference | Check Box | 4 | SUSTAINABLE DEVELOPMENT GOAL 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Page Reference | Check Box |
| 4.3 | By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university | P. 36-44 | Promote and invest in STEM education (i.e. Science, Technology, Engineering and Mathematics) and medical training to secure access to functioning health systems and employees with skillsets which meet future business needs in countries of operation. | 4.3.1 | Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex | | |
| 5 | SUSTAINABLE DEVELOPMENT GOAL 5 - Achieve gender equality and empower all women and girls | Page Reference | Check Box | 5 | SUSTAINABLE DEVELOPMENT GOAL 5 - Achieve gender equality and empower all women and girls | Page Reference | Check Box |
| 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 | P. 42 | Gender equity | 5.5.1 | Proportion of seats held by women in national parliaments and local governments | | |
| | | | | 5.5.2 | Proportion of women in managerial positions | P. 42 | |
| 6 | SUSTAINABLE DEVELOPMENT GOAL 6 - Ensure availability and sustainable management of water and sanitation for all | Page Reference | Check Box | 6 | SUSTAINABLE DEVELOPMENT GOAL 6 - Ensure availability and sustainable management of water and sanitation for all | Page Reference | Check Box |
| 6.3 | 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. 46-51 | Environmental governance, Water security, Effluent discharge, Waste management | 6.3.1 | Proportion of wastewater safely treated | | |
| | | | | 6.3.2 | Proportion of bodies of water with good ambient water quality | | |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 6 | SUSTAINABLE DEVELOPMENT GOAL 6 - Ensure availability and sustainable management of water and sanitation for all | Page Reference | Check Box | 6 | SUSTAINABLE DEVELOPMENT GOAL 6 - Ensure availability and sustainable management of water and sanitation for all | Page Reference | Check Box |
| 6.4 | 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. 46-51 | Environmental governance, Water security, Effluent discharge, Waste management | 6.4.1 | Change in water-use efficiency over time | P. 46-51 | |
| | | | | 6.4.2 | Level of water stress: freshwater withdrawal as a proportion of available freshwater resources | | |
| 8 | SUSTAINABLE DEVELOPMENT GOAL 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Page Reference | Check Box | 8 | SUSTAINABLE DEVELOPMENT GOAL 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Page Reference | Check Box |
| 8.2 | 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. 29, 31 | Research and development product portfolio | 8.2.1 | Annual growth rate of real GDP per employed person | | |
| 8.3 | 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. 30, 36-43 | Entrepreneur development, Learning and development, Professional learning and education for growing entrepreneurs (PROTÉGÉ), Fair employment practices | 8.3.1 | Proportion of informal employment in non-agriculture employment, by sex | | |
| 8.8 | 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. 34-36, 40 | Fair employment practices, SAFETY: Always a priority | 8.8.1 | Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status | | |
| | | | | 8.8.2 | Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status | | |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 9 | SUSTAINABLE DEVELOPMENT GOAL 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | Page Reference | Check Box | 9 | SUSTAINABLE DEVELOPMENT GOAL 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | Page Reference | Check Box |
| 9.5 | 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. 29 | Research and development | 9.5.1 | Research and development expenditure as a proportion of GDP | | |
| | | | | 9.5.2 | Researchers (in full-time equivalent) per million inhabitants | | |
| 9.B | 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. 29 | Research and development | 9.B.1 | Proportion of medium and high-tech industry value added in total value added | | |
| 10 | SUSTAINABLE DEVELOPMENT GOAL 10 - Reduce inequality within and among countries | Page Reference | Check Box | 10 | SUSTAINABLE DEVELOPMENT GOAL 10 - Reduce inequality within and among countries | Page Reference | Check Box |
| 10.1 | 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. 40 | Wages and benefits | 10.1.1 | Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population | | |
| 10.3 | Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard | P. 40 | Wages and benefits | 10.3.1 | Proportion of the population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law | | |
| 12 | SUSTAINABLE DEVELOPMENT GOAL 12 - Ensure sustainable consumption and production patterns | Page Reference | Check Box | 12 | SUSTAINABLE DEVELOPMENT GOAL 12 - Ensure sustainable consumption and production patterns | Page Reference | Check Box |
| 12.4 | 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. 46 | Environmental governance | 12.4.1 | Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement | | |
| | | | | 12.4.2 | Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment | | |

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| TARGETS | | | | INDICATORS | | | |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 12 | SUSTAINABLE DEVELOPMENT GOAL 12 - Ensure sustainable consumption and production patterns | Page Reference | Check Box | 12 | SUSTAINABLE DEVELOPMENT GOAL 12 - Ensure sustainable consumption and production patterns | Page Reference | Check Box |
| 12.5 | By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse | P. 46 | Environmental governance | 12.5.1 | National recycling rate, tons of material recycled | | |
| 12.6 | Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle | P. 6-11 | Sustainability Statement, Sustainability Journey, Sustainability Governance | 12.6.1 | Number of companies publishing sustainability reports | | |
| 13 | SUSTAINABLE DEVELOPMENT GOAL 13 - Take urgent action to combat climate change and its impacts* | Page Reference | Check Box | 13 | SUSTAINABLE DEVELOPMENT GOAL 13 - Take urgent action to combat climate change and its impacts* | Page Reference | Check Box |
| 13.3 | Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning | P. 46 | Environmental governance | 13.3.1 | Number of countries that have integrated mitigation, adaptation, impact reduction and early warning into primary, secondary and tertiary curricula | | |
| | | | | 13.3.2 | Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions | | |
| 16 | SUSTAINABLE DEVELOPMENT 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 | Page Reference | Check Box | 16 | SUSTAINABLE DEVELOPMENT 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 | Page Reference | Check Box |
| 16.3 | Promote the rule of law at the national and international levels and ensure equal access to justice for all | P. 20-23 | Ethics and Integrity | 16.3.1 | Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms | | |
| | | | | 16.3.2 | Unsentenced detainees as a proportion of overall prison population | | |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 16 | SUSTAINABLE DEVELOPMENT 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 | Page Reference | Check Box | 16 | SUSTAINABLE DEVELOPMENT 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 | Page Reference | Check Box |
| 16.5 | Substantially reduce corruption and bribery in all their forms | P. 20-23 Ethics and Integrity | | 16.5.1 | Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months | | |
| | | | | 16.5.2 | Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months | | |
| 16.6 | Develop effective, accountable and transparent institutions at all levels | P. 10-11 Sustainability Governance | | 16.6.1 | Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar) | | |
| | | | | 16.6.2 | Proportion of the population satisfied with their last experience of public services | | |
| 16.7 | Ensure responsive, inclusive, participatory and representative decision-making at all levels | P. 10-11 Sustainability Governance | | 16.7.1 | Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions | | |
| | | | | 16.7.2 | Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group | | |
| 17 | SUSTAINABLE DEVELOPMENT GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development | Page Reference | Check Box | 17 | SUSTAINABLE DEVELOPMENT GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development | Page Reference | Check Box |
| FINANCE | | | | | | | |
| 17.4 | Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress | P. 6-11 Sustainability Statement, Sustainability Journey, Sustainability Governance | | 17.4.1 | Debt service as a proportion of exports of goods and services | | |

UN SDG CONTENT INDEX 2019

| TARGETS | | | | INDICATORS | | | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------|
| 17 | SUSTAINABLE DEVELOPMENT GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development | Page Reference | Check Box | 17 | SUSTAINABLE DEVELOPMENT GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development | Page Reference | Check Box |

TECHNOLOGY

| | | | | | |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------------------------------------------|
| 17.6 | 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. 23-32 | Establishing halal leadership, Participation in halal thought leadership programmes, Professional training and education for growing entrepreneurs (PROTÉGÉ) Entrepreneur programme | 17.6.1 | Number of science and/or technology cooperation agreements and programmes between countries, by type of cooperation |
| | | | | 17.6.2 | Fixed Internet broadband subscriptions per 100 inhabitants, by speed |

SYSTEMIC ISSUES *Policy and Institutional coherence*

| | | | | | |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 17.16 | Enhance the global partnership for sustainable development, complemented by multi-stakeholder 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. 23-32 | Collaborate with other healthcare and life sciences companies and stakeholders to provide industry perspectives to Governments, policymakers, legislators and regulators on the sustainable development impact of legislative, regulatory and tax frameworks including recommendations for improvement. | 17.16.1 | Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals |
| | | | | | |



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