



DUOPHARMA

DUOPHARMA BIOTECH BERHAD
Registration No.: 200001021664 (524271-W)

BUILDING A HEALTHIER NATION TOGETHER

SUSTAINABILITY REPORT 2020

BUILDING A HEALTHIER NATION TOGETHER

Duopharma Biotech adopts a comprehensive business model, with a global reach and expertise spread beyond pharmaceutical manufacturing, research & development and commercialisation boundaries. Guided by a clear vision and strategy, we are committed to delivering sustainable returns without compromising on improvements for people, planet, and the future.

We believe in our people's ability and core values to maximise our operational and strategic potential. Even when times are tough, our strong focus on innovation and optimisation continue to help us remain resilient as an industry leader in the pharmaceutical industry. We look forward to further breakthroughs and exciting discoveries as we clear the pathway towards a healthier tomorrow.



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This report is available online at <https://duopharmabiotech.com/sustainability-report/>.
For environmental preservation, we encourage the use of online version.

ABOUT DUOPHARMA BIOTECH BERHAD

Duopharma Biotech Berhad Group (“Duopharma Biotech” or “the Company”) began with the establishment of Duopharma (M) Sendirian Berhad in 1978. Duopharma Biotech was incorporated in the year 2000 and is today one of Malaysia’s leading pharmaceutical companies listed on the Main Market of Bursa Malaysia Securities Berhad.

Duopharma Biotech has core competencies in the pharmaceutical industry inclusive of Manufacturing, Research & Development and Commercialisation & Marketing of over 300 generic drugs - among others, Omesec and Prelica as well as its Consumer Healthcare (CHC) products such as 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.

The Company’s headquarters is located in Kuala Lumpur, Malaysia. Duopharma Biotech owns and operates three (3) manufacturing plants that are based in Klang, Bangi and Glenmarie, Selangor. Duopharma Biotech also has subsidiary companies in the Philippines and Singapore. A subsidiary of Duopharma Biotech has a representative office in Jakarta, Indonesia.

OUR CORE VALUES

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

P

PASSION

We inspire and energise everyone to be the best

E

EXCELLENCE

We consistently deliver outstanding performance through innovative solutions

T

TEAMWORK

We succeed together because we work as one



VISION

Providing Smarter Solutions
For a Healthier Life



MISSION

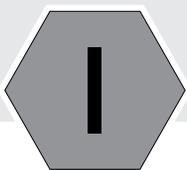
Leading Healthcare Group
Providing Quality and
Innovative Solutions

TAGLINE

*Smarter Solutions.
Healthier Life.*

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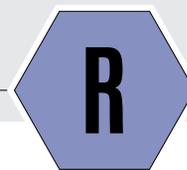
INTEGRITY

We conduct ourselves
with pride in being honest
and ethical



RESPONSIBLE

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



RESPECT

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

AT A GLANCE

Achieved record PBT of
RM76.20
million
7.6%
increase year-on-year

**ISO 37001:2016 ANTI-BRIBERY
MANAGEMENT SYSTEM CERTIFICATION
FOR DUOPHARMA BIOTECH GROUP OF
COMPANIES, INCLUDING OVERSEAS
ENTITIES**

Share price
surged by
138% from
RM1.42 at end 2019 to
RM3.38
at end 2020

1st 
in Malaysia to commercially
produce a cancer drug,
Lebreta

ERYSAA[®]
our biosimilar
erythropoietin, gained
halal certification by
the Korea Muslim Federation,
a JAKIM recognised foreign
halal certification body

Invested in AZT,
US-based innovator of
novel treatments for
**Neurodegenerative
Diseases** such as
**Alzheimer's
and Amyotrophic
Lateral Sclerosis**


Ventured into
Digital Therapeutics
in collaboration with
NALURI


Pilot programme to use
**Biodegradable
Plastic** for
storage purposes

Inclusion in
FTSE4Good
Bursa Malaysia
Index

**ONE OF THE BEST COMPANIES
TO WORK FOR IN MALAYSIA**
by HR Asia for the fifth consecutive year

ABOUT THIS REPORT

THIS IS THE SIXTH SUSTAINABILITY REPORT TO BE PRODUCED BY DUOPHARMA BIOTECH, IN WHICH WE OUTLINE WHAT SUSTAINABILITY MEANS TO US, AND HOW WE SEEK TO MANAGE MATTERS THAT ARE IMPORTANT TO US AS WELL AS TO OUR STAKEHOLDERS IN ORDER TO CREATE OPTIMUM ECONOMIC, ENVIRONMENTAL AND SOCIAL VALUE.

In preparing this report, we have been guided by the Global Reporting Initiative (“GRI”) Standards: Core Option and Bursa Malaysia’s Sustainability Reporting Guide, and adopted the former’s materiality assessment process to determine our material matters. In the main section of this report, we describe management’s approach to each matter, initiatives undertaken to manage matters, and progress made during the year. Where possible, we indicate quantitative targets that have been set and benchmark our performance against these. We also describe plans to further enhance our value creation.

In line with general practice, we categorise our material matters according to their economic, social and environmental impact under sections named Sustainability-led Business Commitment, Our Workforce & Community and Planet Performance, respectively.

Every year, we strive to improve on the breadth and depth of our reporting. This year, for example, we have included details on vendor audits conducted for our Highly potent Active Pharmaceutical Ingredients (“HAPI”) plant in Glenmarie. We have also obtained acknowledgement from the UN Global Compact Network Malaysia & Brunei (“UNGCMYB”) for our Sustainable Development Goals (“SDGs”). Upon reviewing our initiatives, we have identified 12 SDGs in which we can, and do, make a meaningful contribution. These are:



SCOPE & BOUNDARY

This Sustainability Report covers initiatives undertaken by the Malaysian operations of Duopharma Biotech from 1 January till 31 December 2020. We have also included data related to our social impact on employees and the community of our international entities, namely Duopharma (Singapore) Pte. Ltd., DB (Philippines), Inc. and Duopharma Marketing Sdn. Bhd.

ASSURANCE

Lloyd’s Register, who was engaged by Duopharma Biotech to provide an independent assurance of this report against GRI Standards in accordance with core option and selected topic-specific disclosures. The limited assurance was conducted using AA1000 Assurance Standard (AA1000AS v3). For more information on the subject matter and scope of assurance, please refer to Lloyd’s Register’s Assurance Statement on pages 76 to 77.

FEEDBACK

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

MESSAGE FROM THE CHAIRMAN AND GROUP MANAGING DIRECTOR

While sustainability issues have been gaining in prominence over the years, COVID-19 has made the need for stakeholder protection even more evident. Throughout 2020, the focus among most organisations has not been on profit but the well-being of employees and surrounding communities. This was definitely the prevailing ethos at Duopharma Biotech, and it gives us pleasure to present an account of the manner in which the Company has continued to safeguard our sustainability as well as the sustainability of our stakeholders in this report.

“We channelled more than half a million ringgit to the Ministry of Health, Epic Society (a non-governmental organisation) and the Government-Linked Companies’ Disaster Response Network (“GDRN”) in support of their pandemic relief work.”



Our most meaningful contribution to society lies in our core business, ie the provision of affordable supplements and other wellness treatments as well as prescription drugs that aid in the recovery of ailments. Because this is recognised as being essential, pharmaceutical companies were among the few that were allowed to operate during the Movement Control Order (“MCO”). Yet in order to ensure smooth and efficient operations, we relied on our people.

Protecting our people, therefore, was given top priority. Efforts towards this end began even before COVID-19 was declared a pandemic. We set up a committee to look into best practices from previous viral outbreaks as early as February. Even before the MCO was enforced in Malaysia, we had launched split operations – with teams alternating between working from the office and home. At our plants, we reduced our workforce to 50%, according to the Government’s directive, while also adhering strictly to all standard operating procedures (“SOPs”) such as temperature checks, use of protective gear and maintaining physical distance at all times. Thanks to these efforts, we were able to meet our obligations to customers including public and private hospitals.

MESSAGE FROM THE CHAIRMAN AND GROUP MANAGING DIRECTOR

While caring for our people and customers, we were also acutely aware of how critical it is to have robust governance and risk management frameworks in order to be able to withstand any unexpected crisis. This, in turn, spurred us to hasten the implementation of policies and procedures already in the pipeline. In July, we launched RiskBond, a risk management platform that facilitates risk analysis and the sharing of important data across different levels in the organisation.

Following the launch of our Anti-Bribery and Anti-Corruption (“ABAC”) Policy at end 2019, for example, we introduced two (2) supportive policies – the Anti-Bribery Management System (“ABMS”) Policy and Business Ethics Policy in September 2020. We also carried out intensive programmes to create awareness of our zero tolerance for bribery/corruption. Our efforts were not in vain. In October 2020, we attained the ISO 37001:2016 Anti-Bribery Management System (“ABMS”) certification that we had been targeting. Even better, this was achieved for the entire Duopharma Biotech Group (“the Group”) with no Non-Conformance Report.

We also accelerated the implementation of our Business Continuity Plan (“BCP”). As a result of intensive system reviews, needs analyses and training of business continuity coordinators, we were able to produce a strengthened Business Continuity framework complete with new Business Continuity Strategy & Solutions.

Operationally, we continued to focus on our 20 material matters in order to create the most positive impact on our stakeholders. Although the year was riddled with challenges that slowed down many ongoing initiatives, we made significant progress in certain areas.

A key accomplishment was to become the first Malaysian pharmaceutical company to manufacture a generic cancer drug. This was made possible by having invested in a Highly potent Active Pharmaceutical Ingredients (“HAPI”) plant which was commissioned in 2019. Following the commercialisation of this breakthrough drug, we began collaborating with our Indian partner, Natco Pharma Limited, on a second cancer drug to be manufactured at the same plant.

We are also proud of further achievements in developing the halal pharmaceutical industry, something that is meaningful to millions of Muslims

around the world. Today, we can proudly say that more than 94% of active ingredients used in our products are halal. We have even obtained the Company’s first halal certification for a biosimilar – Erysaa, our erythropoietin. More than that, we are helping to develop community pharmacies via our Duopharma Biotech Halal Pharmapreneur programme. Its popularity was proven by the fact that four pharmacies signed up for the programme in 2020 despite the pandemic, bringing the total number of halal pharmapreneurs we have developed to 33.

Within the community, we were prevented from carrying out a number of programmes that had been planned because of the pandemic. However, we continued to demonstrate our corporate stewardship by supporting efforts by the Government and NGOs to contain and manage the pandemic. In total, we channelled more than half a million ringgit to the Ministry of Health (“MOH”), Epic Society (an non-governmental organisations (“NGO”)) and the Government-Linked Companies’ Disaster Response Network (“GDRN”) in support of their pandemic relief work.

While our initiatives are motivated by their anticipated positive outcomes, we were very gratified when Duopharma Biotech was included in the FTSE4Good Bursa Malaysia Index. This independent validation indicates that we are on the right track towards achieving our Environmental, Social and Governance (“ESG”) goals.

In 2019, we became a participatory member of the United Nations Global Compact Malaysia and Brunei (“UNGCMYB”). As a member, we reaffirm our support of the ten (10) Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. In this report, therefore, we also describe our actions to continually integrate principles of the UNGC into our business strategy, culture and daily operations.

We encourage you to take the time to read the report, and provide feedback on our sustainability programmes and progress. Please forward your comments via email to cs@duopharmabiotech.com.

TAN SRI DATIN PADUKA SITI SA’DIAH BINTI SH BAKIR
Chairman

LEONARD ARIFF BIN ABDUL SHATAR
Group Managing Director

OUR RESPONSE TO COVID-19

The pandemic has necessitated various initiatives to ensure the safety and continued well-being of our employees, contractors and business partners. Following the establishment of a Group Pandemic Response Committee, which reviewed the World Health Organization (“WHO”)’s guidelines as well as all standard operating procedures (SOPs”) advocated by the Malaysian Ministry of Health, we have implemented a number of policies and procedures at our sites and offices. Site committees set up at our plants in Bangi, Klang and Glenmarie, as well as at our head office in Kenanga International, Kuala Lumpur ensure adherence to the new SOPs.



SOCIAL DISTANCING

- Controls are in place to limit interaction between staff from different departments or work areas.
- All workplaces, including washrooms and common areas are sanitised at least three times (3) a day.
- Sanitisers are installed in common areas and entry points.
- Visitors are discouraged at all sites; where possible, meetings are held online.
- Physical meetings among staff are discouraged and the number of participants is limited if a physical cannot be avoided. All meetings, including our Annual General Meeting (“AGM”), are held online. The Company has invested in and enhanced existing hardware and software to enable migration to online.
- During the MCO, as per Government SOPs, we allowed only 50% of our staff to come to work. Priority was given to production/production support and supply chain staff.



Our response platform serves not only to keep everyone safe, but also to maintain a high level of employee engagement.

PREVENTIVE MEASURES

- All staff entering any company premises must have their temperature taken. Anyone with temperature above 37.5°C or with COVID-19-like symptoms will be denied entry and advised to obtain medical help immediately. The Company will provide transportation if necessary.
- Staff reporting for work are provided face masks and are required to wear these in common areas.



STAFF ENGAGEMENT

- Daily COVID-19 updates are emailed to everyone, while our Group Managing Director (“GMD”) also sends out weekly emails. Posters and notices have been put up everywhere to remind staff about SOPs.
- Staff are constantly reminded to stay away from work if they have any COVID-19-like symptoms and to seek medical attention immediately.
- Staff working from home are encouraged to come to the office at least once a week. Department heads organise frequent online meetings with their staff to maintain morale and productivity. Training has continued, but now online.
- Quarterly Townhall meetings and the annual Dinner are now conducted online.
- Site committees have been set up to look into and manage COVID-19 related issues or concerns. At senior management level there is a special committee to manage all COVID-19 related matters.

- During the Recovery Movement Control Order, we split our office-based team into two and installed barriers in the workplace to maintain physical distancing.
- We split break times to reduce contact between departments at the canteen. There are also physical barriers on canteen tables to ensure staff safety.
- Muslim staff are encouraged to bring their own prayer mat and/or *telekung*, while the number of staff allowed inside the *surau* (prayer room) is limited according to its size.



CONTRACTORS

- Only pre-approved contractors are allowed, and have to fill in a health declaration form, present their pre-approved permit, scan/record their entry and sanitise themselves before entering our premises.
- All foreign contractors/suppliers have to show proof that they are free from COVID-19.
- Suppliers/contractors are separated at common areas such as the canteen and washrooms. They are allocated different times and space for their breaks.

OUR COMMITMENT TO SUSTAINABILITY

Duopharma Biotech is committed to integrating sustainability into all our operations, and to take into consideration environmental and social outcomes in our decision-making process. Our commitment to sustainability is driven not only because it is expected of us, but because we believe in the value that it creates. To achieve our sustainability goals, we recognise the need to create a culture of sustainability throughout the organisation. This is the function of our Sustainability Department.

Our Sustainability Department is responsible for overseeing our overall sustainability journey, and for creating greater awareness of sustainability among employees. It publishes a monthly internal newsletter on sustainability, and leverages the yearly Halal, Integrity and Sustainability (“HIS”) program to create awareness of the need to preserve and protect the environment while promoting sustainability in general. It also ensures that sustainability matters feature on the agendas of monthly department briefings as well as the Group’s quarterly townhalls. In addition, a sustainability specialist from the Department conducts employee training on sustainability issues.

UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI (“UNGCMYB”)

Since 2019, Duopharma Biotech has been a participatory member of the UNGCMYB. By committing UNGCMYB, we accept shared responsibility for achieving a better world and will align our processes with the SDGs. Meanwhile, staff have access to toolkits such as the online library and UN Academy Learning to further enhance their knowledge on sustainability related matters.

We pledge to extend our membership with UNGC until 2025 in order to support a sustainable development pathway. The ESG practices advocated by the UN body will serve to strengthen our risk management capabilities. ESG-related risks have been entered into our risk register.

INTERNAL PROGRAMMES IN 2020

- For the Halal, Integrity and Sustainability (“HIS”) Program, from 26 to 30 October, different departments prepared e-posters detailing actions taken by their teams to achieve the different SDGs.
- Sustainability training was carried out for manufacturing teams.



SUSTAINABILITY THOUGHT LEADERSHIP

We participate in industry sustainability events to sharing our experiences as well as to learn from others. During the year, we were involved in the following:

10 July	Our Sustainability Specialist presented a paper on “Renewable Energy: The Sustainability Managers’ Viewpoint” in a virtual seminar organised for Engineering students at University Islam Antarabangsa (“UIA”).
29 July	Duopharma Biotech collaborated with UNGCMYB, the University of Nottingham Malaysia Business School and other public listed companies to come up with a sustainability guide for corporate companies in the country. Duopharma Biotech will be a part of a research paper based on insights gathered from the event.
20 October	Our Sustainability Specialist was invited to an UNGCMYB Virtual Open Day, at which member organisations shared our partnership experience with UNGCMYB with other companies in Malaysia.

OUR COMMITMENT TO SUSTAINABILITY

FTSE4GOOD LISTING

In June 2020, our sustainability efforts were validated when Duopharma Biotech became listed in the FTSE4Good Index Series. The series recognises companies with strong ESG practices.

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 aspires for excellence by integrating sustainable practices in every aspect of our business and operations.

This Group Sustainability Policy applies to Duopharma Biotech and all our subsidiaries, this policy is based on three (3) 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

OUR SUSTAINABILITY JOURNEY

We embarked on a formal Sustainability Journey in 2015, when our Sustainability Department was established, and a gap analysis was conducted in order to develop a framework for sustainability to guide our actions. Since then, we have put in place policies and procedures to enhance our sustainability performance, and to create a sustainability culture throughout the organisation. In 2021, a new Sustainability Strategy will be outlined with enhanced scope.



SUSTAINABILITY GOVERNANCE

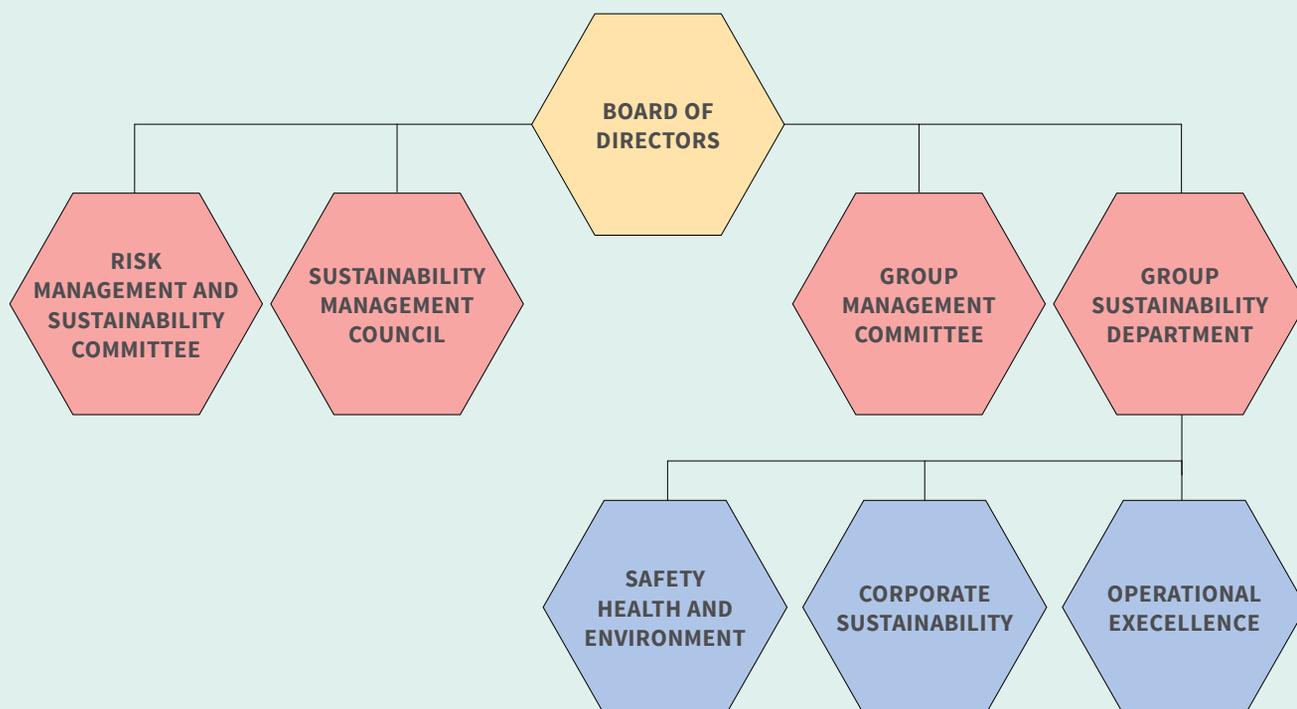
While we believe that everyone has a role to play in ensuring sustainable operations at Duopharma Biotech, all sustainability initiatives are led by our Board of Directors, who are ultimately accountable for the Company’s strategic direction. Sustainability oversight is provided by the Risk Management and Sustainability Committee (“RMSC”), which is supported by a Sustainability Management Council.

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

Our Sustainability Management Council who is led by the Chief Manufacturing Officer reports to RMSC on a quarterly basis, and ensures the Committee’s directions are implemented. The Council comprises Heads of Department and process owners from the different functions in Duopharma Biotech who meet every two (2) months to discuss progress made in all sustainability related initiatives. The **Sustainability Management Council** held four meetings in 2020, each attended by a majority of its members.

Only Corporate Sustainability and SHE-related information are discussed as agenda items by the RMSC. 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.

OUR GOVERNANCE STRUCTURE



STAKEHOLDER ENGAGEMENT

We have identified 12 stakeholder groups, i.e., groups of people who are either able to influence our operations and/or reputation, as well as those who are impacted by what we do. They comprise: our shareholders, customers, healthcare professionals, industry associations, government or regulatory authorities, employees, suppliers and other business partners, media, non-governmental organisations, the financial community, scientific community and our local communities.

Each group is important to us, and we seek to build relationships based on trust with them via open and transparent communication. Through established engagement platforms, we keep our stakeholders updated on our operations, performance and direction, while obtaining feedback on their needs, interests and expectations. The latter guides our strategies, plans and every-day actions.

STAKEHOLDER GROUP	
	SHAREHOLDERS
	LOCAL COMMUNITIES
	CUSTOMERS
	HEALTHCARE PROFESSIONALS
	INDUSTRY ASSOCIATIONS
	GOVERNMENT/REGULATORY AUTHORITIES
	EMPLOYEES
	SUPPLIERS AND OTHER BUSINESS PARTNERS
	MEDIA
	NON-GOVERNMENTAL ORGANISATIONS (NGOS)
	FINANCIAL COMMUNITY
	SCIENTIFIC COMMUNITY

STAKEHOLDER ENGAGEMENT

AREAS OF INTEREST	ADDRESSING THEIR INTERESTS
<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
<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 • Corporate social responsibility (“CSR”) programmes • Philanthropy and donations
<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
<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
<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”)
<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
<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
<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
<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
<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
<ul style="list-style-type: none"> • Access to finance • Business stability 	<ul style="list-style-type: none"> • Financial negotiations • Annual General Meetings • Financial statements
<ul style="list-style-type: none"> • Access to knowledge • Future business growth based on Research & Development (“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

Our performance and ability to create stakeholder value are impacted by various economic, social and environmental factors. These factors comprise our material matters. We seek to understand what our material matters are in order to better define our strategies and develop plans that focus on issues that are most important to us. Knowledge of our material matters would also enable us to allocate our resources more effectively in order to manage emerging issues and meet our stakeholders' expectations.

IN 2018, WE CONDUCTED A COMPREHENSIVE MATERIALITY ASSESSMENT, GUIDED BY THE GRI'S PROCESS OF IDENTIFICATION, PRIORITISATION AND VALIDATION, WHICH OUTLINED 20 MATERIAL MATTERS.

These matters have subsequently been reviewed annually and are seen by management as well as the Board to continue to be relevant. We therefore focus our disclosure on these 20 matters in this report.



OUR MATERIAL MATTERS

In the table below, we describe why each matter is important and how Duopharma Biotech seeks to manage the matter in order to optimise value.

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 and 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 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 MATERIAL MATTERS

MATERIAL MATTER	WHY IT IS IMPORTANT	OUR RESPONSE
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 Human Resource (“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

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

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We seek to create optimum value for our stakeholders not only through the provision of quality products but also by maintaining the highest level of integrity in everything we do; and contributing to the development of a holistic pharmaceuticals ecosystem that respects and caters to the needs of all consumers.



COMPLIANCE

Because of the nature of pharmaceutical products, the industry is highly regulated to ensure products that are brought to market are both safe and efficacious. Pharmaceutical companies in Malaysia need to adhere to the requirements of the following six (6) acts in order to qualify for the annual renewal of our Manufacturing, Wholesale, Import and Pharmacist Type A Poison Licenses:

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’s Compliance Department ensures we meet these legal requirements, not only because they are mandatory, but also because we care about ensuring the quality of our products and the creation of positive outcomes. Our overriding goal is to serve people around the world with products and services hallmarked by integrity, quality and care.

Quality assurance is applied to our entire value chain, from R&D to procurement, manufacturing, marketing and communication. In Malaysia, we refer and adhere to the following guidelines to ensure the quality, safety and efficacy of pharmaceuticals:

- Current Good Manufacturing Practice (“cGMP”) and Good Distribution Practice (“GDP”) as advocated by the Pharmaceutical Inspection Co-operation Scheme (“PIC/S”)
- International Council on Harmonisation (“ICH”) Guidelines for Pharmaceuticals
- National Pharmaceutical Regulatory Agency (“NPRA”) GMP/GDP Guidelines
- Eudralex

We also actively seek cGMP certification by the relevant authorities in our international markets. None of Duopharma Manufacturing (Bangi) Sdn. Bhd., Duopharma (M) Sendirian Berhad, Duopharma Innovation Sdn. Bhd. and Duopharma HAPI Sdn. Bhd. has been fined by the NPRA, GMP or any relevant regulatory body for non-compliance from 2018 to 2020.

All our operations have been certified with ISO 9001 for Quality Management Systems and the more specific ISO 13485 for medical products and devices; as well as the Good Distribution Practice for Medical Devices (“GDPMD”) developed by Malaysia’s Medical Device Authority. Our lab in Glenmarie, meanwhile, is ISO 17025 accredited, meaning it meets international technical proficiency standards to produce precise and accurate test and calibration data.

Quality Policy

Our Quality Policy underlines our commitment to delivering products and services that comply with all relevant regulatory and quality requirements, thus maintain a high level of stakeholder trust.

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Requirements of our Quality Policy



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In line with GMP and ISO compliance, all our products are tested rigorously before being made available in the market. Quarterly GMP management meetings are held while quality updates are reported to the 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 2020

COMPANY	DATE	TYPE OF AUDIT	AUDITED BY
Duopharma (M) Sendirian Berhad	3 - 4 Mar 2020	ISO 13485:2016	TUV SUD
	19, 20 & 22 May 2020	ISO 9001:2015	TUV SUD
Duopharma Manufacturing (Bangi) Sdn Bhd	10 - 13 Feb 2020	ISO9001:2015	TUV SUD
	15 - 17 Jul 2020	GMP	National Pharmaceutical Regulatory Agency
Duopharma Marketing Sdn Bhd	10 Feb 2020	GDPMD	TUV SUD
Duopharma Innovation Sdn Bhd (Analytical Laboratory)	11 - 12 Jun 2020	MS ISO/IEC 17025	Skim Akreditasi Makmal Malaysia

Our newest plant, the Highly potent Active Pharmaceutical Ingredients (“HAPI”) plant in Glenmarie’s validity of the Certificate of GMP Compliance of a Manufacturer obtained on 21 August 2019 was extended by NPRA. A gap analysis with European Union (“EU”) GMP requirements is planned for 2021, when the Quality Control (“QC”) laboratory at HAPI will also be going for ISO 17025 accreditation.

Certifications received by our subsidiaries

COMPANY	CERTIFICATION	INITIAL DATE OF CERTIFICATION	VALIDITY UNTIL
Duopharma Innovation Sdn. Bhd.	MS ISO/IEC 17025 General Requirements for testing and calibration laboratories	18 January 2010	18 January 2022
Duopharma (M) Sendirian Berhad	ISO 9001:2015 Quality Management System	2 May 2014	1 May 2023
	ISO 13485:2016 Quality Management System for the Manufacture of Medical Devices	1 July 2014	9 July 2023
Duopharma Manufacturing (Bangi) Sdn. Bhd.	ISO 9001:2015 Quality Management System	22 April 2015	21 April 2021
Duopharma Marketing Sdn. Bhd.	GDPMD	29 April 2015	28 April 2021

Halal Compliance

A feature that sets Duopharma Biotech apart is our compliance with MS 2424:2019, Halal Pharmaceuticals – General Guidelines and adoption of 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. As at end 2020, a total of 332 out of 352 (or 94.3%) of our active products (i.e., 92.4% in Bangi and 96.4% in Klang), were halal certified. The certification process for the remaining 5.7% of our active products is ongoing.

Vendor GMP Audits

As part of our quality assurance, we audit our vendors/suppliers under a vendor management programme to ensure they also meet GMP standards. In 2020, a total of 41 out of 755 vendors that supply our plants in Bangi, Klang and Glenmarie were assessed. Vendors that do not meet GMP criteria are given the opportunity to rectify existing gaps, failing which their contracts are terminated. The vendor GMP audit is to ensure GMP compliance of our suppliers who are part of our supply chain. This is very much aligned with sustainable supply chain principles so that the integrity of our supply chain and its outcome will be sustained.

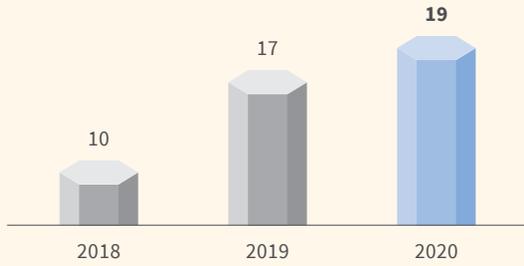
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AUDITS AND APPROVALS IN KLANG

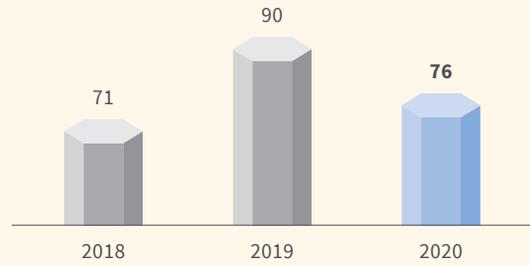
220 Total number of approved vendors in 2020

19 Number of vendors that passed GMP Audit in 2020

Numbers of Vendors Audited



Vendor Corrective Action Reports raised due to non-conformance

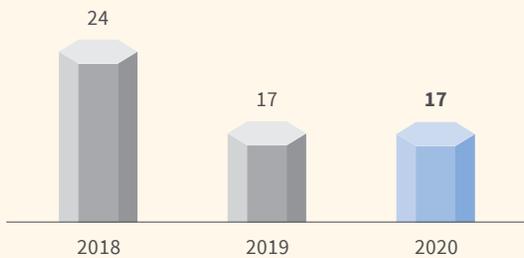


AUDITS AND APPROVALS IN BANGI

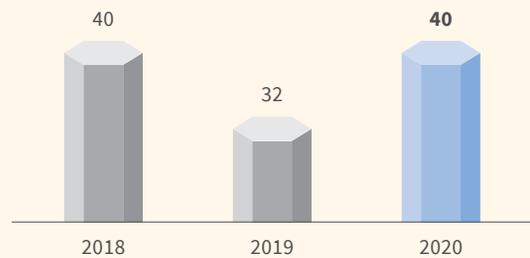
520 Total number of approved vendors in 2020

17 Number of vendors that passed GMP Audit in 2020

Numbers of Vendors Audited



Vendor Corrective Action Reports raised due to non-conformance



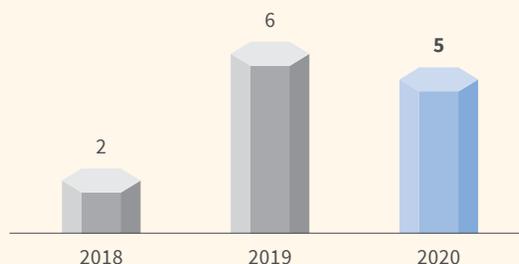
Note: In last year's Sustainability Report, we had inaccurately reported that 16 vendors for Bangi were audited in 2019; however, the number was actually 17. The figure has been corrected in the table above.

AUDITS AND APPROVALS IN GLENMARIE

15 Total number of approved vendors in 2020

3* Number of vendors that passed GMP Audit in 2020

Numbers of Vendors Audited



Vendor Corrective Action Reports that were raised due to non-conformance for 2018, 2019 and 2020 were recorded as zero for Glenmarie.

* Two (2) more audited vendors are awaiting desktop audit evaluation in 2021.

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COUNTERFEIT AND ADULTERATION

The World Health Organization (“WHO”) defines counterfeit medicines as those that are “deliberately and fraudulently mislabelled with respect to identity and/or source”. Adulterated medicines, meanwhile, contain inferior, defective or otherwise useless or harmful substances in addition to the original components. At best, such drugs are ineffective; at worst, they can pose serious health hazards.

The volume of falsified drugs produced in Asean is quite high, according to the United Nations Office on Drugs and Crime (“UNODC”)¹. Although Malaysia has one of the cleanest records in the region, Duopharma Biotech takes the issue seriously, and to protect consumers, we place holograms on our tamper-proof packaging. This has served as an effective deterrent to drug crime as, between 2018 and 2020, we have not received any complaints regarding counterfeit or adulterated products through our product complaints channels.

ETHICS & INTEGRITY

Integrity is one of Duopharma Biotech’s core values. The Group has zero tolerance for fraud, bribery and/or corruption, a stance that is supported by our Ethics and Integrity Policies, Corruption Risk Management, and a Whistle-blowing Policy. Our approach to ethics and integrity is led by the Board of Directors, which approves and oversees all relevant policies. The Board, through the Audit and Integrity Committee (“AIC”) is also responsible for monitoring, overseeing and evaluating the duties and responsibilities of the Management, the internal auditors as well as the governance and integrity of the organisation. The AIC oversees the implementation and effectiveness of governance, ethics, integrity and anti-corruption programmes. As part of ISO 37001:2016 ABMS requirements, reviews by the Board and top management on integrity and anti-corruption matters are conducted on an annual basis.

In December 2019, the Board approved an Anti-Bribery and Anti-Corruption (“ABAC”) Policy which serves as a reference point for everyone representing Duopharma Biotech on the manner in which we are to deal with our business associates. The policy includes guidelines on gifts as well as offers of hospitality and entertainment. This was followed by the approval on 9 September 2020 of two (2) subsets of the ABAC Policy – the ABMS Policy and Business Ethics Policy.

Seven other policies related to the ABAC Policy, and the months in which they were approved by the Board are as follows:

Whistleblowing Policy – approved by the Board in November 2018	Gift & Hospitality Policy – approved by the Board in May 2019
Sponsorship Policy – approved by the Board in August 2019	Declaration of Interest Policy – approved by the Board in August 2019
Integrity Pact Policy – approved by the Board in August 2019	Anti-Money Laundering and Counter Financing Terrorism Policy – approved by the Board in December 2019

In addition, an Investigation Procedure was approved by the GMD in February 2019.

All new policies and procedures are communicated to employees by way of briefings, followed by refreshers and reminders by our Integrity Champions through various mediums such as cards, buntings, posters, computer screen savers and emails. These policies are made available on our corporate website as well as intranet, in English and Bahasa Melayu. Our Business Ethics Policy and ABMS Policy are also displayed at all sites.

As a result of strict adherence to these policies, no cases were classified as fraud in 2020. The Group also obtained the ISO 37001:2016 ABMS certification without a single Non-Conformance Report issued by the certification body, SIRIM QAS International Sdn Bhd. In addition, Duopharma Biotech was honoured with the Five Petals Gold Ethics Award by the Business Ethics Institute of Malaysia (“BEIM”) which was validated by KPMG.

Whistle-Blowing

We provide our employees and stakeholders five (5) Speak-Up-Pharma channels through which they can address any concerns regarding irregular or unethical behaviour, namely email, via our corporate website, designated phone lines, SMS or via written complaints lodged confidentially to the Head of Group Internal Audit and Integrity (“GIA”). In addition, whistle-blowers may channel their concerns or complaints directly to the Chairman of Duopharma Biotech,

¹ As reported in <https://theaseanpost.com/article/fake-medicine-giving-asean-headache>

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the Chairman of the Audit and Integrity Committee, the Malaysian Anti-Corruption Commission (“MACC”) or the Royal Malaysian Police. According to our Whistleblowing Policy, preliminary investigations will be conducted on all reports received within seven (7) working days.

The Whistle-blowing Policy (“the Policy”) provides assurance that whistle-blowers will be protected from possible reprisals or victimisation provided they make their disclosure in good faith. All reports and associated investigatory records will remain confidential. To remind employees of the Policy, briefings were conducted in the first quarter of 2020 and a refresher programme was held in the third quarter.

During the year, nine (9) reports were received through our whistle-blowing channels, compared to five (5) in 2019. In addition, four (4) grievance reports were made. All the reports were disclosed to the Audit and Integrity Committee. We also submitted bi-annual reports to the MACC on whistle-blowing cases and our follow-up actions.

Whistle-Blowing Reports and Grievances made in 2020

MODE	NO. OF REPORTS RECEIVED	CLASSIFICATION		INVESTIGATED STAFF CATEGORY	
		WHISTLE-BLOWING	GRIEVANCE		
Written (To Head of GIA)	-	-	-	Senior Management	-
E-Mail	5	5	-	Blue Book	7
Hotline (Call/Messaging)	3	-	3	Red Book	1
Webform	1	-	1	Green Book	-
Others	-	-	-	Unknown	1
TOTAL	9	5	4		9

Ethics & Integrity Training



All new employees undergo training on Ethics, Integrity and Anti-Corruption. In 2020, this training was delivered in person in Q1 and when the situation improved; and online during the Movement Control Order. Meanwhile, those at the managerial level and above receive in-person training by the Head of Group Internal Audit and Integrity.

In addition, Weekly Anti-Corruption news as well as Weekly Values are uploaded on the intranet for employee awareness and education. Anti-corruption talks and events organised during the annual Halal, Integrity & Sustainability (“HIS”) Programme further supplement efforts to create a culture of ethics and integrity.

At the leadership level, our Head of the Group Internal Audit and Integrity participated in a United Nations’ course on anti-corruption in relation to the SDGs titled “Anti-Corruption in the Context of the 2030 Agenda”.

Going forward, various identified Integrity programmes will be included in the Group’s Organisational Integrity & Anti-Corruption Plan 2020-2023.

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Corruption Risk Assessment

We have implemented a Corruption Risk Management (“CRM”) process to identify structural weaknesses that could facilitate corruption. The system, approved by our Audit and Integrity Committee, requires all staff to take part in identifying risk factors and treatments, embedding corruption prevention into the fabric of our organisation.

Corruption/bribery risk is integrated into our Enterprise Risk Management (“ERM”) Framework which includes risk profiling of historical and current risks while anticipating probable future risk exposures. Our risk management processes focus on the management of any event or uncertainty that may have a significant impact on the Group objectives.

100% of our operations have been assessed for risks related to corruption. From the risk assessment, we have identified 69 types of risks related to corruption, 12 of which have been categorised as high risk. These are reviewed and updated to the Audit and Integrity Committee during their quarterly meetings.

Third-Party Engagement

In line with our CRM, Duopharma Biotech can only engage with third parties if there is a legitimate need for the services or the goods provided; and that these are priced at reasonable market value. Any such engagement has to be accompanied by a written contract, while the receipt of services or goods is documented.

Engagement of an agent to facilitate payment of bribes on behalf of the Company is strictly prohibited, and employees have an obligation to exercise the utmost caution in selecting any business partner to act on Duopharma Biotech’s behalf. Our business partners, moreover, must comply with all applicable anti-bribery laws and principles.

Duopharma Biotech has established due diligence processes for the registration of new customers onto our Systems Applications and Products (“SAP”) system. This includes risk profiling – inclusive of business and corruption risk – which considers the following factors: the size and nature of the customer’s business, product and services provided, and the geographical location of

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their operations. Our target is to ensure due diligence exercises are conducted on new customers/vendors before they are registered in the Company, in accordance with policies and procedures in place and our ABMS Manual.

In 2020, no staff, Management or Director was subjected to disciplinary action or dismissed due to serious misconduct. There was also no record on fines, penalties or settlements in relation to corruption. We have not terminated, nor not renewed, the contracts of business partners due to corruption as we have had zero cases on the matter, from 2018 until 2020. In addition, no political contribution was made to any political party, in line with the Group's party-neutral stand.

BUSINESS INNOVATION & MODEL

Our business model is premised on innovation and growth. In 2019, we reviewed and refreshed our business strategy which now has six (6) pillars. Among these, two (2) were pertinent during the year: Mergers & Acquisitions ("M&A") and expansion of our biotherapeutics portfolio.

Management have outlined an M&A plan which includes targeting selected countries in ASEAN by evaluating the business opportunities and risks they present. With the help of an external consultant, they have defined how selected countries can address strategic gaps in our business portfolio; and identified upcoming players in niche areas such as digital healthcare technologies and neurodegenerative disease that would give Duopharma Biotech a competitive edge in Malaysia and ASEAN.

Discussions with such players have been initiated, however the inability to travel due to the pandemic prevented on-site evaluation of any company outside Malaysia, which is critical to the due diligence process. As such, we shifted our focus towards the domestic market, achieving the following:

- On 10 April, we invested USD250,000 in Naluri Hidup Sdn. Bhd. giving us access to Naluri App, a digital health platform focused on helping patients with chronic conditions such as diabetes, heart diseases, cancer and mental health better manage their well-being.
- Following the listing of our partner SCM Lifescience Inc. ("SCM Lifescience") on KOSDAQ in June 2020, we sold 218,688 shares for approximately RM25 million against an initial investment of approximately RM21 million, while still retaining a strategic portion in the biotech company.

- Funds from the disposal of our equity in SCM Lifescience enabled us to invest in a United States ("US") company focused on the treatment of neurodegenerative diseases. On 31 July, we invested approximately RM21 million in AZTherapies Inc's Series C-1 funding round.

In terms of portfolio expansion, we developed our second fill and finish line in Klang in order to localise the manufacturing of our erythropoietin biosimilar, Erysaa. We obtained registration approval from NPRA for the line on 10 January 2020. Since then, process validation batches and Quality Control comparability testing have been completed successfully.

We will also resume evaluating international M&A opportunities once the pandemic is under control. Meanwhile, with the facility and equipment currently in use for Erysaa, we will be able to undertake the fill and finish process for other biosimilars.

Business Continuity Management

While continuing to innovate and grow, we recognise the need to also safeguard our business against any disruption due to relevant risks. Towards this end, in 2020 we embarked on a collaboration with a consultant to review our existing Business Continuity Management ("BCM") framework to meet ISO 22301:2019 standards. The process involved training 22 Business Continuity ("BC") coordinators from business units in Malaysia and two overseas offices, who subsequently led in developing their own business impact analysis ("BIA"). This included identifying business continuity objectives, prioritised activities, maximum tolerable periods of disruption ("MTPD") and recovery time objectives ("RTO"). A comprehensive risk analysis was then undertaken to identify potential threats.

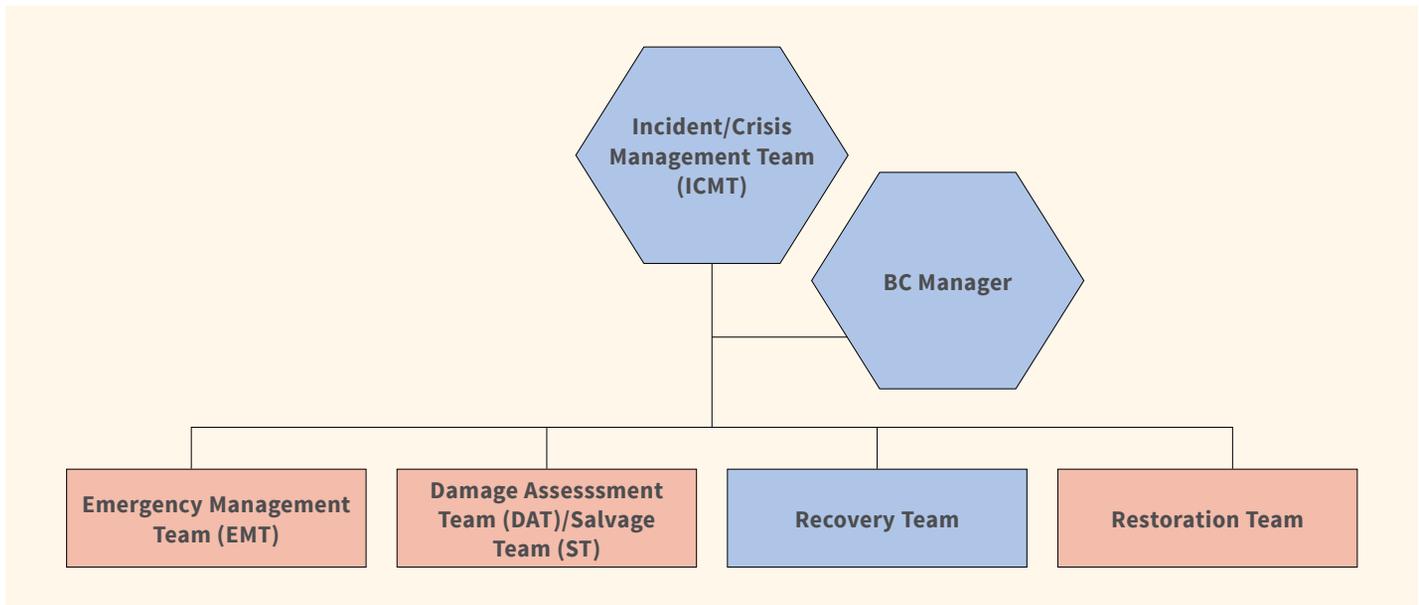
A Business Continuity Strategy & Solutions was subsequently established. Finally, the business units' Business Continuity Plans ("BCPs") were formalised as documented procedures to:

- Manage disruptive incidents
- Enable the continuation of activities based on pre-determined recovery objectives
- Secure communication channels with all interested parties

In December 2020, a complete set of BC documents was produced and a new revised BC framework was in place.

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Duopharma Biotech’s Business Continuity Organisation Structure



Duopharma Biotech has also invested in a huge sum in the area of risk management because we believe that analysis of risk and opportunity is the biggest step forward when it comes to embracing sustainability culture. We launched a risk software with an investment of about RM0.5 million to strengthen our ERM. We will continue to monitor and study our risks and opportunities in place consistently using this enhanced internal function.

PRODUCT PORTFOLIO

We supply a range of products to consumers in Malaysia and our international markets, meeting varied needs from over-the-counter supplements and pain killers to prescribed medication for non-communicable diseases. Currently offering more than 70 Consumer Healthcare products, 219 Ethical Classic products and 12 Ethical Speciality products, our plan is to further diversify our portfolio to include digital therapies and niche biotherapeutics. Our objective is to both enhance our range of products as well as to optimise their accessibility to those who would benefit from them.

Consumer Healthcare (“CHC”)

We have a wide range of CHC brands catering for different groups of consumers, with Flavettes, Champs and Eye Glo established as brand leaders in their respective categories in Malaysia. Both Vitamin C brands generated 1.5x sales growth versus the previous year.

Over the years, Duopharma Biotech has increased our Advertising and Promotion investment into our CHC brands with consumer engagement activities, tactical campaigns and activations. Flavettes and Naturalle expanded their consumer base by targeting younger target audience with increasing focus on digital and social media platforms. Champs ran a successful “Makan Champs” music video for its Multivitamin range in collaboration with Didi & friends. Promotions and trade investment with key partners were also critical in creating awareness and enhancing the reach of our products.



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As a result of such efforts, the business has grown tremendously in the last three (3) years. This, plus the fact that its operations are very different from that of the prescription drugs (Ethical) channel, prompted us to establish a separate subsidiary, Duopharma Consumer Healthcare Sdn. Bhd., in 2020.

In 2020, CHC continued to perform well, especially in the Vitamin C segment as the pandemic boosted demand for supplements to strengthen the body's immunity. This was further aided by the launch in October of a uniquely formulated complete sports performance solution, Proviton STR, which offers pre- and post-sport drinks that increase energy levels for better performance; and rehydrates and revitalises for enhanced recovery, respectively. Consumer awareness of Uphamol also increased following effective marketing strategies for the analgesic.

Moving forward, the CHC Business will continue to invest in media programmes and launch new products with unique selling propositions to support further growth.

Ethical Classic Business (“ECB”)

ECB's product portfolio is constantly reviewed and updated to ensure patient relevance. Key therapeutic categories under ECB management include Cardiovascular, Anti-Infectives, Alimentary Tract and Metabolism, Musculoskeletal, Respiratory, Central Nervous System, Sensory and others. ECB strives to launch at least two new products every year so as to fulfil a wider range of patient needs.

In 2020, six (6) new products were launched while 14 were discontinued, mainly due to technical or manufacturing issues. Among the new products was a generic version of Atorvastatin in crystalline form.

In response to COVID-19, we strive to address prescribers' needs to purchase products in lower quantities. Going into 2021, there are plans to launch 13 new products while ECB is also exploring the potential of collaborating with other local pharmaceutical companies by way of Agency Business to continuously grow our portfolio. To enhance our reach, the team has outlined various action plans to strengthen our sales force effectiveness, and leverage the capabilities of the Telesales team.

Ethical Specialty Business

Our Ethical Specialty Business is committed to providing better access to quality products, especially biosimilars, for the treatment of diabetes, cancer and renal diseases. Biosimilars create competition with innovators and helps to drive down prices by providing more affordable options. This gives the middle- and lower-income population access to affordable medicines to manage conditions like Type 1 or Type 2 diabetes.

We currently offer six (6) biosimilars, three of which – Basalog One (for diabetes), Zuhera (for breast cancer) and Erysa (for renal anaemia) – were launched in 2019. The focus in 2020 was therefore to further commercialise these products for the benefit of more patients. As biosimilars are relatively new in the region, there is currently insufficient awareness of these products as well as some misconceptions. A key undertaking by the Ethical Specialty Business is to overcome these challenges through relevant programmes.

In 2020, we featured our biosimilar brands on webinars organised by established medical societies such as the Malaysian Endocrine and Metabolic Society, Malaysian Oncology Society, and Malaysian Society of Nephrology. We initiated virtual visits for healthcare professionals to our HAPI plant in Glenmarie, and fill and finish facility in Klang. We also organised our own virtual scientific events to educate healthcare professionals about biosimilars, such as a webinar on “Biosimilar: A Case of More For Less”. These events were well attended and rated good to excellent by the participants. In addition, we collaborated with media companies on articles about biosimilars to create greater awareness among patients and we collaborated with various key opinion leaders and specialists to advocate Duopharma Biotech brands.

As a result of our efforts, healthcare professionals are more receptive towards biosimilars and Duopharma Biotech brands while more patients are being treated with Basalog One, Zuhera and Erysa. This is reflected in the drugs' performance in 2020:



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- Basalog One achieved triple-digit growth year-on-year (“yoy”) from the smooth execution of Ministry of Education (“MOE”) and MOH tenders. It also won a tender from the Ministry of Defense (“MOD”) until September 2023.
 - a) Revenue from Zuhera grew by 100%, and the drug received top ranking in a MOH tender in view of its price advantage. Despite the availability of another biosimilar in the market, Zuhera was the preferred choice in patient prescriptions, especially in the private sector where it cornered 59% of the IV trastuzumab market, by volume.
 - b) Revenue from Erysaa grew by 529% yoy. Despite stiff competition in both the short and long-acting erythropoietin (“EPO”) sector, Erysaa gained greater market share, with 43% of dialysis centres and hospitals prescribing the EPO for renal anaemia patients. Erysaa also won a three-year MOH tender until 2023.

To further increase the market share of the three brands, we have planned the following:

- Basalog One to participate in the two-year MOH tender up to 2023.
- Zuhera to participate in a three-year MOH tender up to 2024.
- Erysaa to participate in a two-year National Kidney Foundation tender to be advertised in 2021.
- Erysaa to be approved and launched in the Philippines in 2021 as part of regional expansion by the Ethical Specialty Business.

ACCESS TO MEDICINE

As the biggest pharmaceutical manufacturer in Malaysia, and No. 2 in term of sales, it is important to ensure our products are available and accessible to patients.

We supply the government sector through government hospitals, klinik kesihatan, dental clinics and medical centres in public institutions of higher learning. This is done through participation in central tenders such as the Approved Product Purchase List (“APPL”), and MOH direct tenders as well as local purchase orders (“LPOs”). Products under the APPL are distributed to the more than 4,000 Government healthcare facilities nationwide via the government-appointed logistics and distribution concession holder. Products under MOH tenders and LPOs are delivered directly to the relevant purchasing points. There were more than 600 such points in 2020.

Within the private sector, our key channels are private clinics, retail and independent pharmacies and private hospitals. Our Sales Team visits these customers and takes orders from them. In addition to in-person visits and engagement, our newly formed Telesales Team communicates and keeps in touch with

customers over the phone and online. As of 31 December 2020, our penetration rate for the private sector stood at 85%. This is lower than our target of 90% mainly because of the pandemic, which created issues in accessing healthcare professionals.

To further widen our reach we are venturing into digital health apps, initially for renal anaemia and cancer patients. Though still a work-in-progress, our pioneering app has been well accepted by the healthcare professionals targeted.

All efforts to create awareness and promote our products are conducted responsibly, in line with the rules and regulations as stipulated under the Malaysian Organisation of Pharmaceutical Industries (“MOPI”)’s Code of Pharmaceutical Marketing Practices on Prescription (Ethical) Products and the Pharmaceutical Association of Malaysia (“PhAMA”)’s Code of Conduct. In addition, activities and events planned will go through a strict internal approval process which includes our Medical Affairs Department to ensure compliance.

During the year, we complied with all relevant guidelines and no audit issue was identified within the business. The target is to further enhance our SOPs to cover critical aspects in marketing pharmaceutical products.

COMPETITIVE PRICING

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

We are fortunate thus far to have been able to continue to operate in this environment. However, as our raw materials are sourced from a global supply chain, their cost and freight charges have increased since Q2 2020 when international borders were closed due to the pandemic. Recognising that it is more important now than ever for people to look after their well-being, we have absorbed these costs while maintaining our prices and production with negligible disruption.

Our price competitiveness is demonstrated by Duopharma Biotech securing approximately 60% of all the government tenders – APPL, from MOH and different institutions – in which we participated in the 2019/2020 cycle. Of note, we maintained our pricing for the APPL tender, which was extended for 25 months from 1 December 2019 until 31 December 2021.

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

CLINICAL STUDIES & PHARMACOVIGILANCE

The Pharmacovigilance Department at Duopharma Biotech is responsible for monitoring the safety performance of all medicinal products and medical devices for which Duopharma Biotech is the Market Authorisation Holder.

Under our pharmacovigilance system, all instances of adverse drug reaction (“ADR”) are recorded, assessed, investigated and reported to the regulatory authority or partner companies. The objective is to identify risks and risk factors in the shortest possible time to reduce, if not avoid, any possible harm to patients.

To ensure a more comprehensive pharmacovigilance ecosystem, the Pharmacovigilance Department continues to conduct training and activities such as quizzes for enhanced employee awareness. Our pharmacovigilance team members also participate in external training to build capacity and knowledge. In monitoring the process of pharmacovigilance, we adhere conscientiously to NPRA’s Malaysian Pharmacovigilance Guidelines and comply with the Safety Data Exchange Agreements (“SDEA”) signed with partner companies. We also comply with the Malaysian Guideline for Good Clinical Practice (“GCP”) and participate in audits conducted by business partners on pharmacovigilance activities.

NPRA has been developing a new set of Malaysian Guidelines on Good Pharmacovigilance Practices (“GVP”) which is to be implemented by end 2021 for product registration holders. In the process, it has engaged extensively with various stakeholders for feedback. Duopharma Biotech has provided our views and feedback via MOPI while also participating in multiple forums to understand and prepare for the new requirements.

From 2018 to 2020, all valid cases received on the adverse effects of our products were reported to the regulatory authority and partner companies within the stipulated time frame. There were no fines or summons for any irregularity in relation to our existing drugs, nor for clinical trials. We also remained free of any legal or regulatory fine associated with clinical trials.

Moving forward, we will continue to raise pharmacovigilance awareness among all staff including senior management and BOD members, and look for opportunities to collaborate with regulatory/government agencies in Malaysia to promote pharmacovigilance awareness within the industry. The aim is to increase awareness among the general public, and healthcare providers more specifically, of the importance of pharmacovigilance to create a safer and more responsible pharmaceutical ecosystem.

All studies were managed by external Contract Research Organisations (“CROs”) such as:

- Lotus Labs, Ra Chem, Ecron Acunova and Vergo Clinicals from India
- Info Kinetics Sdn. Bhd. from Malaysia
- Acdima Biocenter from Jordan
- IQVIA

Available results (Clinical Study Reports) for the BE studies were submitted to the NRPA to support product registration. Non-BE study results will be submitted to a peer reviewed scientific journal for publication.



CLINICAL STUDIES

2018

- Eight (8) Bioequivalent (“BE”) studies were initiated of which five (5) were completed and three (3) BE studies were carried over and were completed in 2019

2019

- Four (4) BE studies were initiated of which One (1) was completed and three (3) BE studies were carried over and were completed in 2020

2020

- We are currently recruiting for a Phase IV Clinical Study which is expected to be completed in Q3 2021
- Four (4) BE studies were initiated of which three (3) were completed and one (1) study was carried over to 2021

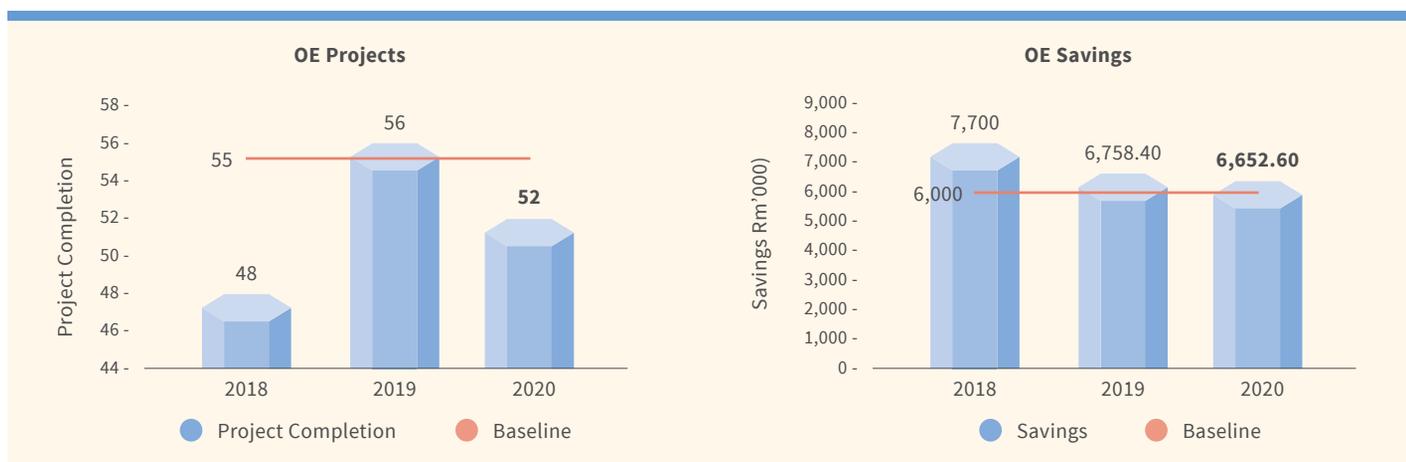
SUSTAINABILITY-LED BUSINESS COMMITMENT

MANUFACTURING & SUPPLY CHAIN MANAGEMENT

Manufacturing and the Supply Chain form the core of our operations. It is important, therefore, to drive optimal efficiency in all related processes to underline the Group's sustainability.

Operational excellence is driven by continual improvement ("CI") activities covering our entire supply chain, from our manufacturing plants to our warehouses and up to our customers' premises. These CI initiatives are led by our Operation Excellence ("OE") department, which uses LEAN methodology in managing process improvement projects.

Our target is to complete at least 55 OE projects a year. We fell short of this target in 2020, completing only 52 projects, primarily because of the three-month period during the MCO when we operated with only half of our normal workforce. Nevertheless, we achieved RM6,652.60 million in savings, exceeding our baseline target.



Among the CI projects, two (2) were noteworthy for being awarded Band 5, which is the highest possible ranking, at the Annual Productivity & Innovation Conference ("APIC") 2020 organised by Malaysia Productivity Corporation ("MPC"). These were "Project Panther" by DB Panthers, and "Increase the Final Yield of Sterile FOCUS Products" by Sterile Venger.

Project Panther created one of the first in Malaysia's pharmaceutical industry by establishing a telesales department focusing on smaller customers. From just making telephone calls, the team managed to attract new customers while better serving existing ones. Through this initiative, the team managed to increase sales from our smaller customers from RM2.99 million in 2018 to RM4.19 million in 2019 and RM3.93 million in 2020.

Sterile Vengers achieved savings by implementing the LEAN process to develop a critical manufacturing process that minimises loss or the rejection rate during manufacturing thus enhancing yield.

In addition, 11 manufacturing employees undertook the LEAN Practitioner Certification programme which entailed passing a LEAN Practitioner Exam and completing a project that creates RM10,000/year value. All of them passed the exam and are in the

process of completing their projects which will be presented in August 2021.

Purchasing Standard Operating Procedures ("SOPs")

In addition to efficient manufacturing operations, there is much potential to enhance Group savings from cost-effective purchasing. Towards this end, we have developed Purchasing SOPs for reference of departmental managers and employees to ensure efficient and value-generating procurement.

Apart from the SOPs, our 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. PR and PO approvals are given in accordance 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.

SUSTAINABILITY-LED BUSINESS COMMITMENT

We also have guidelines for direct negotiations and requests for quotation or auctions, to secure competitive and reasonably priced goods or services. To facilitate the attainment of the best possible prices, our Purchasing department leverages e-auction/bidding. Despite the limitations imposed by the pandemic, our team still executed 65 purchases worth a total of RM6.1 million in 2020 via our e-auction platform, and achieved average savings of 12.55%.

New Source Evaluation (“NSE”)

The process of getting a new supplier of raw materials approved in pharmaceutical manufacturing is challenging, as it involves various chemical and technical evaluations by different departments.

The process typically involves the following steps:

- A potential supplier is identified
- The Purchasing Department obtains approval/clearance for the supplier from the Halal Committee and Business Improvement team
- Chemical and physical QC sample tests are done
- A pilot batch is manufactured with the support of Production and Engineering
- A stability study is conducted
- Quality Assurance approval is obtained
- Regulatory Affairs submits a Variation registration
- Upon approval of the Variation registration, we can finally issue commercial orders from our new alternate source

In 2020, logistics/distribution restrictions due to the pandemic added to the existing challenges, making it difficult to transport sample and pilot batches. The slowdown of manufacturing activities also affected the demand and supply of various products.

Despite the challenges, it is important for us to constantly explore alternative suppliers to serve as back-ups as well as to obtain the most competitive prices. Towards this end, in 2020 we submitted the names of 78 suppliers for evaluation and obtained approvals for 96 alternate sources for commercial production (including approvals for submissions made earlier). This exceeded the targets of 76 new source introduced for NSE evaluation and 60 approved for commercial production use.

Alternate Sources Evaluated and Approved

Location	No. of New Source Submitted and Approved for evaluation			No. of New Source Evaluated and Approved for commercial use		
	Year			Year		
	2018	2019	2020	2018	2019	2020
Klang	*63	42	34	*39	61	52
Bangi	*75	69	44	*50	*46	44

* There were errors in the numbers reported for the years 2018 and 2019 previously. These have been corrected in the table above.

Vendor Management

Security of raw material supply is critical to our manufacturing process. Accordingly, we establish strong relationships with our vendors through regular engagement and by listening to any issues they may have. Under our Purchasing Vendor Management System, we conduct a Vendor Performance Evaluation (“VPE”) yearly for open feedback. Outcomes of the survey are shared with the vendors who are required to acknowledge our report.

From this programme, we are able to help our vendors address any challenges they may face in terms of meeting Duopharma Biotech’s expectations on timely supply, product quality and after-sales support. The evaluation also draws attention to underperforming vendors, who may be removed from our network if they are unable to rectify and improve in relevant metrics.

VPE Score

Site	2018	2019	2020
Bangi	98.90%	*98.47%	98.76%
Klang	97.69%	*98.52%	99.04%

* Errors in the numbers reported in SR2019 have been corrected in the table above.

We were pleased with our VPE scores for 2020, which met our target of 98%.

SUSTAINABILITY-LED BUSINESS COMMITMENT

On Time In Full (“OTIF”)

A key metric in our supply chain management is the timeliness of delivery to customers. This is measured by our On Time in Full (“OTIF”) performance, which measures the time taken to deliver products in the quantities ordered. The ideal is for all distribution plants to deliver goods within 24 hours upon order placement by customers. Our target is to meet the 24-hour goal at least 85% of the time.

To ensure a high level of OTIF performance, all orders are keyed in and processed in accordance with the First-In, First-Out (“FIFO”) method used for cost flow assumption purposes in the cost of goods sold calculation. Pending orders as well as incomplete order reports are monitored on a daily basis. Updates on pending orders are shared with staff to ensure no orders are left out from being packed and sent. Monthly OTIF reports are shared with commercial and production teams, and where the 85% target is not met, causes for delays are analysed and discussed. The delays are highlighted to relevant stakeholders for mitigation plans.

The target OTIF performance for our warehouses, is even higher, at 97%. This means our warehouses cannot be responsible for more than 3% of delays in delivery. The average warehouse OTIF data for 2018, 2019 and 2020 tabulated below comprises of all warehouses nationwide, which are Bangi, Klang, Penang, Kota Bahru and Johor Bahru depots. To ensure a high level of efficiency, we recently implemented an automated Warehouse Management System (“WMS”).

	Target	2018	2019	2020
Company OTIF	85%	88.6%	90.0%	88.9%
Warehouse OTIF	97%	98.6%	98.5%	98.4%

No. of respondents to VOC

Channel	2018		2019		2020	
	Target	Actual	Target	Actual	Target	Actual
Ethical	1,100	1,112	1,200	1,219	1,350	1,630
CHC	300	319	350	390	400	463
Government	200	219	220	225	245	264
Specialty	100	154	130	138	150	165
Private hospital	100	70	100	124	110	123
Export	N/A	12	15	20	18	19
TOTAL	1,800	1,886	2,015	2,116	2,273	2,664

The company target for customer satisfaction index is 95%. Results reported in 2018 and 2019 are higher than the target set, which are 96% and 97% respectively. However, in 2020 the customer survey questions were redesigned in order to obtain feedback from customers on changes and challenges faced during the Pandemic. This could be helpful for us to come up with strategies based on feedback given. Despite the challenging situation, we were still able to obtain 90% for 2020 satisfaction index.

In 2020, overall delays were caused by credit hold (7.5%), stock unavailability (1.6%), partial delivery as per customers request (0.5%), and warehouse delays (1.6%). Delays at the warehouse were primarily due to the reduction in workforce, in line with the pandemic SOPs.

Our target is to achieve 100% OTIF to ensure customers’ satisfaction.

Voice of Customer (“VOC”)

VOC is used to obtain customer’s feedback on their experience in purchasing products from Duopharma Biotech. The survey is conducted among targeted customers from various channels including Ethical Classic, Ethical Speciality, CHC, Government, Private Hospitals and Exports.

In response to COVID-19, the team developed a new set of questions for 2020 which focused on how the pandemic had impacted customers’ needs and experience, while also probing future needs in order for us to serve them better. The questions were set in early August and distributed to sales managers for them to disseminate to their sales representatives via digital platform. Every customer can only log in and respond once to the survey link using their unique account number. The three-month survey ended on 30 November 2020.

We achieved an overwhelming response of 2,664 survey participants exceeding our target of 2,273 respondents by 17%, and marking a 26% increase from the number of respondents in 2019. The steady increase in participation rate over the three years is a positive indication of improving customer engagement. We seek to continuously increase the number of participants for the survey by obtaining better representation of the different types of customers whom we serve.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Customer Returns Analysis

Products that are sent to customers may be returned for a number of reasons to do with quality and the expiry date, among others. Returns incur unnecessary cost, hence we do our best to manage and minimise them. Our target is to have less than 5% of CHC product returns and less than 1% for the Ethical business.

A return analysis is conducted and shared with relevant sales managers every two (2) months during sales and operational meetings. In addition to quantities, the analyses highlight the reasons for stocks being returned. Moving forward, the volume of return stocks from customers will be monitored and controlled by every stakeholder involved, including the supply and sales teams. We will maintain KPIs on returns according to the different channels in order to maintain better control.

% Returned

**CHC
PRODUCTS**
2.2%

**ETHICAL
PRODUCTS**
0.4%

Write-off value of products from the different plants

Plants	Company Name	2018 (RM)	2019 (RM)	2020 (RM)
1022	Duopharma Marketing Sdn. Bhd. – Bangi	5,034,698	2,408,227	1,313,686
1026	Duopharma Marketing Sdn. Bhd. – Klang	1,330,516	4,238,461	829,320
1057	Duopharma Consumer Healthcare Sdn. Bhd. – Bangi	-	-	67,584
1036	Duopharma (M) Sendirian Berhad – Klang	734,991	1,485,488	1,535,480

The above write-off values are inclusive of products returned from customers as well as expired goods in the warehouse. Goods returned by customers which can no longer be re-sold are written off and physically disposed in incinerators as part of SW405 (code for pharmaceutical waste). Details of disposal can be found in Planet Performance pages 53 to 57 under Waste Management.

There were no write-offs for Duopharma Consumer Healthcare Sdn. Bhd. in 2018 and 2019 because the new plant became operational only in January 2020.

RESEARCH & DEVELOPMENT

Duopharma Biotech takes pride in the fact that we have strong R&D foundation, based on work done by our team of pharmaceutical development scientists and analytical chemists at Duopharma Innovation Sdn. Bhd. Key functions of this team are to identify and develop new products; prepare all documents and data required for product registration for both local and export markets; and to lead in any technology transfer related to the manufacture of new products from Duopharma Biotech’s partners. In-licensing and out-sourcing activities are carried out to increase our capacity in new product development.

A New Product Pipeline Committee represented by cross-functional departments is responsible for identifying suitable new products based on factors such as market demand, patent expiry dates, focus areas and our in-house manufacturing capabilities, among others. Products selected are then developed according to Malaysian and international regulatory standards such as the ASEAN Consultative Committee on Standards and Quality (“ACCSQ”), Pharmaceutical Inspection Co-operation Scheme (“PICS”) and International Council for Harmonization of Technical



SUSTAINABILITY-LED BUSINESS COMMITMENT

Requirement for Pharmaceuticals for Human Use (“ICH”). Once developed, these products are registered with the relevant local and regional health authorities in Malaysia and identified regional countries. The newly developed products are then manufactured at manufacturing sites in compliance with GMP.

In 2020, three (3) new CHC products and three (3) new Ethical products were submitted to the NPRA for local registration. We have identified new technology platforms for new solid dosage form; implemented systems and procedures to close gap identified for regional registration requirements; incorporated Quality by Design (“QbD”) into our development standard procedures; and implemented intensive technology transfer procedures for new products for successful first production at our manufacturing plants.

In recent years, we have been enhancing the capabilities of our team via QbD training. Moving forward, the team will continue to invest in new technologies to be able to expand our product pipeline while further enhancing its QbD knowledge and practices for product development. It will also continue to ensure all regional registration requirements are met, identify more partners or contract research organisations for out-sourcing and in-licensing, and enhance our technology transfer procedures to ensure smoother, more successful “right first time” production of new products at our manufacturing plants.

Leading in Cancer

In recent years, Duopharma Biotech has been focusing our resources on developing small-molecule cancer inhibitor drugs to reduce the country’s reliance on expensive imported medication. The need for affordable treatment is as acute as the incidence of cancer, which continues to rise. According to the International Agency for Cancer Research (“IARC”) under WHO, the number of new cancer cases in 2020 was 48,639. Of these, breast cancer was the most prevalent, accounting for 17.3% of the total.²



In November 2018, we completed our HAPI plant, which was designed specifically for the manufacture of HAPI drugs. A milestone was achieved in June 2020, when we became the first in Malaysia to commercially produce a HAPI product containing Letrozole that treats breast cancer. The technology for its production came from our Indian partner Natco Pharma Ltd (“Natco”). The technology transfer included quality control methods which entailed a number of tests to ensure the products manufactured are safe, efficacious and of quality. As of end 2020, a total of 16 commercial batches of Letrozole drug products had been manufactured which will be supplied to government hospitals and private hospitals. We are now preparing for the transfer of technology for a second cancer drug which has undergone the required trials. Production resource planning is under

² <https://gco.iarc.fr/today/data/factsheets/populations/458-malaysia-fact-sheets.pdf>

SUSTAINABILITY-LED BUSINESS COMMITMENT



way to increase production output to meet market demand and build stocks for the future.

HALAL COMMITMENT

Integral to our efforts to make smarter healthcare solutions accessible to everyone is to cater to a demographic that makes up over two (2) billion of the global population and 61.3% of the Malaysian population are Muslims. No less than 94.3% of our active products are certified halal, making Duopharma Biotech a leading player in the international halal pharmaceutical scene.

Supporting Malaysia's halal agenda, Duopharma Biotech was part of the Technical Committee established by the Department of Standards, Malaysia that developed the world's first halal standard, MS 2424, Halal Pharmaceuticals – General Guidelines. MS 2424 underwent its first revision in mid-2019, incorporating new elements on the production of halal vaccines and biologicals.

We continue to participate actively 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

Internationally, we participate actively in the task force and working group of the Standards and Metrology Institute for Islamic Countries (“SMIIC”) Technical Committee 16 under the Organisation of Islamic Cooperation (“OIC”) on halal pharmaceutical standards.

Thought Leadership

To promote the halal pharmaceuticals sector, we actively support and participate in international as well as local events. During the year, we contributed our knowledge and expertise via the following platforms:

INTERNATIONAL EVENTS	WORKSHOPS IN MALAYSIA
<ul style="list-style-type: none">• World Halal Webinar Series themed “Embracing A Halal Pharmaceutical Ecosystem”, hosted by the Ministry of International Trade and Industry (“MITI”) and organised by Halal Development Corporation Berhad (“HDC”) on 28 July• World Halal Conference & Webinar 2020, hosted by MITI and organised by HDC on 6 October virtually and physically in MITEC, Kuala Lumpur	<ul style="list-style-type: none">• Development of National Occupancy Skills Standards (“NOSS”) for Halal (Manufacturing) organised by HDC• Halal Sectoral Roadmap organised by HDC• Virtual Workshop on Vaccines in OIC Member States• Sesi Sindikasi Sasaran Halatuju Baharu Bumiputera 2030 (Key Economic Growth Activities) - Halal and Food Hub organised by Unit Peneraju Agenda Bumiputera (TERAJU)

Halal Entrepreneur Development

Since 2017, we have been collaborating with the Centre of Entrepreneur Development and Research (“CEDAR”) to promote entrepreneurship in the halal pharmaceutical sector. Through the six-month Duopharma Biotech Halal Pharmapreneur programme, the only one of its kind in Malaysia, we provide training to help community pharmacists enhance their financial, sales & marketing, and human resources skills, among others, thus for them to operate more efficiently.

The programme taps into the Skim Peningkatan Produktiviti Enterprise grant offered by Malaysia Productivity Corporation (“MPC”) for small & medium enterprises (“SMEs”) to increase their competitive advantage and productivity under the Malaysia Productivity Blueprint.

In 2020, four (4) retail pharmacies signed up to join the fourth edition of the programme which commenced in September. With the current intake, the total number of retail pharmacies that have enrolled stands at 33. Other than to develop business management and entrepreneurial capacity, the programme creates awareness of halal pharmaceuticals while also promoting Duopharma Biotech products to the general public.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Internal awareness and training sessions

Our Halal and Government Relations Department organises regular awareness and training sessions for employees to ensure they are kept updated on developments in Malaysia's halal ecosystem and governance structure, and especially progress made in the pharmaceuticals sphere.

Three flagship programmes are organised on an annual basis, namely Board of Directors & Senior Management Training, Celik Halal Train-the-Trainer and HIS Programme. A description of the programmes run in 2020 is provided in the table below.

Programme	Description	No. of Participants
Board of Directors and Senior Management Training on Halal Pharmaceuticals	<ul style="list-style-type: none"> • Provided updates on strategic developments, SWOT analysis and issues related to the registration of Halal pharmaceuticals • The session received 88% favourable feedback 	22
Celik Halal Train-the-Trainer	<ul style="list-style-type: none"> • Three (3) sessions held for Ethical Classic Business, Production, Sterile, QA/QC, Regulatory Affairs, Duopharma HAPI, Halal Monitoring Committee members, etc. • The sessions received 97% overall favourable feedback 	62
Halal, Integrity & Sustainability ("HIS") Programme 2020	<ul style="list-style-type: none"> • Programme launch by GMD was captured live on Duopharma Biotech's Facebook • Activities organised included Virtual SDG e-poster project, Photo Contest, Word Puzzle, Quiz and "Jom Sihat" talk by Dr Kumaravelu A/L M. Thirumani • Programme received 65% overall favourable feedback 	500 staff took part in activities; 90 views for the launch event

Stakeholder Engagement & Collaboration

We collaborate and partner with various government agencies and key customers to promote the development and production of halal pharmaceuticals while influencing greater acceptance of Duopharma Biotech's halal products.

During the year, representatives from Duopharma Biotech were invited to speak/serve as a panellist on halal pharmaceuticals at the following events:

25 February	Speaker and panellist at the Halal Pharmaceutical Symposium 2020 themed "Fostering A Vibrant Halal Pharmaceuticals Research & Academic Community"
14 & 16 April	Speaker at Halal Pharmaceuticals Awareness Sessions with Caring Pharmacy - 1st Training (virtual session)
10 - 11 June	Speaker at Halal Pharmaceuticals Awareness Sessions with Caring Pharmacy - 2nd Training (virtual session)
28 July	Panellist at World Halal Conference (webinar series) themed "Embracing A Halal Pharmaceutical Ecosystem"
6 August	Guest panellist on Astro Awani Notepad on the topic "How Halal Pharma is Changing the Market"
11 - 12 August	Speaker at an awareness session on Halal Pharmaceuticals at Hospital Kuala Lumpur
6 October	Panellist in "Captains of Industry Panel: Responsible Consumption and Production" session during World Halal Conference 2020
20 October	Speaker at the World Halal Webinar Series 2: The Future of Halal in Healthcare & Pharmaceutical in conjunction with the World Halal Expo
11 November	Knowledge sharing session in collaboration with Duopharma Biotech Philippines for members of the Islamic Medical Association ("IMAN") in the Philippines
18 November	Panellist at the State of Global Islamic Economy ("SGIES") Report 20/21 Malaysia Launch

SUSTAINABILITY-LED BUSINESS COMMITMENT



We also sponsored or participated at strategic halal platforms to increase the Group's visibility as a halal market leader.

- Co-host and sponsor of the Halal Pharmaceutical Symposium 2020 themed "Fostering A Vibrant Halal Pharmaceuticals Research & Academic Community" together with Universiti Kebangsaan Malaysia at Aloft Hotel, Kuala Lumpur Sentral, 25 February 2020
- Participated in HDC Sectoral Roadmap Workshop at Putrajaya Marriot Hotel, 1 to 3 October 2020
- Sponsor and partner of the World Halal Webinar Series which started with "Embracing a Halal Pharmaceutical Ecosystem" at MITEC, Kuala Lumpur, 28 July 2020
- Sponsor and partner of the World Halal Conference & Webinar 2020 themed "Halal Community Driving the New World Economy" at MITEC and virtually, 6 October 2020
- Collaborated with HDC on a webinar platform for a parallel session during World Halal Conference entitled "The Building Blocks of The Halal Pharmaceutical Eco-System", 6 October 2020
- Participated in Virtual B2B meeting between Malaysian companies and Korean buyers organised by HDC in conjunction with the Malaysia Global Halal Show, 5-8 October 2020
- Sponsor for PICOMS Science & Management Symposium organised by PICOMS International University College, Kuala Lumpur, 3 March 2020

Branding

Our participation in halal pharmaceuticals thought leadership and awareness programmes created an estimated PR and ad value of RM2.7 million.

R&D COLLABORATIONS

Initiated discussion on an R&D project with Universiti Sains Islam Malaysia on "The use of Chinese Hamster Ovary ("CHO") cell line for erythropoietin biosimilar from Halal Perspective".

Moving forward, Duopharma Biotech will keep updated on halal developments ensuring compliance with certification requirements while expanding our presence in regional and international market through thought leadership as well as our pharmaceuticals. We will explore international media platforms to internationalise our halal pharmaceutical positioning while continuing to support the national halal agenda.

OUR WORKFORCE & COMMUNITY

Our operations are intrinsically geared towards caring for people, specifically their well-being. We fulfil this purpose not only through our products but also through our actions and contributions to society. In growing our business, we seek to ensure that we also develop our people – professionally and in their personal capacity – as we continue to uplift marginalised communities and create greater social benefits via effective outreach programmes.

CARING IN THE TIME OF COVID

The spirit of caring at Duopharma Biotech was evident in 2020, in the way the Group responded to the COVID-19 outbreak – internally, in relation to our employees; as well as externally, in the support extended to national efforts to contain the virus.

Even prior to the Government imposing the MCO, we had set up a special Group Management Committee to look into the most responsible response, based on advisory from the WHO and Malaysia's MOH. We then appointed a formal Pandemic Response Committee which recommended split operations requiring our non-manufacturing staff to be divided into two teams that took turns to work in the office and at home.

Once the MCO was declared, our employees were still allowed to work as pharmaceutical products are even more essential in a health emergency. However, as per requirements, we reduced our normal workforce at plants to 50%. The Pandemic Response Committee ensured all emerging guidelines and SOPs workplaces were reflected throughout our operations. Frequent site visits and checks by the relevant authorities confirmed Duopharma Biotech's continuous compliance in this regard.

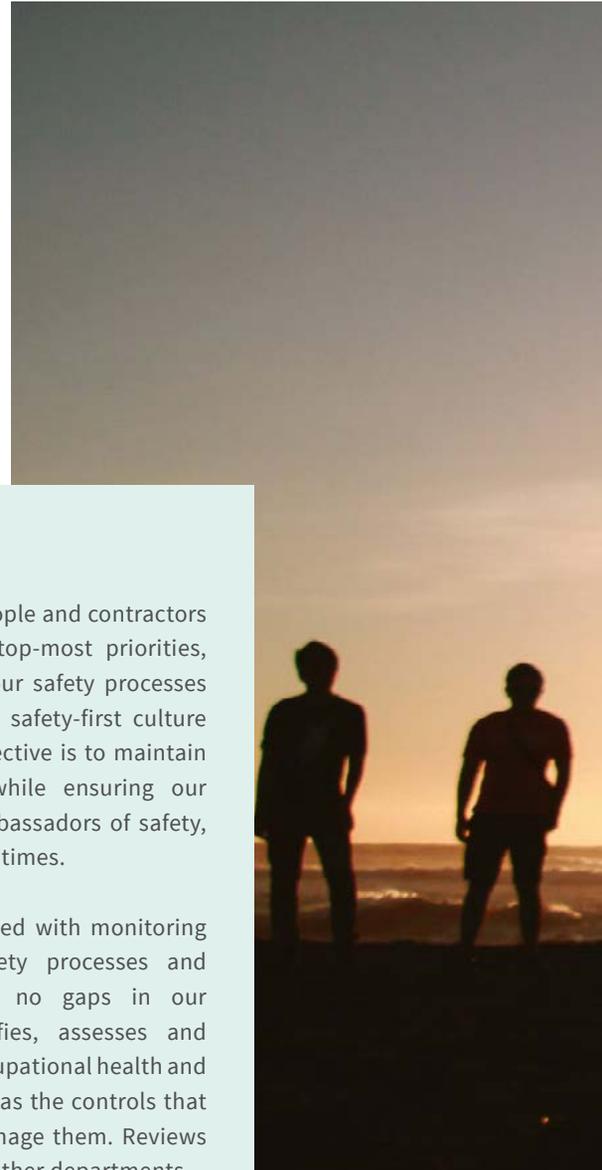
SAFETY-FIRST CULTURE

The health and safety of our people and contractors has always been one of our top-most priorities, and we continue to reinforce our safety processes and systems while nurturing a safety-first culture throughout the Group. Our objective is to maintain a robust safety framework while ensuring our people themselves become ambassadors of safety, practising safe behaviours at all times.

Our SHE department is entrusted with monitoring the effectiveness of our safety processes and systems, ensuring there are no gaps in our framework. The team identifies, assesses and continuously reviews all our occupational health and safety ("OHS") hazards, as well as the controls that have been implemented to manage them. Reviews of controls are conducted with other departments such as engineering and administration, and additional controls are recommended where needed.

While the SHE department manages SHE-related activities at all sites, the Group Management Committee ("GMC") and Risk Management and Sustainability Committee ("RMSC") oversee and review all SHE-related indicators. The GMC is updated on our OHS performance every month; while the Board of Directors and RMSC receive updates from the GMC on a quarterly basis.

 For more details on our response to COVID-19, please refer to Our Response to COVID-19 on pages 6 to 7.





OHS Management System

High OHS standards at Duopharma Biotech are assured by our Safety & Health Policy. The policy reflects the Occupational Safety and Health Act (“OSHA”) 1994, Factories and Machinery Act (“FMA”) 1967 and other relevant statutory laws and regulations in Malaysia.

In order to safeguard our work environment, our Safety & Health Policy requires us to:

Ensure relevant operating procedures are enforced for safe operations, maintenance and use of equipment, substances and processes at all our plants

Anticipate, recognise and evaluate safety and health risk factors; and implement appropriate measures to eliminate, control or minimise such risks

Ensure all employees exercise personal responsibility for their own safety and that of others

The ultimate objective of this policy is to achieve zero accidents at the workplace. To read our Safety & Health Policy in full, please refer to our corporate website at <https://duopharmabiotech.com/>.

OUR WORKFORCE & COMMUNITY

Reporting Incidents

As part of our inclusive safety culture, we encourage all employees to report any unsafe incident or condition observed, using Unsafe Condition, Unsafe Act (“UCUACT”) forms. They can also notify area committee members should they have any OHS concerns.

Work-related OHS incidents are required to be reported to the SHE team within 24 hours. Upon receiving a report, the SHE team will verify the incident and circulate an OHS Incident notification across the Group via internal communication channels. The SHE team will also conduct a full investigation, and propose the most appropriate measures to prevent a recurrence.

In the event of an emergency, staff have been guided to notify relevant personnel and obtain help if needed. We have trained first-responder teams at all sites to manage emergencies, and procedures are in place to enable escalation if required. Our emergency incident response procedures are tested annually to ensure they remain effective and efficient. In 2020, we also revised our Business Continuity Management System (BCMS) to be able to better manage crises.

EMERGENCY PREPAREDNESS AND RESPONSE

Under our revised Business Continuity Management (“BCM”) framework, we have set up additional teams to support our site Emergency Response Teams (“ERTs”) in managing crises. While our ERTs will continue to act as the first line of response on-site, a newly set up Crisis Management team will take over in a crisis scenario. Post crisis, our new Damage Assessment and Recovery teams will contribute towards rapid and effective recovery and remedial actions.

Identification of Hazards & Risks

We identify all potential hazards related to ongoing and planned activities at our operation sites, and assess them according to probability and severity of occurrence. The SHE team regularly reviews our risk ratings and assesses the effectiveness of existing controls. Where any control is deemed inadequate, the SHE team will recommend additional measures to fill in the gaps.

Employee Consultation and Participation

Each operations site has its own Safety and Health committee, comprising representatives from operations and management. The committees meet every quarter. In 2020, the meetings were conducted in a hybrid form with some members joining virtually.

Roles and responsibilities of the committee are to:

- Review SHE-related policies
- Conduct workplace inspection and propose ways to improve workplace safety
- Get involved in SHE awareness programmes
- Be part of site ERT in the event of an emergency
- Assist in reviewing workplace tasks and suggesting safer ways of working
- Participate in investigations into SHE-related incidents



Awareness Programmes

The SHE department conducts regular briefing sessions with all operations staff. During these sessions, the need to work safely is emphasised, and staff are asked about any safety concerns they may have. The meetings also include sharing sessions and also OHS updates. During the different phases of the MCO, many of these activities were conducted online, or hybrid sessions with some online participation.

The annual HIS event serves as another platform through which we create greater awareness of the importance of occupational safety. The HIS Program in 2020 was held online from 26-30 October. Safety messages were imparted via activities such as a safety quiz, word puzzle, safety photo contest and a health talk.



Contractor Management

All contractors must go through SHE induction before being allowed to start work at any Duopharma Biotech site. To ensure compliance with our safety standards, frequent checks and inspections are conducted.

Safety Performance

Under our Safety and Health Policy, we seek to achieve zero lost time incident (“LTI”) and a total recordable cumulative frequency (“TRCF”) of incidents of 1.28 or less. Our goal is to ensure that all identified safety hazards are minimised or are under control so that every site across the Duopharma Biotech Group is safe for all.

Safety performance

	2018	2019	2020
No. of LTI	5	6	4
TRCF (incidents per mil man-hours)	1.14	1.58	1.17
No. of recordable incidents	5	8	5
No. of fines from authority	0	1	1
No. of hours worked	4,386,839.55	5,073,207	4,258,192

Although we observed four LTI cases in 2020, this was lower than the six cases in 2019. Overall, our safety performance improved year on year, with fewer LTI, recordable incidents and TRCF. Our OHS incidents due to falls also decreased. This is due to a combination of efforts to instill safe behaviours as well as conducting extensive investigations into incidents and the conscientious application of remedial steps recommended. We have had zero fatalities and zero high-consequence work related injuries from 2018 to 2020. We have also not been imposed any safety-related fine by any relevant regulatory body from 2018 to 2020.

Unfortunately, during the year we were imposed one penalty, under Section 13 of the Destruction of Disease-Bearing Insects Act (“DDBIA”) 1975. The premise (site) where the offence occurred was at the material time under the possession and control of the contractor undertaking construction works, and not under Duopharma Biotech’s control. It was the contractor’s obligation under the contract to ensure compliance with all laws and maintain the site clean and safe. However, we did not receive any warning letter nor summons from 2018 to 2020. Our target is to continuously monitor and enhance our safety performance to achieve zero penalties.

RECRUITMENT & RETENTION

Because we are only as good as our people, we believe in attracting the best talent and ensuring they stay with us for the long term. We recognise that competition for talent is rife in the marketplace, hence have devoted time and energy on identifying our Employer Value Proposition (“EVP”), namely Learning & Development and Career Growth Opportunities, which are highlighted in our branding, and especially our recruitment activities.

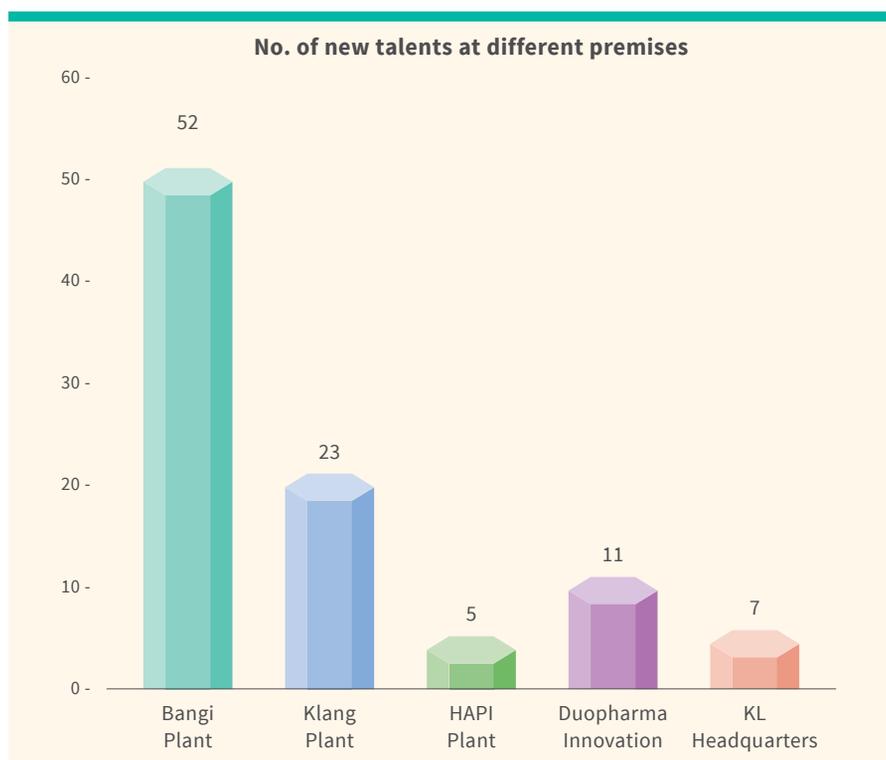
We also leverage recognition received of Duopharma Biotech being an employer of choice, having won HR Asia’s Award for Best Company to work For in Asia for five (5) consecutive years; and the Graduate Choice Award in 2020 for the second year.

OUR WORKFORCE & COMMUNITY

Recruitment is carried out mainly through advertisements on job portals and social media, as well as employee referrals. We also welcome write-in applications.

Due to the pandemic, face-to-face interviews were not encouraged in 2020. Proving their agility, our Talent Acquisition Team revamped the recruitment process, requesting candidates for most positions to send short introductory videos of themselves for the pre-screening process. Most of the shortlisted candidates were then interviewed online.

Given the fast pace at which Duopharma Biotech is growing, we need to bring on board not only fresh graduates but also talent at the supervisory and management levels. Because of the pandemic, we did not recruit any fresh graduates under our Graduate Trainee Programme ProGrad. However, we brought on board 98 talents at the supervisory level and above, based on their experience, cognitive abilities and skills-sets. In 2021, we plan to revamp our career website to be more attractive and user-friendly.



Employee Engagement

Employee engagement is about how invested people are in their companies – the extent to which they feel connected with management, their colleagues and the culture. Surveys have shown that the more engaged employees are, the higher a company’s retention, productivity and profitability.³

To ensure a high level of employee engagement, we believe in hiring the right talents – those who share the same core values as Duopharma Biotech. We offer professional development opportunities, and attractive prospects for career progression. Most of all, we believe in demonstrating how much we value our employees. This is achieved via constant communication to keep them updated on corporate news; activities that create a sense of belonging to a “family”; and nurturing a work culture that resonates with our employees.

Communication channels used to engage with employees

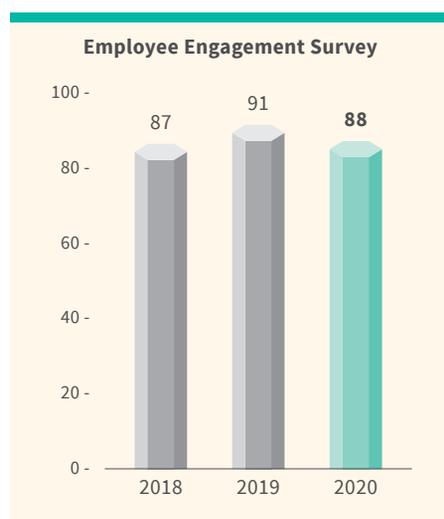
Communication platform	Description
Townhalls	At these quarterly events, the GMD provides updates on the Group’s performance. Prior to the MCO, live sessions were held simultaneously at other operating sites, led by senior management. In 2020, these sessions were conducted online.
Intranet	Updates relevant to all employees are posted on the intranet.
e-mail	Management and HR regularly send out e-mails to share important messages or news.
Social media i.e. Facebook, Instagram, LinkedIn	These are used mainly for informal social interaction by employees at all levels, while also serving as Duopharma Biotech’s public “face”.
Newsletters	The GMD and various heads of department produce newsletters on a regular basis. During the MCO, our GMD sent out weekly updates on COVID-19.

³ <https://builtin.com/employee-engagement/why-is-employee-engagement-important#4>

Employee Engagement Survey

To gauge how connected our employees feel, as well as how enthused they are about working at Duopharma Biotech, we conduct an annual Employee Engagement Index Survey. This year, the survey was conducted over a period of two (2) weeks from 26 October to 6 November and 99.6% of our employees took part in the survey, demonstrating willingness to share their opinions with the Company. Even more encouragingly, we achieved an engagement score of 88% for year 2020, exceeding the target of 87%. This indicated a high level of engagement and employee involvement in meeting the Company's goals and objective despite the pandemic. Focus group discussions have been planned for the six (6) departments with the lowest scores.

In 2021, the Employee Engagement Index survey will be conducted by Towers Watson. The full survey will have 49 questions and various categories including employee engagement.



Apart from the survey, we continued to organise various activities throughout the year to ensure a high level of engagement at a time when most management employees have been required to work from home.

Engagement Activities in 2020

Activity	Date	Description
Health Screening	11 February in Klang 13 February in Glenmarie 18 February in Bangi	Biomark Health Screening on Cardiovascular Disease & Diabetic Screening was conducted for all employees from the executive level upwards.
MCO Challenge	Week 1 (13 - 19 April) Week 2 (20 - 26 April) Week 3 (27 April - 3 May)	Employees shared photos of activities conducted at home together with their family members.
Townhall via live streaming	3 April 6 April (regional) 25 June 14 September	Quarterly Townhall sessions were held virtually, with the GMD sharing the Group's performance and providing project updates to local and regional staff.
Collective Agreement Conclusion Lunch	17 August	Following the successful conclusion of negotiations with the National Union of Petroleum & Chemical Industry Workers ("NUPCIW"), Management hosted lunch at the Marriot Putrajaya Hotel for NUPCIW and union committee members from the Klang and Bangi sites.
Traditional Outfit & Canvas Shoes Day Contest	11 September	We organised a contest where staff shared fun photos of themselves dressed incongruently on Duopharma Instagram.
Deepavali Festival Contest	11 - 20 November	Staff posted Deepavali celebration photos and videos on Duopharma Facebook & Instagram.
Christmas & New Year Contest	24 - 31 December	Staff posted Christmas & New Year photos and videos on Duopharma Facebook & Instagram.
Merdeka and Malaysia Day Short Video Contest	11 - 31 August	Staff posted short videos on our social media platforms.
Talk	12 November 19 November	Motivation Talk by Ustaz Shamsul Amri Ismail, popularly known as Shamsul Debat. Financial Wellness Talk by Agensi Kaunseling dan Pengurusan Kredit (AKPK).
Mental Health	October 2020	Month-long video sharing and activities on Mental Health were organised in conjunction with Mental Health Day on 2 October.
Sharp Online Purchase Promotion	25 November - 4 December	Discounts given for the purchase of Sharp electrical goods.

OUR WORKFORCE & COMMUNITY

Sports Club

Our sports club, Kelab Sukan CCM Duopharma (“KSCCMD”) underwent a rebranding in June 2020, following which it is now called Kelab PETIRR Duopharma, reflecting the Group’s values of **P**assion, **E**xcellence, **T**eamwork, **I**ntegrity, **R**esponsible and **R**espect. The rebranding was in line with Duopharma Biotech’s carving of its own identity following our demerger from Chemical Company of Malaysia. Despite the pandemic, the club remained active and organised a number of successful events and those held post-MCO were conducted online.

Kelab PETIRR Activities in 2020

Activity	Date	Description
Mountain climb	7 March	More than 90 members got together to hike up Gunung Angsi in Negeri Sembilan, guided by Selipar Outdoor Team.
Virtual cake-decorating contest	13 June	Themed ‘Warna Warni Malaysiaku’, the contest was the first club event to be held virtually. It was a success, attracting a number of creative submissions by members.
PUBG mobile competition	25 July	More than 50 members joined the PlayerUnknown’s Battlegrounds activity via Facebook, which attracted 728 views during the live stream.
PETIRR Excellence Award	8 August	The club’s first YouTube event, to celebrate the academic achievements of members’ children, drew more than 1,000 views on the same day.
PETIRR Online Trivia Contest	Every Saturday from 15 -29 August	More than 300 members took part in the three (3) contests that tested their general knowledge.
PETIRR 91 Day Championship	September - November	This comprised challenges and tournaments aimed at nurturing a spirit of sportsmanship and promoting healthy lifestyles, such as: <ul style="list-style-type: none"> • PETIRR UP Challenge – this was an inter-house competition based on number of steps taken. In September, the top three (3) males and females were awarded. • Fishing Contest • Badminton Tournament • Bowling Tournament • PETIRR Virtual Tournament - Virtual Museum Hunt, Bing Tac Go and Scavenger Hunt • October Photo Challenge • November Poster challenge
Virtual Night of Starz 2020	19 December	Duopharma Biotech talents performed with special guest star, Faizal Tahir, as more than 1,100 members watched from the comfort of their homes.
PETIRR Workout Challenge	December	Members posted videos of themselves working out while also promoting Proviton STR consumption.

Long-Service Awards

The Long-Service Appreciation Night is traditionally held at the end of the year to recognise employees and retirees who have served more than 10 years. In 2020, a total of 147 employees qualified for the awards. However, due to the MCO, the dinner could not be held. Instead, plaques and door gifts were presented by the respective chiefs at the Kuala Lumpur office as well as Bangi and Klang sites in November 2020. Six (6) employees who were retiring received the Gold Medallion in recognition of their dedication and loyalty to the Group. Photos of the awards presentation and a video of all the Gold Medallion recipients were presented during the Virtual Night of Starz on 19 December 2020.

PROTÉGÉ

Duopharma Biotech has been supporting the Government’s Professional Training and Education for Growing Entrepreneurs (“PROTÉGÉ”) programme to upskill unemployed graduates since 2013. The objective is to increase participants’ marketability in the workspace. Under the programme, we provide 12-month on-the-job training to the participants, who also receive training in Grooming and Etiquette, Communication and Networking Skills, Organisational Adaptability, Creative and Analytical Thinking, Environment Sustainability & Social Impact, Entrepreneurship 101 and Value Driven Professional.

OUR WORKFORCE & COMMUNITY

In 2020, we took in 50 trainees, who raised RM5,732.08 in sales of our Consumer Healthcare (“CHC”) products under their two-month Entrepreneurship Project using social media. At the end of the programme, we offered full-time employment to 28 of the participants. Duopharma Biotech will collaborate with the PROTÉGÉ secretariat on 2021 targets which have yet to be confirmed.

PROTÉGÉ Statistics

	2018	2019	2020
No. of participants	64	50	50
No. participants offered jobs	*29	*31	28
% participants offered jobs	45.3	62.0	56.0

* Errors in the numbers reported in SR18 and SR19 have been rectified in the table above.

LEARNING & DEVELOPMENT



We invest significantly in employee training because it deepens as well as broadens their knowledge, and keeps them motivated as they expand their horizons. At the same time, the training programmes are designed to enhance our employees’ competencies therefore contribute to better individual performance as well as productivity.

Under our Learning & Development framework, we outline learning journeys for each employee from their first day at Duopharma Biotech. The framework comprises five (5) key training areas, namely:

- On-Boarding: Designed to acclimatise new recruits to Duopharma Biotech and our culture.
- Core Learning: These comprise soft skills training, which is provided to all employees.
- Professional Learning: Foundation and technical courses that enhance work efficiency.
- Leadership Learning: Provided to employees at the supervisory level onwards to sharpen their management and leadership skills.
- Talent Development: To develop identified talents for higher roles.

HR ensures alignment of the Group’s business objectives and employees’ competencies by identifying existing skills/competency gaps and organising the most relevant training. An Annual Training Calendar is outlined every year accordingly. Throughout the year, e-mails are sent to superiors as well as employees informing them of up-coming training programmes and requesting for sign-ups. Nominations by supervisors are followed up by HR. To facilitate the process of signing up and storing accurate data on employee training, we have implemented an e-training system for the supervisory level and above.

In addition to formal training, we encourage informal learning, eg mentoring by senior members in the company and coaching by superiors. We also place a great deal of emphasis on on-the-job-training, firm in the belief that this represents one of the most effective forms of learning. Employees are continuously assigned projects in which they either work individually or in teams. In the process of completing these assignments, they acquire invaluable knowledge and skills through guidance from their superiors and peers.

In addition, staff are given the opportunity to attend technical and soft skills training based on their respective development plans. Employees sit down with their line managers to discuss their development plans during the annual appraisal.

While most training programmes are held in-house, we also encourage staff to attend public training programmes. Because of the pandemic, a limited number of physical trainings were conducted in-house in 2020 while most of the external programmes were also cancelled. However, we were able to migrate a number of the in-house sessions online. This in itself was a new learning experience for our employees.

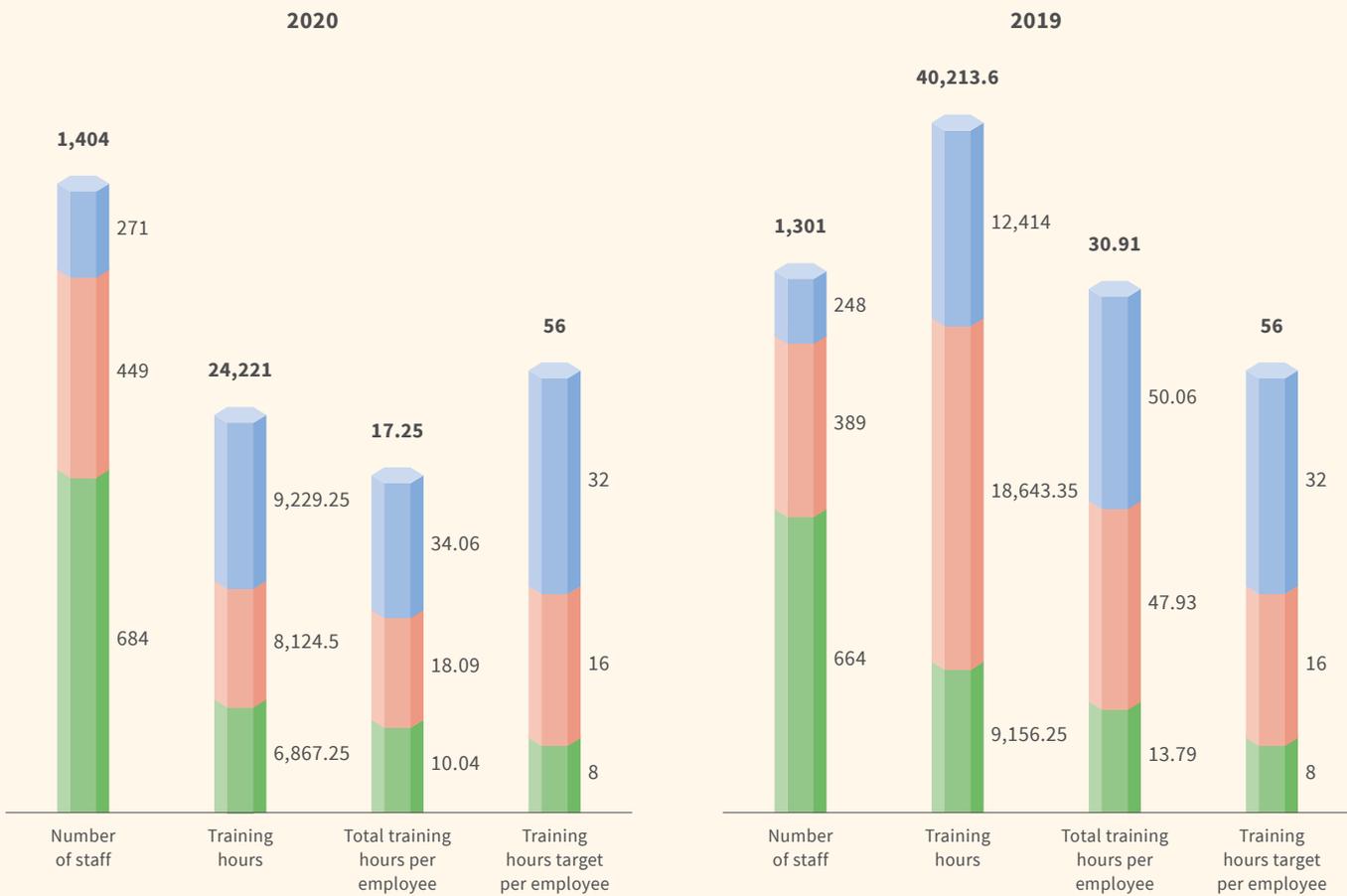
OUR WORKFORCE & COMMUNITY

Talent Management & Succession Planning

Top talents identified underwent assessments in the areas of aptitude, behaviour, competencies and emotional quotient (“EQ”) from December 2019 to January 2020, following which they were debriefed by appointed consultants on their areas of development. Each talent then had to come out with his/her Individual Development Plan to work on and complete by end 2020. The development interventions included reading, coaching/mentoring, project assignments and training, among others.

A competency model is also used to assess the competency level of each employee and identify gaps that need to be filled to enable their career advancement. This is followed by appropriate development intervention in the form of assignments, coaching/mentoring and training.

Training statistics (Malaysia)



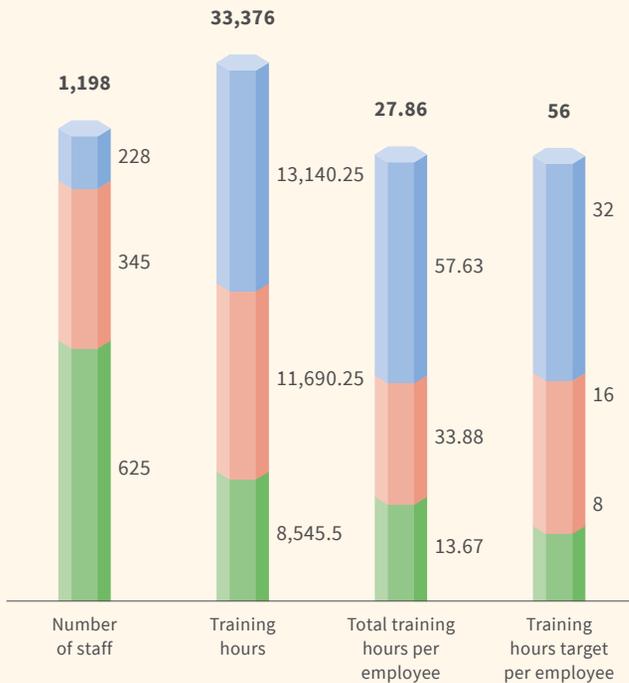
Training statistics for 2020 (Regional offices)

	No. of Staff	Total Training Hours	Training hours per employee (Blue Book)	Training hours per employee (Red Book)
Singapore	10	95.5	13.1	5.4
Indonesia	6	12.0	2.0	2.0
Philippines	39	221.0	5.1	5.3

Exceeding Our Training Budget

Due to the pandemic, the Human Resources Development Fund (“HRDF”) initially imposed limits on the number of participants per online training session and the duration of online training per day. This contributed to a decrease in total training hours compared to 2019. Yet, we continued to exceed the targets set on number of training hours per employee, while also exceeding the RM1.0 million budget that had been allocated for training by 4.3% with a total expenditure of RM1,042,898, averaging RM742.80 per employee.

2018



Training Hours per Employee
As at 31 December 2020



As at 31 December 2019



As at 31 December 2018



Key: ● Senior Executives to Top Management ● Supervisors, Technicians & Executives ● Clerical & Manufacturing employees

OUR WORKFORCE & COMMUNITY

Training Hours Per Employee, 2020 (Malaysia)

Category	No. of staff	Total No. training hours	Total No. training hours per employee	Training hours target per employee
Senior Executives to Top Management	271	9229.25	34.06	32
Supervisors, Technician & Executives	449	8124.50	18.09	16
Clerical & Manufacturing Employees	684	6867.25	10.04	8

Year	2018	2019	2020
Total number of training hours	33,376	40,214	24,221
Total number of training hours per employee	28	31	17

Going forward, HRDF has relaxed its guidelines allowing for a larger number of participants per online session. Accordingly, we believe we will achieve higher numbers of training hours in 2021. With employee feedback, we will also continue to improve on the programmes provided and ensure that employees benefit in a meaningful way from the courses organised.

FAIR EMPLOYMENT PRACTICES

Living up to our core values of Integrity, Responsible and Respect, we do not just adhere to all relevant laws and regulations regarding employment practices; but seek to exceed labour policy requirements in areas such as wages and benefits while promoting a competent workforce without any discriminations. This is integral to our employee value proposition and helps us attract the best talents.

Wages and benefits

We benchmark our salaries against industry standards and offer competitive packages commensurate with employees' level of responsibility within the organisation. We have always adhered to the minimum wage law, in all the countries where we operate, and in January 2020 we started offering our employees in Malaysia the new minimum wage of RM1,200, although companies were required to do so only beginning in February. Together with benefits offered, we believe our compensation packages are among the most attractive in the industry.

We offer all standard corporate benefits such as medical coverage and term life policies, as well as housing and car loan interest subsidies. We also provide maternity and compassionate leave on top of annual and sick leave.

In view of the economic slow down globally, many companies had to cut down their headcounts and also reduce employees salary. However, we are pleased to say that despite the pandemic, Duopharma continued to recognise and appreciate its employees by paying out bonus to all its eligible employees.

Retired Employees

The Group's Hospitalisation & Surgical (GHS) coverage has been extended up to the age of 70 years, to offer retirees with the same benefits as permanent staff, with the option of topping up the premium for additional benefits at the Company's corporate rate. The Company also offers to extend the services of those about to retire under contract employment, subject to their skills and knowledge.

Freedom of Association

We fully support employees' right to bargain collectively and allow them to join the Union as per the Employment Act and the Trade Union Act. No less than 689 employees are members of the National Union of Petroleum and Chemical Industry Workers Peninsular Malaysia ("NUPCIW") who are the Green Book employee category. Management liaises closely with the union on employment terms and policies, and has a good working relationship with the union's leaders.

Turnover Rate

A high turnover rate does not reflect well on employee satisfaction, and can also be costly to an organisation as departing employees frequently need to be replaced. The turnover rate at Duopharma Biotech has always been relatively low, and decreased further in 2020, from 12.44% in 2019 to 8.08%. The steady decline in our turnover rate since 2018 is a positive indicator of our strengths as an employer of choice.

OUR WORKFORCE & COMMUNITY

Turnover Rate

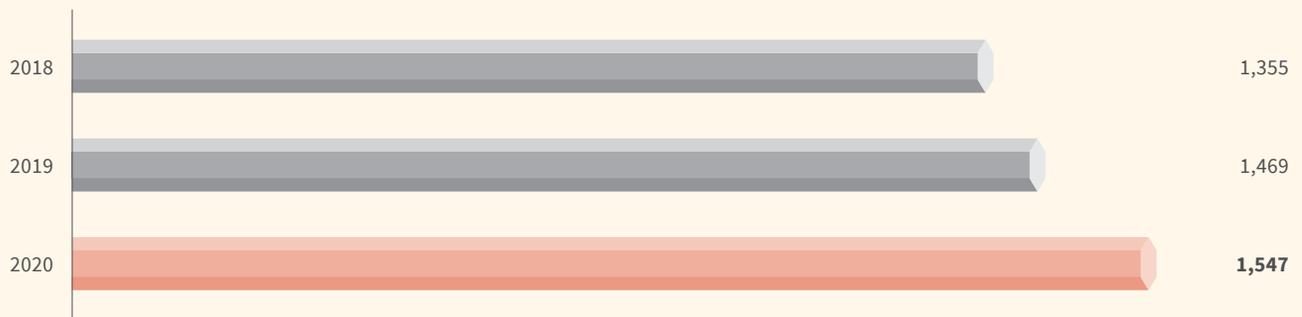


Diversity

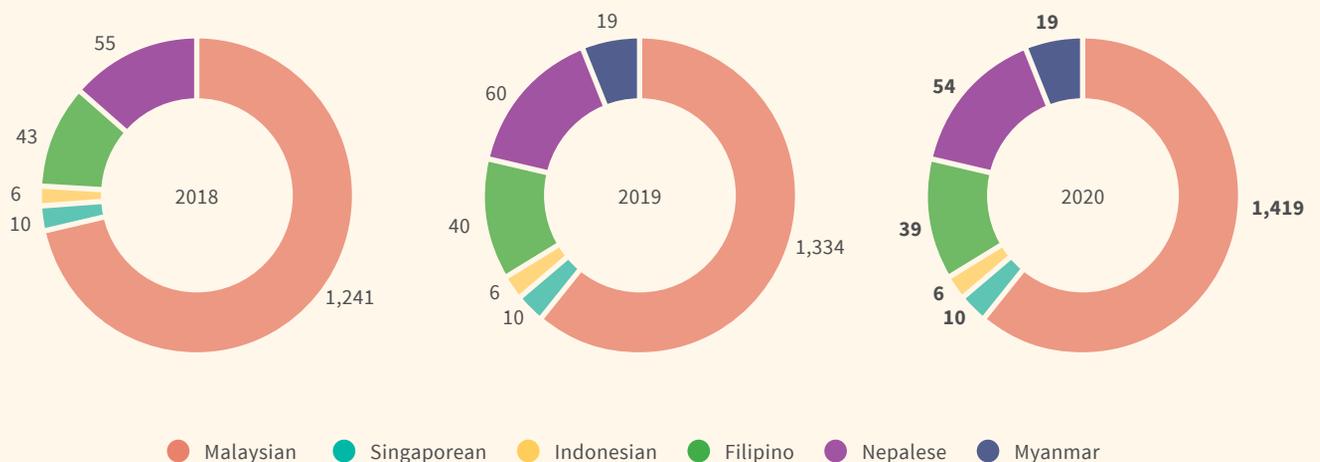
We recognise the merits of having a diverse workforce, and seek to attract a good mix of employees from different cultural and ethnic backgrounds as well as ages, while maintaining a fair balance of the genders. Through diverse workforce, we broaden our perspectives to be able to make more informed and effective decisions. 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 increased by 5.04% from 2019 to 2020, as we continued to hire the critical expertise required to support our expanding business. The nationalities within the Group roughly are 91.7% Malaysian, 0.7% Singaporean, 0.4% Indonesian, 2.5% Filipino, 3.5% Nepalese and 1.2% Myanmar employees.

No. of Employees



Employees Demographic by Nationality

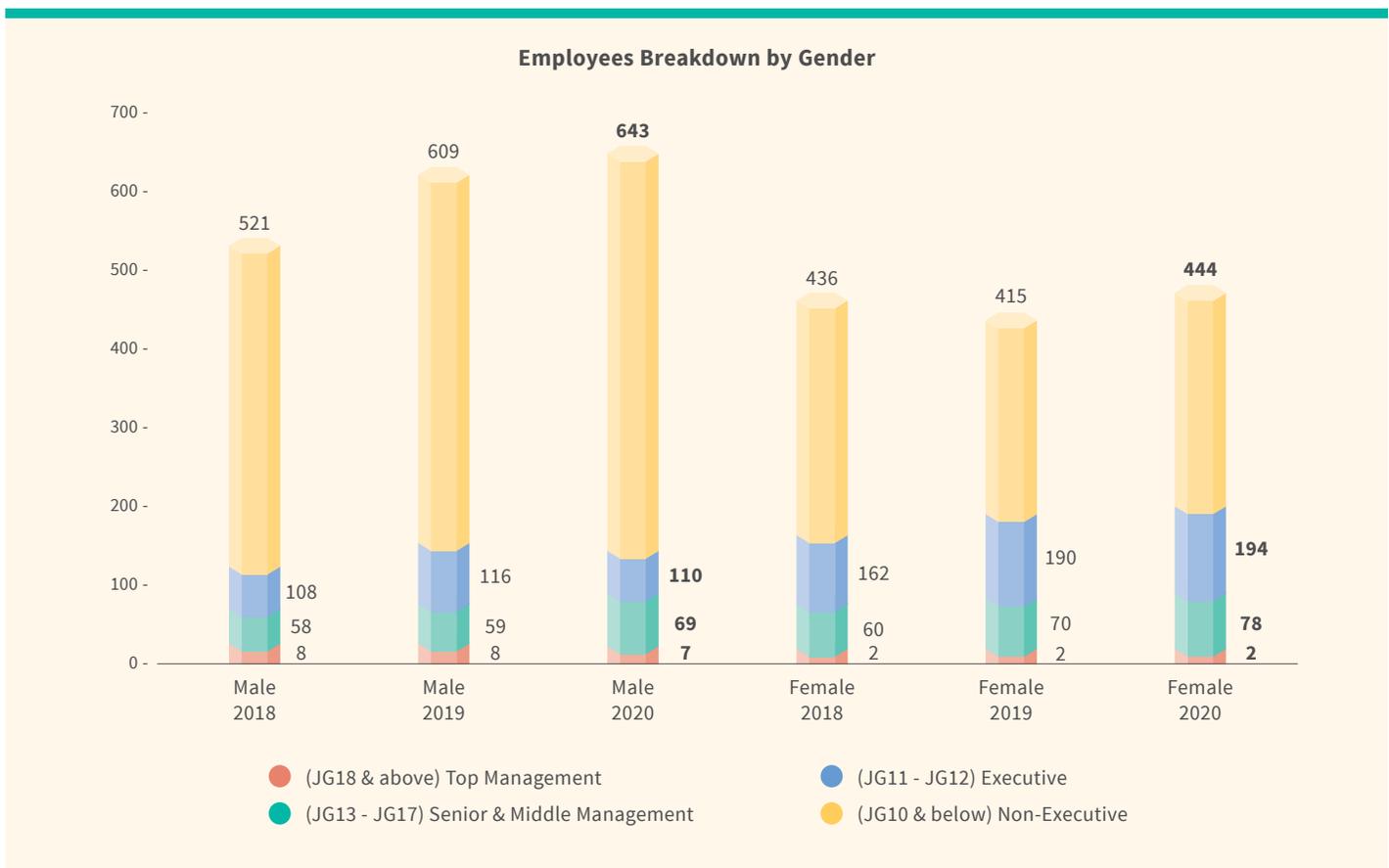


OUR WORKFORCE & COMMUNITY

Gender Equality for Opportunities

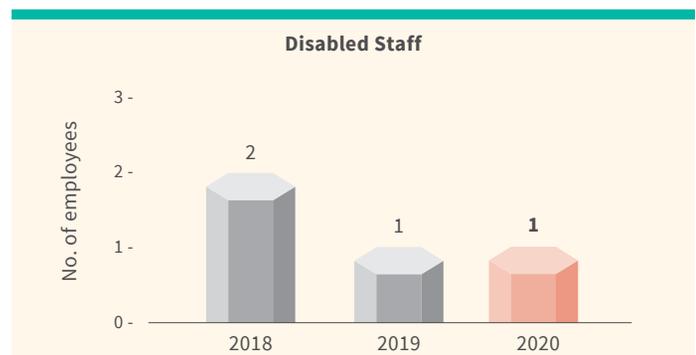
We believe it is not only right to offer equal job and career progression opportunities to men and women, but it is also sensible in business. Slightly more women than men graduate from tertiary institutions in the country, yet the male labour force participation rate (“LFPR”) in 2019 was 80.8% (meaning that 80.8% of males of working age were employed), while that for females was 55.6%.⁴ This means the country is not tapping fully into the potential of qualified females.

In 2020, Duopharma Biotech had 829 male employees and 718 female employees, with women making up 51.3% of our middle to top management. This reflects our equality of opportunities for both genders and the fact that we recognise talent based on performance as opposed to gender. Supporting our women employees, we provide designated parking spaces for those who are expecting and enable them to take time off for monthly maternity check-ups. We also offer 90-day paid exclusive maternity leave and maternity assistance.



Disabled Employees

Duopharma Biotech’s beliefs encompasses providing work opportunities to persons with disability. We have an open-door policy with regard to people who are disabled, and provide the opportunity for them to carry out functions that fit their abilities. Employees, meanwhile, are encouraged to provide support to such staff.



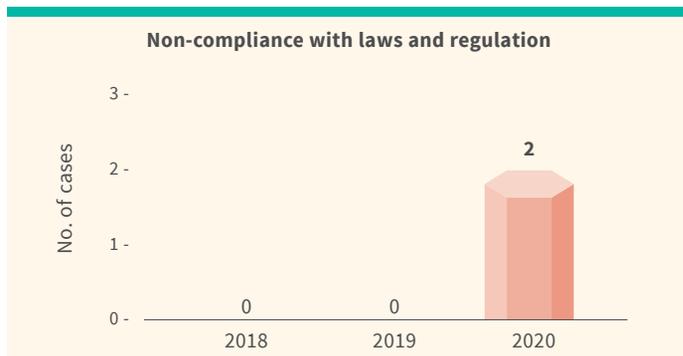
⁴ <https://www.talentcorp.com.my/key-figures/key-figures>

OUR WORKFORCE & COMMUNITY

Non-compliance with Laws and Regulations in the Social and Economic Area

For year 2018 and 2019, Duopharma Biotech has never been fined from any relevant regulatory bodies in terms of labour and human rights. As for year 2020, Duopharma Biotech has been fined for two (2) cases which are:

1. Failed to follow guideline of Schedule Tax Deduction (STD) under Income Tax Act 1994.
2. Warning letter from MPKJ on canteen's worker due to untaken typhoid injection.



COMMUNITY OUTREACH

Duopharma Biotech has a long tradition of giving back to the community. We recognise there are many pockets within the community that continue to be underserved and channel our efforts towards such groups in order to create a meaningful difference to their lives. Our community programmes focus on three main areas: uplifting the lives of the underprivileged; enhancing quality education for all; and providing humanitarian relief when needed.

This year, we were restricted in going out and serving those in need because of the MCO. However, we continued to play a part in the country's social fabric through the contribution of essential medical equipment and provision of financial support to the government and NGOs directly involved in relief missions.

Key contributions included the following:

- RM500,000 worth of medical equipment and cash to the MOH, including ventilators and three patient monitoring devices for use in intensive care units in hospitals – jointly with our major shareholder, Permodalan Nasional Bhd (“PNB”).
- RM10,000 to Epic Society, an NGO which works closely with Orang Asli communities, for the purchase of essential food.

- RM50,000 to the Government-Linked Companies’ Disaster Response Network (“GDRN”).
- RM50,000 to Yayasan Hasanah for the purchase of equipment and other necessary items for government hospitals.
- One ventilator (worth RM79,000) to Hospital Sultan Ismail Petra in Kuala Krai, Kelantan.
- Three patient monitors (worth RM195,000) to Hospital Enche’ Besar Hajjah Khalsom in Johor.
- A haemolysis machine worth RM80,000 to Hospital Sultan Abdul Halim in Sg Petani, Kedah.

During Ramadhan, a donation drive at our sites collected a total of RM14,270 from employees and management, which was channeled to three homes, namely:

- Persatuan Kebajikan Anak Yatim Dan Miskin Al Munirah, Klang – an orphanage that also provides entrepreneurship development for less fortunate single mothers.
- Pertubuhan Kebajikan Dan Perlindungan Nur Qaseh, Kuala Lumpur – an orphanage that also provides assistance to less fortunate mualaf and single mothers.
- Pusat Jagaan Al-Fikrah Malaysia, Kajang – a home for the less fortunate including stranded old folks, the homeless, mualaf (new Muslim converts), persons with disabilities and ex-hospital patients, which also provides certain healthcare facilities.

We also donated funds to three (3) organisations for Aidiladha:

- RM4,800 to Surau Amirin in Bangi
- RM5,500 to Masjid Raidhussolihin in Seksyen 17, Shah Alam
- RM4,700 to surau Nurul Hidayah in Klang

At year end, Duopharma Biotech staff carried out a number of donation drives to collect funds for colleagues impacted by floods and thunderstorms (in Malaysia) and typhoon Vamco (in the Philippines). A total of RM6,250 was collected which was distributed to employees in Hulu Langat, Bangi and Kajang in Selangor; and Pasig, Bulacan and Pampanga in the Philippines.

Halal & Government Relations Contributions

Separately, our Halal & Government Relations Department carried out a donation drive worth RM1,000 for Masjid Al Hasanah, initially to support its 20th anniversary celebrations. However, the programme was cancelled due to COVID-19, following which the funds were redirected towards a back-to-school programme for primary and secondary students from B40 backgrounds in Bandar Baru Bangi. The money was used to buy books and uniforms, as well as to pay for school/PTA fees.

PLANET PERFORMANCE

Among the most pertinent and pressing global issues today are those related to the environment. COVID-19, which eclipsed all other events in 2020, is a manifestation of disregard for our natural ecosystems. Rampant deforestation has destroyed the boundaries that traditionally existed between people and wildlife, increasing the likelihood of transmission of viruses from animal to man. Even greater potential disaster awaits if we do not heed the call to mitigate climate change. We believe organisations have an important role to play in efforts to protect and preserve the planet, and are determined to fulfil our role to the best of our ability.



THE PRIME MINISTER'S HIBISCUS AWARD

Our environmental stewardship led to Duopharma Biotech being cited for Notable Achievement in Environmental Performance at the Prime Minister's Hibiscus Award 2020. The Award recognises private sector corporations in the country for their commitment to maintaining exemplary environmental performance. It is jointly organised by industry bodies and endorsed by the Ministry of Energy, Science, Technology, Environment and Climate Change ("MESTECC") while being supported by the Department of Environment ("DoE") and the private sector.

At Duopharma Biotech, we commit to operating in a manner that is sustainable. We will not consume more resources than is necessary. We will not pollute the environment and we will minimise as far as possible our energy consumption to ensure we contribute to the ongoing global transition towards a low-carbon economy.

ENVIRONMENTAL GOVERNANCE

To ensure a strong environmental scorecard, we adhere strictly to the Environmental Quality Act 1974 and its regulations at all times. Our environmental performance and sustainability related risks, including environmental and climate change risks, are overseen by our Board, through the RMSC. In addition, this committee evaluates all risks related to new projects. During the monthly GMC meetings, senior management receive updates relating to key environmental matters, and these are conveyed to the RMSC every quarter.

On the ground, we have established Environmental Performance Monitoring Committees ("EPMCs") at all our manufacturing sites. Among the committees' key functions are to monitor our pollution control systems; ensure we meet our waste reduction targets; and see to the continual improvement of

our environmental management systems. SHE team members are also part of the EPMCs, and contribute to tracking as well as managing our environmental performance.

To protect against unforeseen events that could disrupt normal processes leading to divergence from standard environmental performance, our recently enhanced BCP takes into consideration climate/environmental concerns. Guided by this plan, Duopharma Biotech can be assured of the ability to quickly rectify and recover from environmental anomalies to maintain responsible practices and positive outcomes.



WASTE REDUCTION & MANAGEMENT

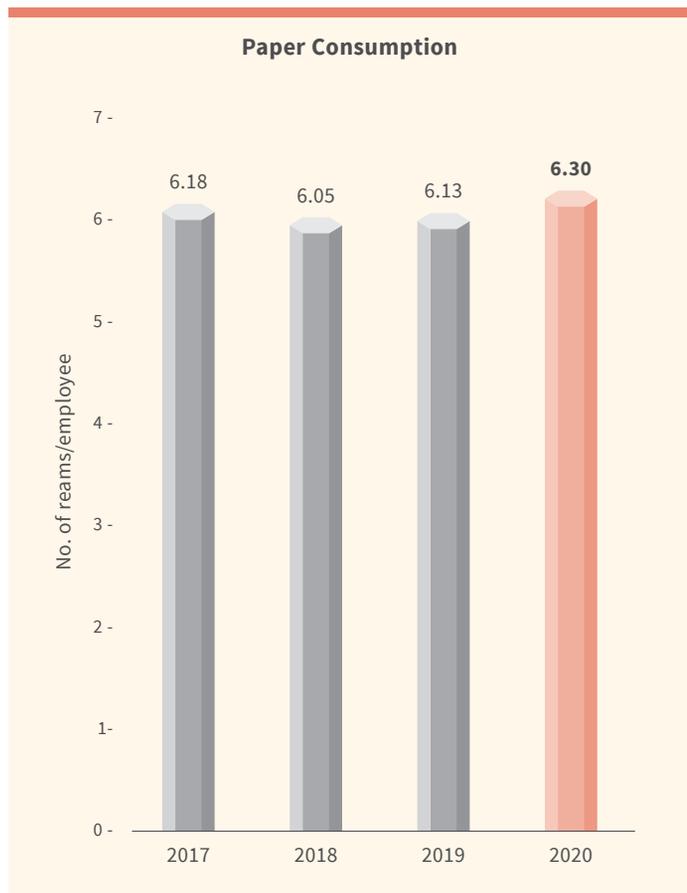
One of the key ways in which we contribute towards a healthy environment is by minimising our use of natural resources, such as water, fuels and trees (to make paper). In the process we also reduce our waste, an increasingly critical issue due to the vast volumes being produced leading to overflowing landfills that also release noxious greenhouse gases including methane and CO₂.

Under an ongoing Continual Improvement (“CI”) programme run to create greater operational and cost efficiencies, our employees identify and implement various programmes related to optimising our use of natural resources.

In 2020, the following projects were carried out:

- Elimination of heater from the heating, ventilation and air-conditioning (“HVAC”) unit in Bangi 3 warehouse, leading to monthly electricity savings of approximately 86,000 kw/h.
- Setting the HVAC units in Bangi 1 and Bangi 2 on idle mode at night and during weekends.
- Reducing paper consumption in filing of goods returned, and by using fewer sheets of paper in the production team’s picklist.

PLANET PERFORMANCE



We have been monitoring paper usage in our office premises via the volume (reams) of paper purchased since 2017. Paper consumption intensity has been steadily increasing from 2018 due to increasing project workloads. To reduce our paper consumption, we are exploring the possibility of migrating more systems and processes online. This transition to digital received a boost in 2020 when the MCO made it necessary for various important approvals to be obtained online, cutting down on paperwork.

Waste Management

As a manufacturer of chemical and biochemical products, our operations produce a significant volume of scheduled and non-scheduled waste. Our objective is to reduce all waste produced Group-wide and to dispose of our scheduled waste responsibly, according to the relevant regulations and guidelines.

Non-scheduled waste

Duopharma Biotech has encouraged recycling among employees for several years, and there is a strong culture of recycling within the Group. Recycling bins for paper, plastic and glass are placed in strategic locations at all our offices.

Non-scheduled waste produced for all sites

Sites	Year	Produced (tonnes)
Bangi	2020	256.72
	2020	145,530
Klang	2019	187,500
	2020	35
Glenmarie	2019	39
	2018	27

Non-scheduled waste from production is sorted at site then sent to recycling centres. The amount of waste that has been recycled in Bangi is 47.06 tonnes. The recycled waste in Klang sums up to RM2,607.20 in 2019 and RM6,720.42 in 2020. The rest of the non-scheduled waste are collected by solid waste collectors and deposited in municipal landfills according to DoE regulations. There is no data for non-scheduled waste in Bangi in 2018 and 2019 as we fully monitored the volume of non-scheduled waste produced and recycled at this plant only in 2020 onwards. The amount of waste recycled is low because a large portion of non-scheduled waste from our operations are currently non-recyclable in the country. This group includes coloured plastics and glass. Our target is to maintain our recycling activity and improve the initiative every year.

RESPONSIBLE PLASTIC USE

As part of efforts to better manage our plastic waste, in 2020 Duopharma Biotech embarked on a pilot project to switch from non-biodegradable plastic to biodegradable plastic used in storing materials in order to prevent contact and contamination. An initial batch of 45,000 pieces of biodegradable plastic was purchased for this purpose. This project is ongoing and under evaluation.

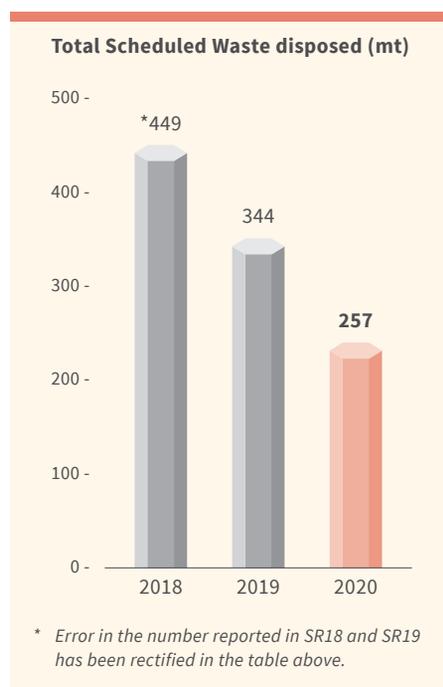
Scheduled waste

Our plants produce seven (7) types of scheduled waste (“SW”), which are collected and disposed by DoE approved licensed operators according to regulations. This year, however, we are reporting only on six (6) of these and are omitting SW430 (obsolete chemicals) because the volume produced was very low and we did not arrange for the waste to be collected. It will be collected and disposed of responsibly in 2021.

Scheduled waste from the different sites in 2020

SW Code	Description	Klang (kg)	Bangi (kg)	Glenmarie (kg)	Total disposed (kg)	Disposal method
SW 109	Electrical/electronic waste, eg fluorescent lamps		154		154	Incineration
SW 204	Sludge		4,441		4,441	Recovery then landfill
SW 322	Waste and non-halogenated solvents			4,540	4,540	Recovery then incineration
SW 401	Spent alkaline		18,530		18,530	Recovery
SW 405	*Gelatin waste		8,520		143,599	Landfill
	Pharmaceutical waste	89,819	45,030			Incineration
	*Denatured alcohol		230			Recovery
SW 409	Waste contaminated containers		85,317		85,317	Recovery then landfill
Total		89,819	162,222	4,540	256,581	

* Data collection for gelatin waste and denatured alcohol commenced in 2020.

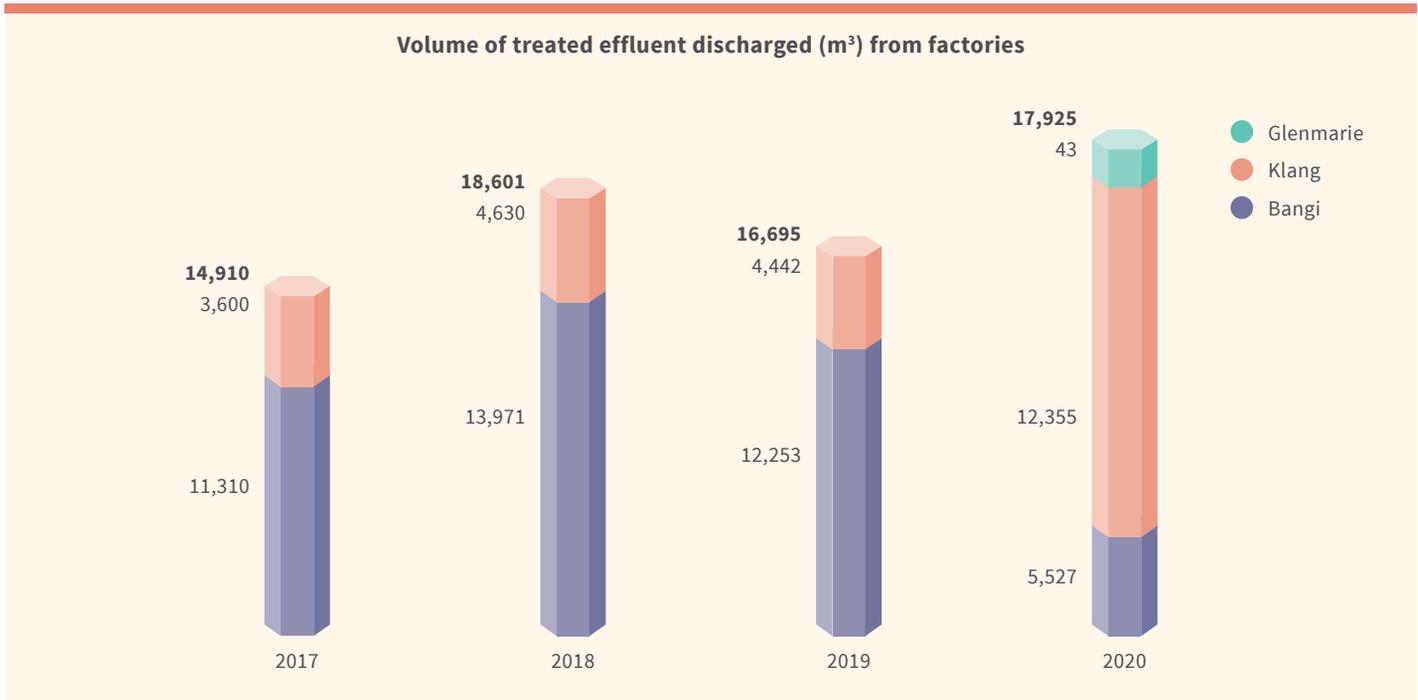


In 2020, we achieved a yoy reduction in total SW produced of 26%, far exceeding our targeted of 3%. However, this was mainly due to reduced production as a result of the pandemic. During the MCO, demand for our Ethical Specialty and Classic products decreased as fewer patients visited hospitals or clinics.

Effluent Discharge

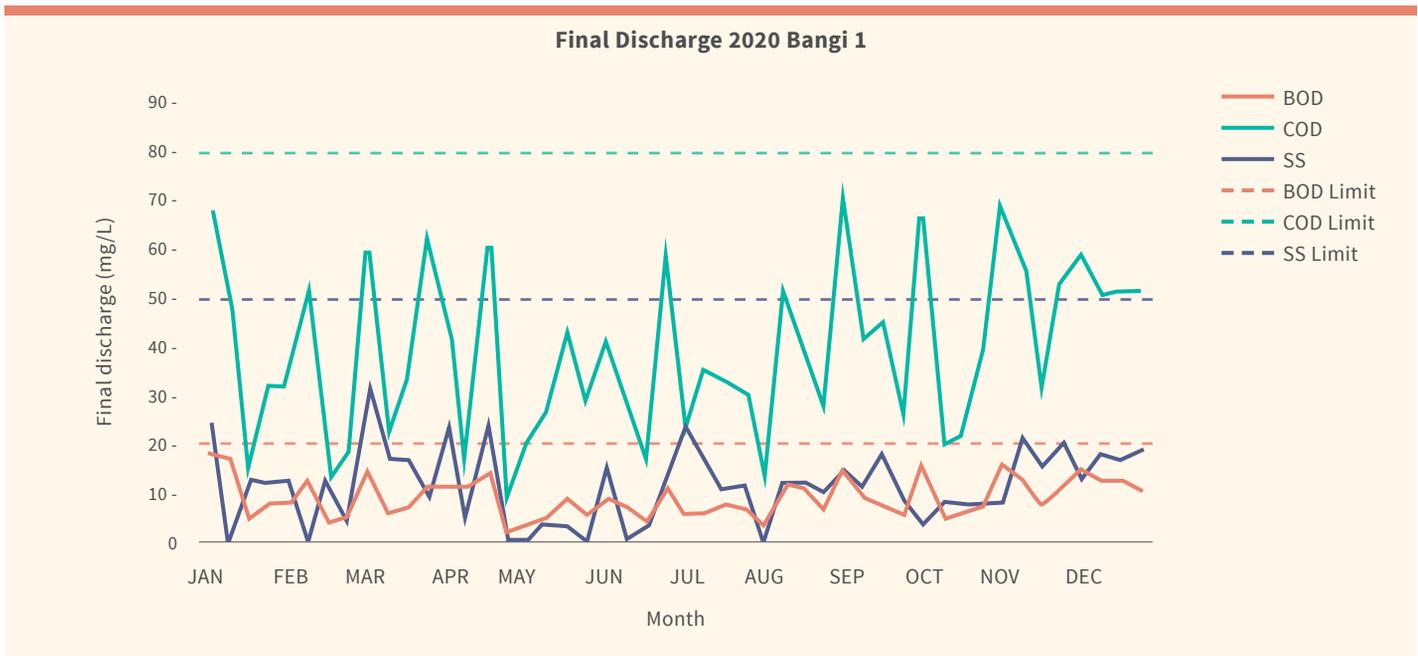
We abide by all DoE rules and regulations. Ensuring we do not pollute the riverine system, we treat our effluents before discharge and monitor their chemical oxygen demand (“COD”) as well as biochemical oxygen demand (“BOD”). COD and BOD reports, together with other key indicators, are submitted to the 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. There is a 7.37% increase in the volume of treated effluent discharge in 2020 compared to 2019 because there was more demand in liquid based pharmaceutical products during the pandemic.

PLANET PERFORMANCE



Our plants in Bangi comply with the more stringent (Standard A) requirements of the Environmental Quality (Industrial Effluent) Regulations 2009 compared with the plants in Klang and Glenmarie as their effluents are discharged upstream of Sungai Langat, which feeds into Semenyih Water Treatment Plant 2. In 2020, we began monitoring the discharge at Glenmarie, our newest plant which began commercial operations in August 2019.

BOD & COD discharge at our plants in 2020





Monthly discharge at Glenmarie fluctuates widely because effluents are treated only when a certain volume is collected, as opposed to continuously. Because of the batch method used, the COD limit for Glenmarie is 200mg/L. For the year, all our plants met the relevant regulatory limits for effluent discharge.

PLANET PERFORMANCE

ENERGY CONSUMPTION

Electricity is our main source of energy. It powers electrical items and devices in our offices as well as machinery in our plants. Recognising that our operations are energy-intensive, we seek to create optimal energy efficiency throughout the Group, and have set the target of reducing our energy intensity by 5% every year.

Towards this end, a number of energy-saving initiatives have been implemented such as:

- Replacing old fluorescent tubes and metal halide high bay lights with light emitting diodes (“LED”)
- Using solar panel powered street lighting within our manufacturing sites
- Upgrading and replacing inefficient machinery such as chillers
- Installing motion detectors to turn off lights where there is no human movement

In 2020, we also installed an energy monitoring device (EMD) at our plant in Bangi. We were prevented from installing the devices at our plants in Klang and Glenmarie due to COVID-19 which restricted our movements. Because of the pandemic, we also postponed plans to implement solar photovoltaic energy systems at our Klang and Bangi plants.

Electricity Consumption (kilowatt hours)

	2018	2019	2020
Klang	15,246,270	15,560,258	15,787,336
Bangi	21,720,119	21,464,146	22,050,571
Others	1,426,505	2,102,189	4,069,374
Total	38,392,894	39,126,593	41,907,281

Despite our energy-saving initiatives, electricity consumption increased at all our sites in 2020. In Klang, the increase is partly explained by operationalisation of a new warehouse. To understand the overall increase in consumption, our Sustainability team will conduct an investigation into various processes and systems. Energy and water audits will be carried out by third-party consultants in 2021 at our manufacturing sites in order to develop effective carbon footprint strategies, including the implementation strategy of solar photovoltaic systems. In addition, the energy and water audits will be aligned together with SDGs.

Electricity Intensity (kwh/million units produced)

	2018	2019	2020
Electricity usage per mil units produced (kwh) in Klang and Bangi	21,677	17,867	22,294

We currently measure our electricity intensity only in Bangi and Klang, as they are our main manufacturing sites. As the table above illustrates, our electricity intensity increased by 25% yoy. This was consistent with the increase in total electricity consumed and reduction in total production. In order to improve energy efficiency, we are currently involved in an early phase of a pilot project on Dual Condensing System for our air conditioning units. This is to improve energy efficiency and reduce CO₂ at the same time. The data from this pilot study will be used for full implementation of this Dual Condensing System at our manufacturing sites in 2021. This is very much aligned with indicators from Sustainable Development Goal 7 which is Affordable and Clean Energy.

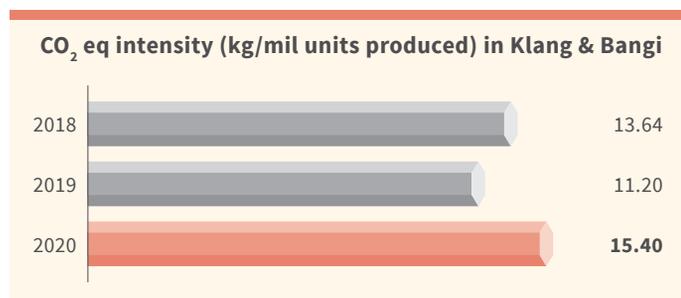
Diesel consumption

	2017	2018	2019	2020
Total Consumption (litres)	312,675	412,889	361,991	378,225

Some of our machinery run on diesel. Our diesel consumption increased by 4.5% from 2019 to 2020 due to the increase in production of liquid pharmaceutical products that consume more diesel in the manufacturing process.

CARBON FOOTPRINT

Along with greater electricity consumption, our greenhouse gas (“GHG”) emissions also increased. As production decreased, our emissions intensity increased by 37.5% from 2019 to 2020. In order to combat high carbon emission rate, we plan to pledge our commitment to UNGC Business Ambition for 1.5°C which is limiting global temperature rise to 1.5°C above pre-industrial levels by aligning with science-based targets. This will be considered after the Board of Directors and Senior Management Training level training on climate issues in 2021.



WATER SCARCITY

Although Malaysia has abundant rainfall and water resources, the country has been experiencing a number of supply crisis in recent years due to decreasing levels in dams. In 2020, there were no less than nine (9) incidents of major water disruption in Selangor, one (1) lasting six (6) days.⁵ Sustainable water management is therefore an important issue and requires all parties to use water efficiently.

Our operations in Bangi, Klang and Shah Alam are located at non water stressed regions; nevertheless, Duopharma Biotech is committed to reducing our water usage via improved efficiencies in all processes and equipments that use water. Supply to our factories is delivered by one of the country's main water utility companies, SYABAS. Due to the disruptions in supply during the year, however, we were temporarily forced to secure water tankers operated by independent contractors for use at our manufacturing sites. We do not extract any ground water.

Recognising that we cannot take water for granted, various recycling initiatives are implemented to minimise water waste. Rainwater is harvested at our sites in Bangi and Klang for use in external cleaning and gardening. In Klang, we have also embarked on a project to recycle water from the cooling process for flushing purposes in the washrooms. We are currently working on improving the water quality, following which the system will be implemented permanently, enabling water savings of up to 1,000 m³ a year.

A number of other water recycling projects that had been scheduled for roll-out in 2020 have been postponed due to the pandemic.

Total water withdrawal (ML)

Sites	SYABAS				Other Sources
	2017	2018	2019	2020	
Klang	83.293	42.029	61.770	68.432	5.245
Bangi	49.811	48.298	46.774	57.718	0.320
Other sites	4.549	3.312	5.429	5.010	0
Total treated water (ML)	137.653	93.639	113.973	131.160	5.565

Note: Our Klang and Bangi plants had to source for water from various other suppliers during the year because of the water cuts in the Klang Valley.

During the year, water withdrawal in Klang and Bangi increased while that at other sites decreased. This was due to growth in production of liquid-based pharmaceutical products such as liquid haemodialysis. Thus, our target of reducing water withdrawal by at least 1% annually was not achieved in 2020.

Water intensity (ML per million units produced)

	2018	2019	2020
Water consumption (ML) per million units, in Bangi and Klang	0.052967	0.052381	0.077606

Note: Data disclosed in the 2019 Sustainability Report for the years 2018 and 2019 were not accurate, and have been corrected in the table above.

At the same time, our water withdrawal intensity in Bangi and Klang also increased, by 48.2%. Again this was due to enhanced production of liquid-based products. We only include Bangi and Klang sites for our water intensity calculation as these are our two (2) main manufacturing sites. We do not monitor the total dissolved solids for water withdrawal as it is not required by regulatory bodies in Malaysia. Based on the energy and water audits that will commence in 2021, the gap analysis will be aligned together with Sustainable Development Goal 6 which is Clean Water and Sanitation.

⁵ <https://www.malaymail.com/news/malaysia/2020/10/21/a-history-of-water-cuts-in-selangor-this-year/1914721>

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 2020 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 2020 Annual Report and the 2020 Sustainable Report in respect of the financial year ended 31 December 2020, both published on the Company’s website at <https://duopharmabiotech.com/sustainability-report/>

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: <ul style="list-style-type: none"> Corporate Information Corporate Structure 	P. 4 P. 5
102-8	Information on employees and other workers	Sustainability Report: <ul style="list-style-type: none"> Our Workforce and Community 	P. 38-51
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: <ul style="list-style-type: none"> Manufacturing and Supply Chain Management 	P. 30
102-10	Significant changes to the organisation and its supply chain	Annual Report: <ul style="list-style-type: none"> Group Managing Director’s Management Discussion and Analysis Sustainability Report: <ul style="list-style-type: none"> Manufacturing and Supply Chain Management 	P. 14-22 P. 30
102-12	External initiatives	Annual Report: <ul style="list-style-type: none"> Statement on Risk Management and Internal Control 	P. 70-80
102-13	Membership of associations	-	Not reported
STRATEGY			
102-14	Statement from senior decision-maker	Annual Report: <ul style="list-style-type: none"> Chairman’s Statement Group Managing Director’s Management Discussion and Analysis Sustainability Report: <ul style="list-style-type: none"> Message from Chairman and Group Managing Director 	P. 9-13 P. 14-22 P. 4-5
102-15	Description of key impacts, risks and opportunities	Annual Report: <ul style="list-style-type: none"> Strategy Group Managing Director’s Management Discussion and Analysis Statement on Risk Management and Internal Control Sustainability Report: <ul style="list-style-type: none"> Managing our Material Issues 	P. 23 P. 14-22 P. 70-80 P. 14-17

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 	P. 1 IFC-P. 1 P. 45-57 P. 8-9 P. 18-37
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. 45-57 P. 18-37
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. 45-57 P. 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. 45-57 P. 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. 45-57 P. 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. 64-66

GRI CONTENT INDEX

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. 47, P. 64-66
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. 70-80 P. 18-37
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. 45-57
STAKEHOLDER ENGAGEMENT			
102-40, 102-42, 102-43, 102-44	List of stakeholder groups engaged by organisation; basis for identification and selection of stakeholders with whom to engage; approaches to stakeholder engagement; key topics and concerns that have been raised through stakeholder engagement and how organisation responded	Sustainability Report: • Stakeholder Engagement	P. 12-13
102-41	Collective bargaining agreements	Sustainability Report: • Our Workforce and Community	P. 48
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. 14-17
GRI 103: MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Managing Our Material Issues	P. 14-17
103-2	The management approach and its components	Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Managing Our Material Issues	P. 45-57 P. 14-17
103-3	Evaluation of the management approach	Sustainability Report: • Sustainability Governance	P. 11

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. 38-51
NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken	-	Data is not available and this will be disclosed in upcoming years
LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programmes	Sustainability Report: • Our Workforce and Community	P. 38-51
ANTI-CORRUPTION			
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report: • Sustainability-Led Business Commitment	P. 23
205-3	Confirmed incidents of corruption and actions taken	-	No case in the report
ANTI-COMPETITIVE BEHAVIOUR			
206-1	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices	-	No case in the report
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	Sustainability Report: • Our Workforce and Community	P. 51

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			
403-9	Work-related injuries	Sustainability Report: • Our Workforce and Community	P. 38-41
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. 41-42
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: • Sustainability-Led Business Commitment • Our Workforce and Community	P. 30, 35-36 P. 44-48
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. 58
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. 58
COMPLIANCE			
307-1	Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	Sustainability Report: • Our Workforce and Community	P. 41

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: <ul style="list-style-type: none"> • At A Glance • Strategy 	P. 2 P. 23
201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	-	No case in the report
201-3	Coverage of the organisation's defined benefit plan obligations and other retirement plans	-	Not Reported
201-4	Financial assistance received from government	-	No case in the report
MARKET PRESENCE			
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage at locations of significant operation	Sustainability Report: <ul style="list-style-type: none"> • Our Workforce and Community 	P. 50
202-2	Proportion of senior management hired from the local community at locations of significant operation	-	Data is not available and this will be disclosed in upcoming years
INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	Annual Report: <ul style="list-style-type: none"> • Chairman's Statement • Group Managing Director's Management Discussion and Analysis Sustainability Report: <ul style="list-style-type: none"> • Stakeholder Engagement (Community) • Sustainability-Led Business Commitment 	P. 9-13 P. 14-22 P. 12-13 P. 18-37
203-2	Significant indirect economic impacts, including the extent of impacts	Sustainability Report: <ul style="list-style-type: none"> • Sustainability-Led Business Commitment 	P. 18-37
PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers at significant locations of operation	New Source Evaluation	P. 30-31

GRI CONTENT INDEX

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	-	Data is not available and this will be disclosed in upcoming years
ENERGY			
302-2, 302-5	Energy consumption outside the Organisation; Reductions in energy requirements of products and services	-	Data is not available and this will be disclosed in upcoming years
WATER			
303-2, 303-3, 303-5	Water sources significantly affected by withdrawal of water; Water consumption	Sustainability Report: • Planet Performance	P. 59
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. 58
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. 53-57
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	-	Data is not available and this will be disclosed in upcoming years

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. 38-51
401-3	Return to work retention rates after parental leave	-	Data is not available and this will be disclosed in upcoming years
LABOUR/MANAGEMENT RELATIONS			
402-1	Minimum notice period(s) regarding operational changes	-	Data is not available and this will be disclosed in upcoming years
OCCUPATIONAL HEALTH AND SAFETY			
403-1 to 7, 403-9	Our Safety management system; Total recordable cumulative frequency; Work-related injuries	Sustainability Report: • Our Workforce and Community	P. 38-41
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. 46-48
DIVERSITY AND EQUAL OPPORTUNITY			
405-2	Ratio of basic salary and remuneration of men to women by employee category	-	Data is not available and this will be disclosed in upcoming years
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. 48

UN SDG CONTENT INDEX 2020

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 27-28	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. 50-51	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. 27-28, 34, 51	Access to medicines, Leading in Cancer, Competitive pricing, Serving the community, Community Outreach, 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		

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. 27-28, 34, 51	Access to medicines, Leading in Cancer, Competitive pricing, Serving the community, Community Outreach, 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. 33-34	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 2020

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. 41-51	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. 50	Gender equality for opportunities	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. 50	
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. 52-59	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		

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. 52-59	Environmental governance, Water security, Effluent discharge, Waste management	6.4.1	Change in water-use efficiency over time	P. 52-59	
				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. 26-27, 33-34	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. 35-36, 44-51	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. 38-41, 48	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 2020

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. 33-34 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. 33-34 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. 48 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. 48 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. 52-59 Environmental governance, Waste Reduction and Management, Energy Consumption, Carbon Footprint and Water Scarcity		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		

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. 53-57	Waste Reduction and Management	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. 8-11	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. 52	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. 22-25	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 2020

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. 22-25 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. 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. 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. 8-11 Sustainability Statement, Sustainability Journey, Sustainability Governance		17.4.1	Debt service as a proportion of exports of goods and services		

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. 25-37, 44-45	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. 25-37, 44-45	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		

ASSURANCE STATEMENT



LR Independent Assurance Statement Relating to Duopharma Biotech Berhad Group's Sustainability Report for the calendar year 2020

This Assurance Statement has been prepared for Duopharma Biotech Berhad Group (Duopharma Biotech) in accordance with our contract but is intended for the readers of this Report.

Terms of Engagement

Lloyd's Register Quality Assurance Ltd. (LR) was commissioned by Duopharma Biotech Berhad Group (Duopharma Biotech) to provide independent assurance on its Sustainability Report 2020 "the report" against the assurance criteria below to a moderate level of assurance and at the materiality of the professional judgement of the verifier, using AccountAbility's AA1000AS v3, where the scope was a Type 2 engagement.

Our assurance engagement covered Duopharma Biotech's subsidiaries in Malaysia only, and specifically the following requirements:

- Evaluating Duopharma Biotech's adherence to AA1000 AccountAbility Principles (2018) of Inclusivity, Materiality, Responsiveness and Impact.
- Confirming that the report is in accordance with GRI Standards¹ (2016) : core option
- Evaluating the reliability of data and information for only the selected indicators in the calendar year 2018 to 2020 as listed below:
 - *Economical:*
GRI 205-2 and 3 Communication and training about anti-corruption policies and procedures and confirmed incidents of corruptions and actions taken.
 - *Environmental:*
GRI 303-3 Water withdrawal (2018 edition) and GRI 307-1 Non-compliance with environment laws and regulations.
 - *Social:*
GRI 404-1 Average hours of training per year per employees and GRI 419-1 Non-compliance with Social laws and regulations, (non-GRI) Communication & Publication of Basic / Biomedical trial results and; (non-GRI) Work-related recordable case and recordable rate in the calendar year 2019-2020 only.

Our assurance engagement excluded the data and information of Duopharma Biotech's subsidiaries within Malaysia where it has no operational control, all operations and activities outside of Malaysia and suppliers and any third-parties mentioned in the report.

LR's responsibility is only to Duopharma Biotech. LR disclaims any liability or responsibility to others as explained in the end footnote. Duopharma Biotech's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of Duopharma Biotech.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Duopharma Biotech has not, in all material respects:

- Met the requirements above
- Disclosed reliable performance data and information for the selected indicators as no errors or omissions were detected
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a moderate level of assurance engagement is less than for a high level of assurance engagement. Moderate assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a moderate assurance engagement is substantially lower than the assurance that would have been obtained had a high assurance engagement been performed.

LR's approach

LR's assurance engagements are carried out in accordance with AA1000AS v3. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing Duopharma Biotech's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this by interviewing Duopharma Biotech's management who engage directly with stakeholder groups as well as reviewing documents and associated records.
- Reviewing Duopharma Biotech's process for identifying and determining material issues to confirm that the right issues were included in their report. We did this by benchmarking reports written by Duopharma Biotech and its peers to ensure that sector specific issues were

¹ <https://www.globalreporting.org>



- included for comparability. We also tested the filters used in determining material issues to evaluate whether Duopharma Biotech makes informed business decisions that may create opportunities which contribute towards sustainable development.
- Auditing Duopharma Biotech's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling process, and systems, including those for internal verification. We also spoke with key people in various departments responsible for compiling the data and drafting the report.
 - Visiting Duopharma Biotech's operations as business representative (Klang manufacturing plant and Penang depot) to sample performance data and information for only the selected indicators to confirm its reliability.

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:**
We are not aware of any key stakeholder groups that have been excluded from Duopharma Biotech's stakeholder engagement process. Stakeholders have the opportunity to express their concerns about how Duopharma Biotech's operations may impact on them.
- **Materiality:**
We are not aware of any material issues concerning Duopharma Biotech's sustainability performance that have been excluded from the report. Duopharma Biotech has processes for identifying and determining material issues based on a set of unbiased criteria and qualitative impact valuation.
- **Responsiveness:**
Duopharma Biotech has addressed the concerns of stakeholders in relation to economical and occupational Health and Safety. However, we believe that future reports should discuss further how Duopharma Biotech has enhanced compliance check or evaluation process beyond products' quality as environmental and social compliance also play as licence to operate.
- **Impact:**
Duopharma Biotech has processes and KPI's to monitor and measure climate change impacts. However, Duopharma Biotech should disclose measures for other material issues of concern to stakeholder groups e.g., materials used, Supplier environmental assessment, employment and equal opportunity etc.
- **Reliability:**
Data management systems are established at departments level, but the implementation of these systems varies across Duopharma Biotech's departments. Duopharma Biotech should consider interim verification to further improve the reliability and timeliness of its disclosed data and information.

LR's standards, competence and independence

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only works undertaken by LR for Duopharma Biotech and as such does not compromise our independence or impartiality.

Dated: 15 April 2021

Opart Charuratana
LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Ltd.
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UN SDG STATEMENT



Second Party Opinion Statement for Duopharma Biotech Berhad Group ("Duopharma Biotech")'s Sustainability Report 2020 on Sustainable Development Goals ("SDG") Ambition

We had conducted a second party opinion analysis on SDG linkages, SDG ambition setting and SDG progress for the sustainability report for the financial year 2020 as presented by Duopharma Biotech.

Responsibilities

Duopharma Biotech

Duopharma Biotech is responsible for the collection and presentation of the SDG related information in the report and in ensuring it is free from material misstatement, fraud, and error.

UN Global Compact Network Malaysia & Brunei

UN Global Compact Network Malaysia & Brunei is responsible to carry out a second party opinion on the report's SDG related inclusion and the position to advance SDG ambition and progress. We do not accept or assume any responsibility for any other purpose or to any other person or organization.

Conclusion

We have reviewed the report and data presented on Duopharma Biotech progress on SDGs and their intention to raise their SDG ambition and are of the opinion that:

Duopharma Biotech has demonstrated linkage of their sustainability efforts in contribution to achieving the SDG. We also recognize their intent of raising their SDG ambition by aspiring to establish new SDG centric goals and targets especially around climate actions.

Our Independence

We did not provide any other services related to Duopharma Biotech approach to sustainability reporting in 2020, with the exception from this work.

UN Global Compact Network Malaysia & Brunei

15th April 2021



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