



DUOPHARMA

DUOPHARMA BIOTECH BERHAD

REGISTRATION NO.: 200001021664 (524271-W)

DRIVING ESG INTO THE HEART OF OUR BUSINESS

SUSTAINABILITY REPORT 2021



SUSTAINABILITY-LED BUSINESS COMMITMENT



PLANET PERFORMANCE

COVER RATIONALE

SMARTER ESG SOLUTIONS FOR A MORE SUSTAINABLE LIFE

The pandemic has made the world aware that all our lives are inter-related. Any material event, no matter how immaterial the location, will sooner or later affect everyone. This realisation has resulted in global agendas such as the United Nations' Sustainable Development Goals which today is guiding many organisations as they develop their sustainability programmes.

We at Duopharma Biotech are proud to be one such organisation. We realise that challenges such as pandemics and climate change require multilevel, multilateral cooperation to manage if not resolve. We are therefore taking our Environmental, Social and Governance ("ESG") commitments more seriously, and integrating ESG considerations in all our actions. We have outlined some of our initiatives in this report, and hope to disclose increasing involvement in making this not just a healthier world, but one that is more sustainable, in the years to come.

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Providing Smarter Solutions For a Healthier Life

VISION



Leading Healthcare Group Providing Quality and Innovative Solutions

MISSION

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.

TAGLINE

*Smarter Solutions.
Healthier Life.*



Scan here
This report is available online at <https://duopharmabiotech.com/sustainability-report/>

For environmental preservation, we encourage the use of online version.

For more information please refer to Pg. 12

- P PASSION
- E EXCELLENCE
- T TEAMWORK
- I INTEGRITY
- R RESPONSIBLE
- R RESPECT



Duopharma Biotech conducts our business operations in accordance with our CORE VALUES

- P We inspire and energise everyone to be the best
- E We consistently deliver outstanding performance through innovative solutions
- T We succeed together because we work as one
- I We conduct ourselves with pride in being honest and ethical
- R We honour the trust given to us by being accountable for our actions
- R We value differences and sincere intentions as the basis for achieving shared aspirations

SHARP STRATEGY, EFFECTIVE EXECUTION

AT A GLANCE

Sales of

ERYSAA®

the **FIRST BIOSIMILAR**
to be produced by
Duopharma Biotech, grew
by **52%**



34%

of non-scheduled waste
produced in Klang was
recycled, while **SCHEDULED
WASTE PRODUCTION
DECREASED BY 33.9%**

Listed on

FTSE4GOOD BURSA MALAYSIA INDEX

for second
consecutive year

Named one of

HR ASIA'S BEST COMPANIES TO WORK FOR IN ASIA

for the 6th consecutive year;
and was a recipient of the
**GRADUATE'S CHOICE
AWARDS 2021**
for the 3rd year

Completed technology
transfer for the production
of HAPI oncology product

TREVIVE

by virtual means
**WITH INDIA PARTNER,
NATCO**



Committed to becoming

CARBON NEUTRAL BY 2030

and Net-Zero emissions
by 2050

Achieved

An employee
engagement score of

90%

2 percentage points
higher than in 2020

Achieved

98%

in our Voice of Customer
feedback survey, from
90% in 2020

Won 3 awards at the

SUSTAINABLE BUSINESS AWARDS MALAYSIA

including Overall Winner
for Outstanding and
Comprehensive Efforts in
Corporate Sustainability
2020/2021



34,837

total number of training
hours; and 24 hours of
training per employee on
average

Trained **33 RETAIL
PHARMACIES** under the

DUOPHARMA BIOTECH HALAL PHARMAPRENEUR

programme since its
launch in 2017

Recognised for

'ZERO INCIDENCES OF BRIBERY'

by UNGCMYB during
Sustainability
Performance Awards
2021

ABOUT THIS REPORT



Duopharma Biotech has been producing Sustainability Reports since 2015 to demonstrate our commitment to operating in a manner that creates sustainable value for our stakeholders. In our reports, we describe our approach to sustainability, how we determine matters that are important to our stakeholders, and what we do with regard to these material matters. For each material matter, we set ourselves either quantitative or qualitative objectives, and in our reports, we outline our performance based on these.

In preparing our reports, we are guided by the Global Reporting Index (“GRI”) Standards – Core Option and Bursa Malaysia’s Sustainability Reporting Guide as well as the United Nations’ Sustainable Development Goals (“SDGs”). At the end of the report, we include indexes of the GRI indicators as well as SDG targets for which we have provided disclosure.

Scope & Boundary

This Sustainability Report covers the economic, environmental, social and governance initiatives undertaken by the Malaysian operations of Duopharma Biotech, as well as the social initiatives of our international entities, namely Duopharma (Singapore) Pte Ltd, DB (Philippines) Inc and Representative Office of Duopharma Marketing Sdn. Bhd. in Indonesia from 1 January till 31 December 2021, unless stated otherwise.

Assurance

Contents of this report have been read and approved by our Management and Board of Directors; while our external

auditors have provided assurance against GRI indicators. Further independent assurance has been obtained from Carbon Check (I) Pvt.Ltd. which has verified that our disclosure is in accordance with the Core Option on selected topic-specific GRI indicators. The limited assurance was conducted using AA1000 Assurance Standard (AA1000AS v3).

Feedback

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

Icons in this Report



Directs the reader to pages or supplementary reports with more information.



Annual Report 2021

MESSAGE FROM THE CHAIRMAN AND GROUP MANAGING DIRECTOR

Dear Stakeholders,

The year 2021 continued to be very challenging for everyone as the pandemic showed little signs of abating. On a positive note, because of the commitment of various stakeholders to control the virus, and their willingness to collaborate, the world witnessed the rollout of vaccination programmes which served to mitigate the effects of COVID-19. Although we are far from being out of the woods, with new variants still emerging, there is reason to believe that as more and more people are vaccinated and boosted, their strengthened immunity will prevent serious illness even if they are infected by the virus.

Duopharma Biotech was very excited about being able to play our part in the fight against the pandemic, but were thwarted to an extent by delays with regard to the Sputnik V vaccine developed by Russia's Gamaleya National Research Institute of Epidemiology and Microbiology ("Gamaleya"). Undeterred, we approached China National Biotec Group Company Limited for its Sinopharm vaccine, and obtained approval from Malaysia's Drug Control Authority ("DCA") to distribute it in Malaysia. To date, we have brought in 963,708 doses of this inactivated virus vaccine which is being administered to adults by the private sector. The vaccine could also be used as a booster and as a primary vaccination for children, and we are in discussion with the relevant authorities on this.

Left to Right

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

*Non-Independent
Non-Executive Chairman*

**LEONARD ARIFF BIN
ABDUL SHATAR**

Group Managing Director



MESSAGE FROM THE CHAIRMAN AND GROUP MANAGING DIRECTOR

MEANWHILE, WE ARE LEVERAGING OUR MANUFACTURING CAPABILITIES AND INCREASING EXPERTISE IN BIOLOGICS TO DEVELOP A FULLER VACCINE PORTFOLIO – FOCUSING NOT ONLY ON COVID-19 – IN ORDER TO MEET THE NEEDS OF THE REGION. WE HAVE OUTLINED A VACCINE STRATEGY TO GUIDE US IN THIS NEW UNDERTAKING WHICH WE BELIEVE WILL SIGNIFICANTLY ENHANCE OUR CONTRIBUTION TO SOCIETAL WELL-BEING.

Other than the pandemic, the second most pressing global issue today is climate change. With the accumulation of data from experts around the world it is becoming increasingly evident that, if we do not limit our carbon emissions, the world will experience significant weather pattern changes that could be catastrophic. As a responsible organisation, we recognise that we need to be part of efforts to transition towards a low-carbon environment. Towards this end, we have become a participatory member of the United Nations Global Compact Network Malaysia & Brunei (“UNGCMYB”) through which we are increasing our organisational awareness of the issue in order to better manage it.

We are pleased to share that, during the year, UNGCMYB conducted training on climate change for the Board and senior management. They also worked with our Sustainability Department to assess our readiness to sign the UN Global Compact (“UNGC”)’s Business Ambition for 1.5°C, which would commit us to reducing our emissions in line with science-based targets aimed at limiting global warming to 1.5°C. As a result of positive results from this assessment, Duopharma Biotech recently announced our ambition to become carbon neutral by 2030, and to achieving net zero emissions by 2050.

Our response to COVID-19 and climate change issues are just two ways in which we are transitioning towards a more sustainable organisation focused on creating greater Environmental, Social and Governance (“ESG”) value. Through our sustainability platform, we have been investing more and more in these areas as we recognise the immense value that our actions can bring to people who matter to us, namely our shareholders, employees, business partners, suppliers, customers and consumers as well as the community. From continuous engagement with these stakeholders, we have a clear understanding of the issues that are important to them, and make a conscious effort to address these via our sustainability initiatives.

For our shareholders, we acknowledge the need to ensure continued yet sustainable profitability in order to protect their investment in the company. Towards this end, it pleases us to share that for the year 2021 the Board has declared a second interim dividend of 1.8 sen per share for the financial year ended 31 December 2021, and combined with the first interim dividend of 0.5 sen per share paid

on 15 September 2021, will result in a total dividend of 2.3 sen for the year. To add value to our employees, we continue to provide ample scope for professional development while also creating an engaging and rewarding work culture, which has been recognised by graduates and industry alike via awards such as Talentbank’s Graduates’ Choice and HR Asia’s Best Companies to Work for in Asia. In line with the recently introduced Malaysian Code on Corporate Governance (“MCCG”) 2021, we have also developed a Diversity Policy for the Board of Directors and Senior Management highlighting our commitment to diversity in terms of gender, age, cultural and educational background, skills and experience for members of the Board and Senior Management.

We believe in creating synergistic, win-win relationships with our business partners, who are essential to our continued technological development. We also recognise how important our suppliers are, and support them in any way we can to help them meet their business commitments. Our customers, namely public and private healthcare facilities, are key to our business, and we seek to deliver consistently high-quality products on time, all the time. To protect consumers, we adhere to the most stringent quality management systems in all our facilities while also having in place a strong pharmacovigilance system to reinforce the safety and efficacy of our products.

Meanwhile, we look on everyone in the community as a valuable potential consumer, and seek to ensure their well-being through access to affordable treatments. At the same time, we also have community outreach programmes to create greater social equity. This year, for example, we were pleased to be able to contribute RM1.5 million for the purchase of 646 laptops for children from low-income families under a new government initiative called CERDIK. The programme, initiated by the Ministry of Education and the Ministry of Finance, seeks to ensure continuity of education of students impacted by the closure of schools during the pandemic.

The greatest satisfaction derived from our sustainability agenda is the knowledge that we are contributing towards a better world for everyone. This is what drives us to keep building the platform that we have built, and to keep pushing ourselves to do more. While carrying out the initiatives mentioned above, and all the others described in the following pages, we also spent the year 2021 assessing how we can pivot our sustainability platform so it is more in tune with changing needs. The result is a new Sustainability Strategy (2022-2026) that will be launched shortly. The strategy will include some ambitious targets, which we will be sharing soon via an announcement.

Meanwhile, we hope you enjoy reading this report and, as always, welcome your feedback. This can be channelled via email to cs@duopharmabiotech.com.

OUR RESPONSE TO COVID-19

Duopharma Biotech's response to the COVID-19 Pandemic

In 2020, a Group-wide Pandemic Committee was set up to monitor the pandemic and guide our response to it. It was also entrusted with ensuring that screening efforts throughout our premises were conducted as per the requirements of the Ministry of Health and other regulatory bodies.

The committee continued to meet frequently throughout 2021 to discuss COVID-19 issues. In addition, our management has been working closely with various government and regulatory agencies on related matters.



In compliance with all relevant requirements, we observed the following measures in 2021:

- Limited our workforce in line with the various Movement Control Order and National Recovery Plan Standard Operating Procedures (“SOPs”)
- MySejahtera and temperature scanning at the entrance of premises
- Visitor and vendor controls
- Physical distancing at work
- Frequent hand sanitising via the provision of sanitisers throughout premises
- Compulsory facemask in all work areas
- Regular disinfection of commonly used surfaces
- Provision of closed bins for disposal of masks and used tissues
- Strict supervision and spot checks

In addition, Duopharma Biotech worked with agencies such as Program Imunisasi Industri COVID-19 Kerjasama Awam-Swasta (PIKAS) to ensure all staff received their COVID-19 vaccinations. By end September 2021, over 90% of our staff had been fully vaccinated.

OUR COMMITMENT TO SUSTAINABILITY

As the largest pharmaceutical company in Malaysia, Duopharma Biotech recognises that our business and operations have an enormous impact on various stakeholders – from our customers to consumers, our shareholders, business partners, suppliers, employees and the community. As a responsible organisation, we seek to ensure that we conduct our business in manner that is not only respectful of the needs and expectations of all these stakeholders, but that creates value for them.

Our ability to do so stems from developing a robust sustainability framework that is supported by structured governance and the commitment of everyone in Duopharma Biotech. We believe that to truly integrate sustainability into our day-to-day operations we need to create a culture in which all employees are cognisant of our role within the wider context of society, and play their part to create positive environmental and social outcomes.

In setting our sustainability priorities, we do not just take into consideration the views and perspectives of our stakeholders, but also refer to global guidelines such as United Nations’ Sustainable Development Goals (“SDGs”). As a measure of our commitment to the SDGs, we have identified targets that are relevant to our operations and/or our material matters and used these to shape our sustainability initiatives. We have also become a participatory member of the UNGCMYB, through which we are kept abreast of important sustainability developments and best practices. Finally, this year we included sustainability-related risks in our Enterprise Risk Management Framework (“ERM”). More specifically, we are assessing the risks of climate change on our business and have outlined plans to manage these risks, such as developing new assets at elevated levels, developing a water recycling project and putting in place a water crisis management plan.



Internal Programmes in 2021

- On 6 April 2021, the UNGCMYB organised training on climate change for our Board of Directors and Senior Management
- During the Halal, Integrity and Sustainability (“HIS”) Program, held virtually from 15 to 19 November 2021, we organised:
 - Anti-corruption talks to strengthen our corporate integrity
 - Webinar on “Sustainability & Climate Change Initiatives: What, How & Why?”
 - Talk on “Climate Action for Future-Proof Business”

Sustainability Thought Leadership

We participate in industry sustainability events to share our experiences as well as to learn from others. During the year, our Sustainability Expert was invited by Sunway Business School to give a talk on “Corporate Sustainability and Its Responsibilities”.

Recognition

- During the year, the quality of our sustainability efforts was recognised through:
- Listing in the FTSE4Good Index Series for the second year running
 - ‘Zero Incidences of Bribery’ recognition by UNGCMYB during Sustainability Performance Awards 2021
 - Overall Winner for Outstanding and Comprehensive Efforts in Corporate Sustainability and three other awards at the Sustainable Business Awards Malaysia 2020/2021

SUSTAINABILITY GOVERNANCE

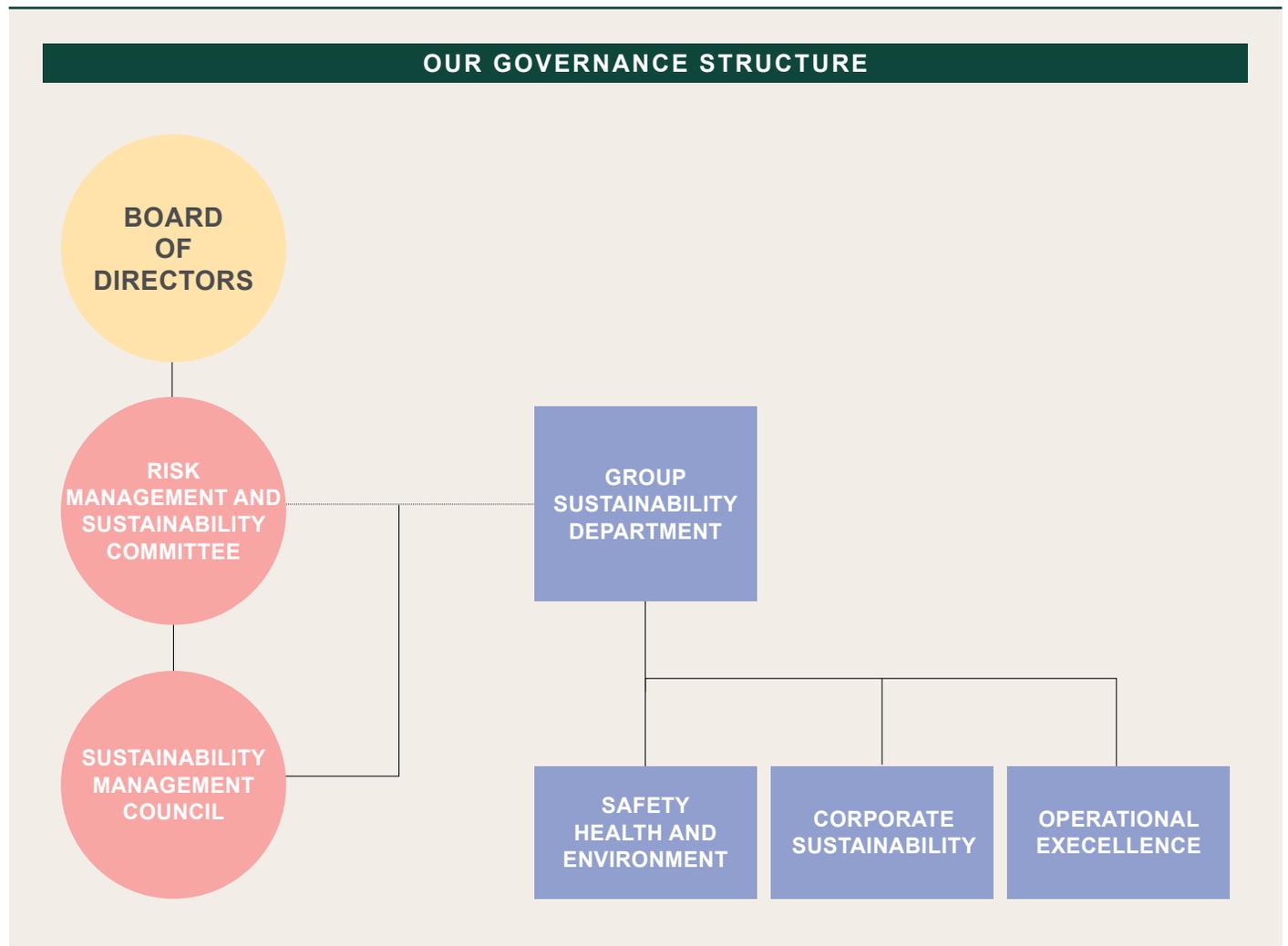
While we believe that everyone has a role to play in ensuring sustainable operations at Duopharma Biotech, all sustainability initiatives are led by our Board of Directors, who are ultimately accountable for the Company's strategic direction. Sustainability oversight is provided by the Risk Management 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 quarterly meetings in 2021, each attended by a majority of its members.

Only Corporate Sustainability and Safety, Health and Environment ("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.



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 of 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.

Shareholders



Areas of Interest

- Duopharma Biotech's business direction and key corporate developments

Addressing Their Interests

- Announcements on Bursa Malaysia Securities Berhad and our corporate website
- Investor roadshows, updates and briefings for fund managers
- General Meetings
- Annual Reports

Local Communities



Areas of Interest

- Transparent, quality products and services
- Community development and enrichment
- Reaching out to the community

Addressing Their Interests

- Reaching out through roadshows, seminars, exhibitions and get-together events
- Halal workshops and symposiums
- Corporate Social Responsibility ("CSR") programmes
- Philanthropy and donations

Customers



Areas of Interest

- Safe products and services
- Quality management
- Compliance status

Addressing Their Interests

- 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

STAKEHOLDER ENGAGEMENT

Healthcare Professionals



Areas of Interest

- Quality management
- Compliance status
- Safe products and services

Addressing Their Interests

- In-house Pharmacovigilance unit
- CME sessions for medical fraternity
- Reaching out through roadshows, seminars, exhibitions and get-together events

Industry Associations



Areas of Interest

- Industry developments
- Relevant laws and regulations

Addressing Their Interests

- Participation in industry forums, conferences, dialogues, exhibitions and local and international networking events
- Membership in Malaysian Organisation of Pharmaceutical Industries ("MOPI")

Government/Regulatory Authorities



Areas of Interest

- Compliance
- Nation building
- Helping the government achieve its goals

Addressing Their Interests

- Supporting national agendas such as the Halal Agenda and the Bumiputera Agenda
- Meetings, dialogues and updates
- Good representation in trade councils and associations

Employees



Areas of Interest

- Career development
- Competitive remuneration
- Work-life balance

Addressing Their Interests

- 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

STAKEHOLDER ENGAGEMENT

Suppliers and other Business Partners



Areas of Interest

- Fair procurement
- Transparency
- Supplier development

Addressing Their Interests

- Bumiputera Vendor Development Programme
- Group procurement policy and procurement system
- Implementation of e-bidding system

Media



Areas of Interest

- Public-private partnerships
- Transparency in communication
- Responsible innovation

Addressing Their Interests

- Media releases
- Press conferences and events

Non-Governmental Organisations (NGOs)



Areas of Interest

- Access to healthcare
- Healthcare infrastructure strength

Addressing Their Interests

- Programmes and events partnering NGOs
- Supporting well-being via donations

Financial Community



Areas of Interest

- Access to finance
- Business stability

Addressing Their Interests

- Financial negotiations
- General Meetings
- Financial statements

Scientific Community



Areas of Interest

- Access to knowledge
- Future business growth based on Research & Development ("R&D")

Addressing Their Interests

- 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.

DUOPHARMA BIOTECH'S MATERIALITY MATRIX

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 and 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
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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 and growth	<ul style="list-style-type: none"> Structured recruitment and 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

SUSTAINABILITY-LED BUSINESS COMMITMENT



In order to contribute to our stakeholders, we need to ensure our own business sustainability. This is underlined by our commitment to regulatory compliance, building high quality products that are affordable and that meet the needs of society, and treating all our partners as well as vendors/suppliers with respect and integrity. We also believe in delivering halal pharmaceutical to serve the needs of growing Muslim populations across the world.

COMPLIANCE

Because of the nature of pharmaceutical products, the industry is highly governed along the entire value chain, from research and development to manufacturing, sales and marketing. The objective is to ensure pharmaceutical products meet stringent quality controls. In Malaysia, pharmaceutical companies are governed by the following regulations:

Poisons Act 1952 and Regulations	Sale of Drugs Act 1952
Dangerous Drugs Act 1952	Medicines Advertisements and Sales Act 1956
Patent Act 1983	Control of Drugs and Cosmetics Regulations 1984



SUSTAINABILITY-LED BUSINESS COMMITMENT

In order to comply with all these legal requirements (which is also necessary for the annual renewal of our Manufacturing, Wholesale, Import and Pharmacist Type A Poison Licenses), Duopharma Biotech is guided by the current Good Manufacturing Practice (“cGMP”) and Good Distribution Practice (“GDP”) under the Pharmaceutical Inspection Co-operation Scheme (“PIC/S”) in Malaysia. Additionally, we adhere to the International Council for Harmonization of Technical Requirement for Pharmaceuticals for Human Use (“ICH”) Guidelines, NPRA GMP/GDP Guideline, Eudralex, GDPMD Guideline, and Medical Device Act 2012 (Act 737). We also actively seek cGMP certification by the relevant authorities in our international markets.

In addition, all our operations have been certified with the relevant ISO standards:

Company	Certification	Initial Date of Certification	Validity
Duopharma Innovation Sdn Bhd	MS ISO/IEC 17025 General Requirements for the competence of 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 Manufacture of Medical Device	1 July 2014	9 July 2023
	Good Distribution Practice for Medical Devices (“GDPMD”)	6 October 2020	5 October 2023
	MS ISO/IEC 17025 General Requirements for the competence of testing and calibration laboratories	15 September 2020	15 September 2023
Duopharma Manufacturing (Bangli) Sdn Bhd	ISO 9001:2015 Quality Management System	22 April 2015	21 April 2024
Duopharma Marketing Sdn Bhd	Good Distribution Practice for Medical Devices (“GDPMD”)	29 April 2015	28 April 2024
Duopharma Consumer Healthcare Sdn Bhd	Good Distribution Practice for Medical Devices (“GDPMD”)	16 June 2021	15 June 2024
Duopharma HAPI Sdn Bhd	Certificate of GMP Compliance of a Manufacturer	21 August 2019	2 December 2022

As with 2020, the annual routine inspection by NPRA was not conducted in 2021 for Duopharma HAPI as notified by NPRA and the Certificate of GMP Compliance remains valid. Duopharma HAPI has continued our production activities with full compliance to the pandemic SOPs since the COVID-19 pandemic that began late Q1 of 2020, in addition to GMP requirements. An EU GMP gap analysis was planned to be conducted for the manufacturing site. Unfortunately, due to the COVID-19 travel restrictions, a document gap analysis was conducted instead and the site gap analysis was deferred to 2022 to prepare for the certification in the same year. Additionally, the QC Laboratory at Duopharma HAPI underwent several training sessions throughout 2021 in preparation for the ISO/IEC 17025 accreditation, which is targeted to be obtained in 2022.

Quality Policy

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

Our Quality Policy requires us to:

- 1 Understand and fulfil our customers' requirements
- 2 Provide a high standard of service to internal and external customers, with teamwork being the essence of our success
- 3 Nurture a culture of excellence, resourcefulness and innovation
- 4 Adopt the concept of prevention by Doing It Right First Time, Every Time
- 5 Continuously engage and delight our customers and stakeholders
- 6 Continuously improve our processes, products and services
- 7 Ensure that our suppliers are similarly committed to quality improvement

SUSTAINABILITY-LED BUSINESS COMMITMENT

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

Audits conducted at our subsidiaries by regulators and ISO 9000 certification bodies in 2021

Company	Date	Type of Audit	Audited by
Duopharma Innovation Sdn Bhd (Analytical Laboratory)	28 September	MS ISO/IEC 17025	Skim Akreditasi Makmal Malaysia ("SAMM")
Duopharma (M) Sendirian Berhad	21-23 April	ISO 9001:2015	TUV SUD
	21 May	GDPMD	TUV SUD
	26-27 July	ISO 13485:2016	TUV SUD
	18 August	MS ISO/IEC 17025	SAMM
Duopharma Manufacturing (Bangi) Sdn Bhd	1-3 March	ISO 9001:2015	TUV SUD
Duopharma Marketing Sdn Bhd	23-24 February	GDPMD	TUV SUD
Duopharma Consumer Healthcare Sdn Bhd	2-3 March	GDPMD	TUV SUD

As a result of strict internal controls, none of our subsidiaries has been fined by the National Pharmaceutical Regulatory Agency ("NPRA"), GMP or any other regulatory body for non-compliance between 2019 and 2021.

Halal Certification

We comply with the MS2424:2019, Halal Pharmaceuticals – General requirements (First revision) and adopt the Malaysian Halal 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 Management System covers internal halal audits, evaluation of new sources of materials, vendor audits and training. A total of 335 out of 346 (or 96.8%) of our active products (96.6% in Bangi and 97% in Klang) were halal certified as at 31 December 2021. The certification process for the remaining 3.2% products is ongoing.

A key development has been the establishment of a Halal Committee at our Highly Potent Active Pharmaceutical Ingredients ("HAPI") plant in Glenmarie, which will work towards halal certification from JAKIM in 2022.

Vendor GMP Audits

To ensure quality across our supply chain, we ensure our vendors/suppliers also meet GMP standards. Audits are conducted every year for different vendors/suppliers under our Vendor Management Programme. In 2021, we audited 64 out of 770 vendors that supply our manufacturing plants in Bangi, Klang and Glenmarie. Vendors that do not meet GMP criteria are given the opportunity to rectify existing gaps, failing which their contracts are terminated. We were able to manage vendor GMP inspections with travel limitations due to the pandemic. Vendor inspections continued to be conducted by desktop audit in 2021 after the commencement of the Movement Control Order.

SUSTAINABILITY-LED BUSINESS COMMITMENT

KLANG

295 Total Number Approved Vendors



25 Number Vendors that passed GMP audit



BANGI

456 Total Number Approved Vendors



35 Number Vendors that passed GMP audit

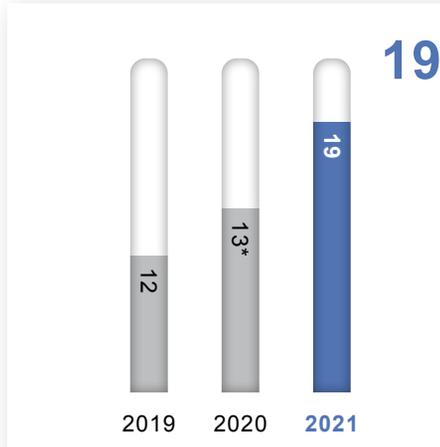


SUSTAINABILITY-LED BUSINESS COMMITMENT

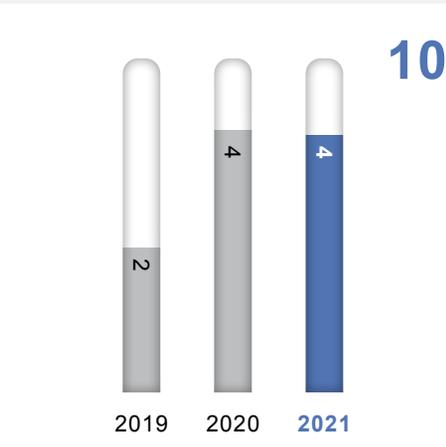
GLENMARIE

Suppliers

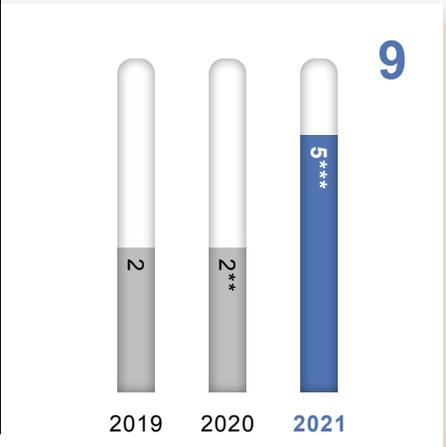
Approved



Audited



Passed

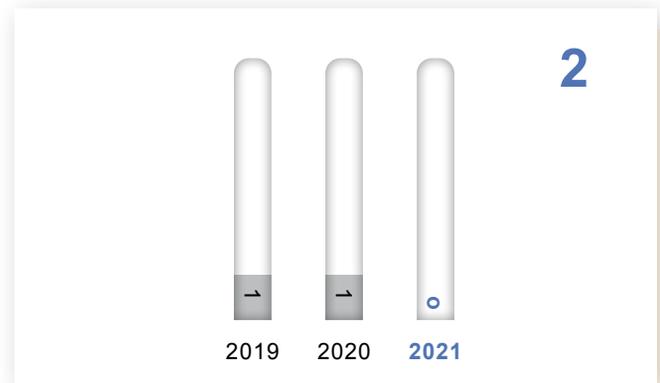


Service Providers

Audited



Passed



* Includes two suppliers that had been approved previously.
 ** Two more audited vendors were awaiting desktop audit evaluation results.
 *** Including the two vendors audited in 2020.

COUNTERFEIT AND ADULTERATION

Counterfeit or adulterated products are not effective at best; and dangerous at worst. We believe it is our duty to protect consumers from counterfeits, therefore place holograms on our tamper-proof packaging. Consumers who come across counterfeits or adulterated products supposedly manufactured by Duopharma Biotech are urged to lodge a report through our product complaints channel. No such complaints were received between 2019 and 2021.

ETHICS & INTEGRITY

Integrity is one of Duopharma Biotech's core values, and is reflected in zero tolerance for fraud, bribery or corruption. The Board is responsible

for the governance and integrity of the organisation, and sets the tone from the top with clearly articulated policies and procedures. The Board is assisted by the Audit and Integrity Committee ("AIC") in ensuring that everyone in Duopharma Biotech upholds the highest integrity in everything we do. The AIC oversees the implementation and effectiveness of our governance, ethics, integrity and anti-corruption programmes. It also receives all whistleblowing reports, and deliberates on the findings. If required, the findings are shared with the Board level and subsequently at the respective subsidiary boards for their information. Besides that, the Governing Body will receive and review information about the content and operation of the organisation's Anti-Bribery Management System on a quarterly basis.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Anti-Bribery and Anti-Corruption

The Board oversees the Anti-Bribery Management System and ensures its continuous enhancement via reviews and approving newly-developed policies. The Group's Anti-Bribery and Anti-Corruption ("ABAC") policy serves as the central pillar upholding our conduct in dealings with business associates, and is supported by the following policies:

The following policies:

- Whistleblowing Policy & Investigation Procedures
- Declaration of Interest Policy
- Integrity Pact Policy
- Grants, Charitable Donations and External Sponsorship Policy
- Gift & Hospitality Policy
- Sponsorship Policy
- Anti-Money Laundering and Counter Financing Terrorism Policy
- Anti-Bribery Management System ("ABMS") Policy (a subset of ABAC Policy)
- Business Ethics Policy (a subset of ABAC Policy)

The implementation and adherence to the policy will be audited by the ISO37001 Internal Auditors selected from the steering committee and also an external review conducted annually by the ISO37001 internal auditors. The oversight of the implementation and adherence will ultimately be presented to the Board and the AIC periodically. Integrity matters is a fixed agenda in the quarterly AIC Meeting. The AIC has direct oversight of the policies and initiatives related to anti-corruption and integrity matters. Further, as part of the ISO37001 requirements, governing body review and top management review on Integrity and Anti-Corruption matters are conducted on an annual basis, including governing board reviews at the subsidiary companies.

During the year, the Whistleblowing Policy (and Investigation Procedures), Declaration of Interest Policy, and Integrity Pact Policy were revised in line with the introduction of our Management & Monitoring Framework. At the same time, the Grants, Charitable Donations and External Sponsorship Policy was introduced to ensure all sponsorships and/or donations are transparent and comply with our CSR Policy, the Company's Code of Conduct and ABAC. All charitable donations and sponsorships have to be evaluated by a committee comprising the Head of Corporate Communication, the Chief Legal Officer and Group Company Secretary, and the Head of Group Internal Audit and Integrity before being approved. The compliance to the above policies is to be done quarterly and this will match the key corruption risk identified in the Corruption Risk Register. The report will be presented quarterly to the AIC.

All key policies and guidelines are communicated to employees by way of briefings, refreshers, reminder cards, bunting, posters and computer screen savers. They are also made available on our

corporate website and intranet in English and Bahasa Malaysia. In addition, they are constantly reinforced via communication by our Integrity Champions in local languages. Furthermore, our Integrity Champions conducted a briefing in Mandarin for our Sales personnel who are predominantly Chinese educated. The Integrity Office also engaged the MACC to conduct training on the MACC Act in general and stressing Section 17A and the Guidelines on Adequate Procedures in the Mandarin language. A series of briefings were also conducted with our Business Associates, including the forum on Sustainability during the Halal-Integrity-Sustainability ("HIS") Program 2021.

Moving forward, the Board has approved the Duopharma Biotech Organisational Integrity and Anti-Corruption Plan 2021 – 2023 ("OIACP") which seeks to build a stronger culture of integrity across the Group via strategies and programmes recommended in the Malaysian National Anti-Corruption Plan, the Guidelines on Adequate Procedures and the Anti-Bribery Management System ISO37001.

The Anti-Bribery Management System ("ABMS") ISO 37001 surveillance audit conducted by SIRIM QAS International Sdn Bhd in 2021 was very encouraging: we had zero non-conformance and only three Opportunities for Improvement ("OFIs") across the Group of Companies. The certification is valid until October 2023. Moreover, the Business Ethics Institute of Malaysia Five Petals Gold Ethics Award received by Duopharma Biotech Berhad in 2020 is valid for a period of two years until 31 December 2021. We will once again participate in the assessment that will be carried out by the independent assessor, KPMG in 2022.



SUSTAINABILITY-LED BUSINESS COMMITMENT

Whistleblowing Policy

Whistleblowing provides an avenue for employees and stakeholders to report serious concerns. Currently, five Speak-Up-Pharma channels are available, ie e-mail, webform via our corporate website, designated phone lines, SMS and via a written complaint lodged confidentially to the Head of Group Internal Audit & Integrity. Whistleblowers can also opt to channel their concerns or complaints directly to our Chairman or the Board Audit & Integrity Committee Chairman, or directly to the Malaysian Anti-Corruption Commission, Royal Malaysian Police, or any other enforcement agency.

The Policy provides assurance that the whistleblower will be protected from possible reprisals or victimisation if they make their disclosure in good faith. Reports made on the hotline and associated investigatory records will remain confidential. In 2021, we received three reports, compared to nine in 2020. Of the three reports, one has been investigated; another has been classified as grievance and channelled to the Group Human Resource Department. The last report, involving senior management, was received in December, and the investigation is ongoing.

As per the requirement of the Investigation Procedure, the commencement of the investigation was approved by the Board Audit and Integrity Committee Chairman, and was subsequently informed to the Board Nomination & Remuneration Committee Chairman. All the received reports are disclosed and discussed in the Audit & Integrity Committee. The number of whistleblowing reports are received on a quarterly basis and the status is reported to the Malaysian Anti-Corruption Commission biannually. Each whistleblowing case received is addressed within 7 working days to ensure preliminary evaluation.

Mode	No. of Reports Received	Classification		Investigated Staff Category	
		Whistleblowing	Grievance		
Written (To Head GIA)	2	2	-	Senior Management	1
E-Mail	-	-	-	Blue Book	-
Hotline (Call / Messaging)	1	-	1	Red Book	1
Webform	-	-	-	Green Book	-
Others		-	-	Unknown	1
TOTAL	3	2	1		3

A whistleblowing refresher briefing was conducted for all staff in 2021, while our Integrity Champions continuously share relevant messages through official and unofficial social media platforms.

Staff Training on ABAC Policy

Integrity training for new recruits is done based on the Group Human Resource Department's request. For new hires at managerial level, in-person training will be conducted by the Head of Group Internal Audit & Integrity. Weekly anti-corruption news is uploaded onto the intranet as well as shared on our Facebook and LinkedIn pages; and weekly values are emailed to employees. Meanwhile, anti-corruption talks and events are organised during the annual Halal, Integrity & Sustainability Program ("HIS").

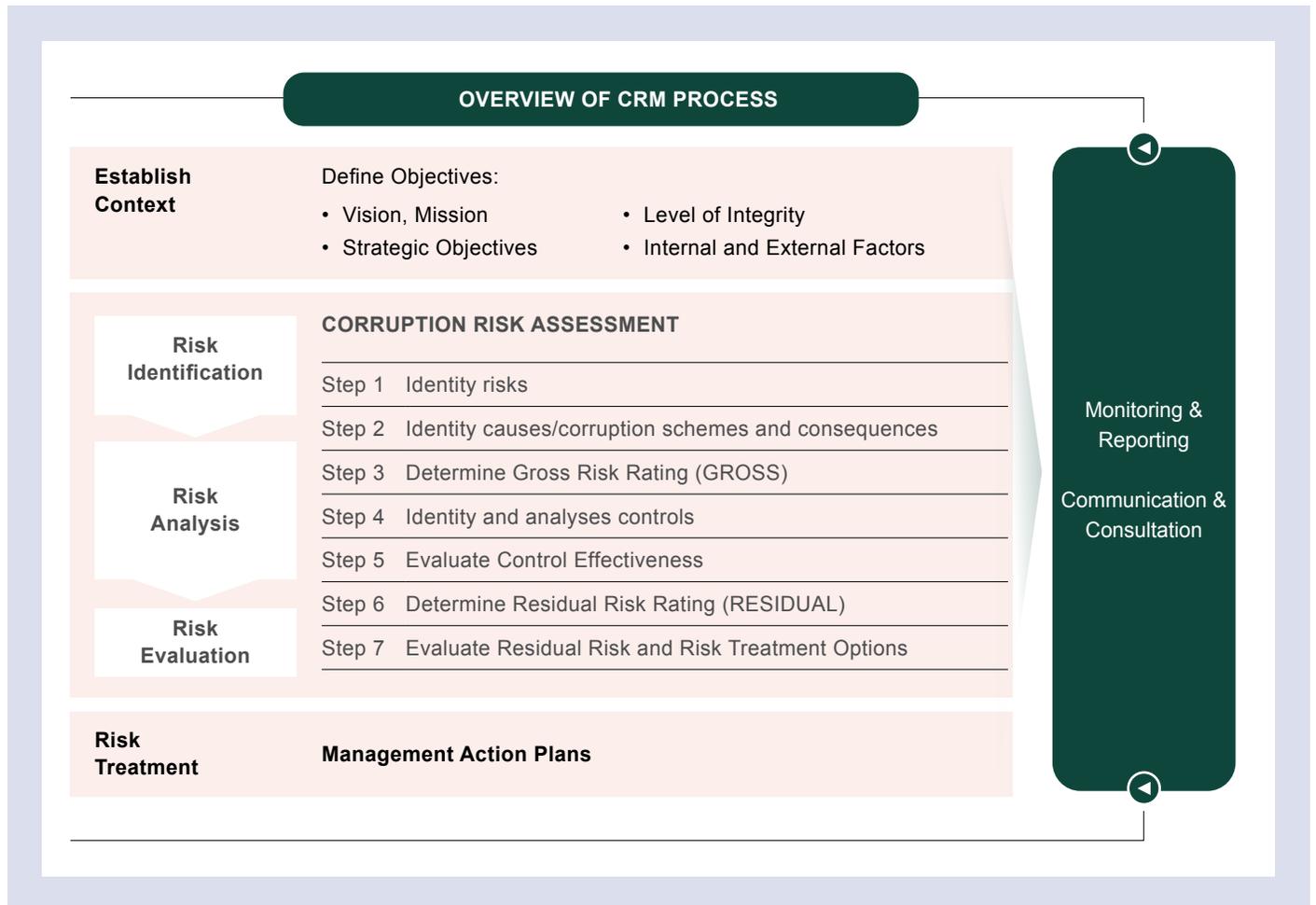
Corruption Risk Management

Corruption Risk Management ("CRM") enables us to identify structural weaknesses that may facilitate corruption, while providing a framework for all staff to take part in identifying risk factors and treatments. Our CRM methodology comprises the following:

- A corruption risk assessment is carried out
- The resulting Corruption Risk Report is tabled at a quarterly Audit & Integrity Committee Meeting
- The corruption risks are integrated into the Company's Enterprise Risk Management Framework.

SUSTAINABILITY-LED BUSINESS COMMITMENT

The overview of our CRM Framework is as follows:



All directors, officers and employees must understand the policy and evaluate the impact of the policy on their responsibilities. In doing so, one must:

- evaluate the corruption risk affecting the employee’s area and responsibilities;
- take the necessary step to prevent the risk; and
- handle the corruption or unethical issue in hand in a proper manner, should it arise.

The Company adopts ISO31000:2009 Risk Management Principles and Guidelines in its risk management processes, whereby the focus is on the management of risk from any event or uncertainty

that may have a significant impact on Group objectives. The risk management process includes risk identification, analysis, evaluation and treatment, with continuous monitoring, review, communication and consultation. Risk events are analysed in terms of its likelihood of occurrence and the significance of their consequences, where an approved Risk Matrix is used to ensure consistent practice throughout the Group.

During the year, 100% of our operations were assessed for risks related to corruption, including our subsidiaries in the Philippines and Singapore. A total of 105 corruption risks were identified, including 36 ranked as being “high risk”. The effectiveness of our risk controls was validated during the Anti-Bribery Management System ISO 37001 Surveillance Audit.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Corruption-Related Disclosures

Disclosure	Qty
No. of staff, Management or Directors disciplined or dismissed due to non-compliance with anti-corruption policy/policies from 2019 to 2021.	0
Cost of fines, penalties or settlements in relation to corruption from 2019 to 2021.	0
Total amount of political contributions made from 2019 to 2021.	0
No. of Business Associates including customers, suppliers, agents, distributors and etc. that were terminated for any form of corruption, bribery and fraud-related offenses from 2019 to 2021.	0

Due Diligence on New Business Partners

A Third Party is any person, including a legal entity, with whom the Company interacts and that is not a subsidiary or associate company. The Company must only engage with Third Parties if there is a legitimate need for the services or the goods that they provide; if the services and goods are priced at a reasonable market value; if there is a written contract; and if the receipt of such services or goods is documented. Engagement of an agent to facilitate payment of bribes or alike on behalf of the Company is prohibited, as this will place liability on the Company based on the acts of the agents. Duopharma Biotech employees have an obligation to carefully select every Business Partner that acts on Duopharma Biotech's behalf. Business Partners must comply with all applicable anti-bribery laws and this Principle.

Duopharma Biotech practices procurement of goods and services made via Approved Registered Vendor List. The procurement of goods and services from any unregistered vendors without a pre-qualification exercise shall be avoided unless accompanied by a valid reason, which must be documented. End-User /Buyer shall be responsible to source and review the vendor's background and qualifications and obtaining Head of Department approval before registration. Procurement Department and Finance Department is responsible to review and verify the request before the creation of vendor code in the SAP system by the Finance Department.

In 2021, Duopharma Biotech engaged a third party to conduct due diligence on all our key business associates. Out of 852 local and foreign active business associates assessed, only two red flags were raised that require further scrutiny and review by Management. The assessment covered publicly announced regulatory, enforcement and disciplinary actions by relevant regulatory bodies in Malaysia, Singapore, Hong Kong, Australia as well as Interpol and the United Nations Security Council.

Meanwhile, we have established the necessary procedures to conduct due diligence for new customers to be registered in the SAP system, and are planning to do the same for new vendors. Risk profiling on the customers is to be conducted with the following risk factor taken into consideration. i.e size and nature of the customer's business, product and services provided, the geographical location where the customers operate. The risk category is identified by conducting risk profiling of the customers which is inclusive of business risk and corruption risk assessment.

BUSINESS INNOVATION & MODEL

Innovation is key in the pharmaceutical industry. It encompasses not only the adoption of the best technologies to enhance the quality and efficacy of products but also an agile approach to our entire business, to ensure we stay relevant to people's healthcare needs. Given the pandemic, our focus in 2021 was to support the government in its national vaccination programme; and to push ahead with our digitalisation programme which has acquired greater urgency due to changes in the way we work and engage with our stakeholders. Additionally, Duopharma continues to focus on local Merger & Acquisition ("M&A") as an opportunity to accelerate the Company's growth though we faced challenges as travel restrictions were not fully lifted.

Vaccine Strategy

We developed a Vaccine Strategy to not only support the government in managing the current pandemic, but also to build our capability to manufacture and distribute a range of vaccines to help meet the nation's future needs.

Subsequent to our entering into agreements to supply the Russian vaccine, Sputnik V, to the Ministry of Health of Malaysia ("MOH"), we started building our capacity to handle ultra-low temperature vaccines. We purchased freezers, a cold storage container designed for a range of temperatures, dataloggers, vaccine transfer boxes and established a cold storage room. Although Sputnik V has yet to receive emergency use approval from the Drug Control Authority ("DCA") of Malaysia, we leveraged our enhanced vaccine handling capability by entering into an agreement with China's Sinopharm to import its COVID-19 vaccine, Covilo. Covilo has been approved by the DCA, and we have begun its distribution to the private market.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Meanwhile, as we seek to play a bigger role in fulfilling Malaysians' healthcare protection needs, we are looking at utilising our existing fill & finish facility to establish a bulk biosimilars/vaccine manufacturing facility. Construction works for the facility are ongoing and targeted for completion in 2022.

Digitalisation Strategy

In 2021, we also completed our Digitalisation Strategy, outlining a digital health roadmap in line with our aspirational targets. Developed by an external consultant, the Digitalisation Strategy identifies opportunities that we can tap into in the digital health space. A digitalisation taskforce was set up to oversee the implementation of this strategy.

We are making good progress in the digitalisation space through investments totalling USD750,000 into Naluri Hidup Sdn Bhd ("Naluri"). Since partnering with Naluri, we have been developing various use cases for its proprietary app. These are expected to be completed in 2022. We also have continuous strategic partnership discussions with local and international companies to bring in new and advanced technologies in the digital healthcare, vaccines and biosimilars space. With the gradual opening of local and international borders, it is imperative for Duopharma to identify suitable M&A targets as one of the key growth areas. This effort will continue throughout 2022.

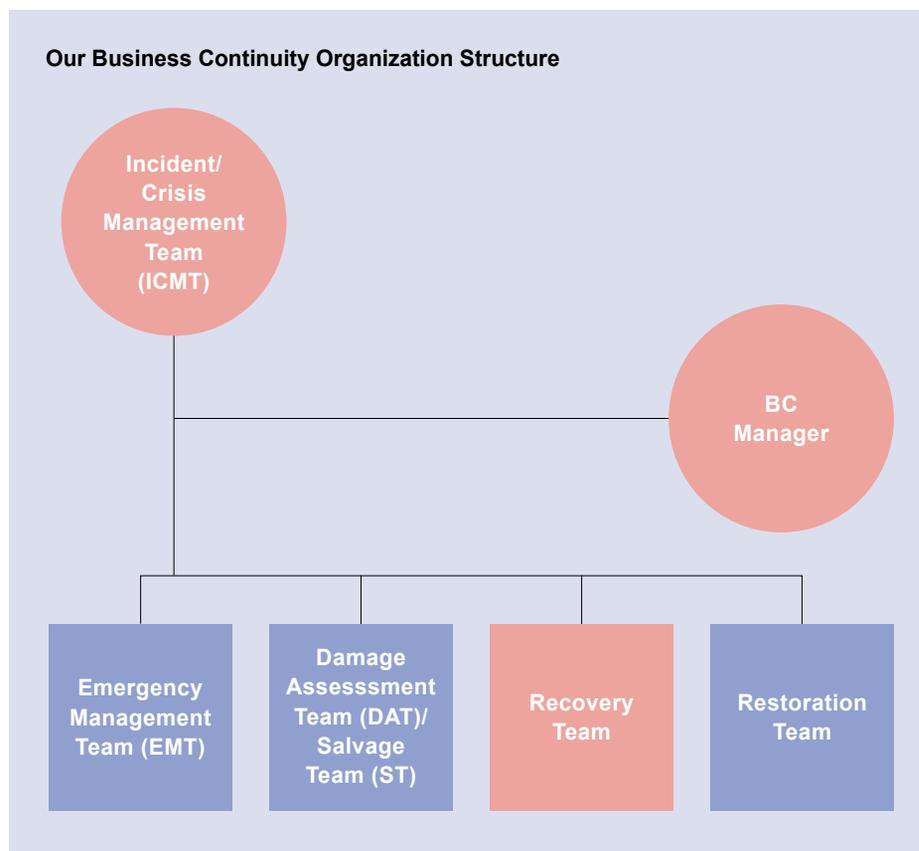
Business Continuity Management ("BCM")

Given the nature of the products we supply to the government and private healthcare sectors, it is critical that we are able to meet our delivery commitments at all times, disruptions notwithstanding. Towards this end, we have built our BCM capabilities through an analysis of the needs of all our business units, and the establishment of respective Business Continuity Plans that focus on:

- Managing any disruptive incidents
- Continued operations based on pre-determined recovery objectives
- Ensuring communication to all interested parties remains available

All identified business units in Duopharma Biotech have a set of Business Impact Analysis (BIA) and Business Continuity Plan (BCP) to be used in the event that a Disaster level incident occurred and they need to recover their identified prioritized activities.

On 31 May 2021, Duopharma Biotech conducted our first hybrid business continuity exercise, simulating a disaster. Key learning points from this exercise will be used to further improve our existing BCM framework.



PRODUCT PORTFOLIO

We keep reviewing and expanding our product portfolio in order to meet the health and wellness needs of Malaysians and others whom we serve in the region.

Consumer Healthcare ("CHC")

We have more than 70 CHC products catering to different consumer needs. Among these, Flavettes, Champs and Eye Glo are brand leaders in their categories in Malaysia. Since the pandemic, demand for Vitamin C in particular has increased significantly as consumers are taking proactive measures to boost their immunity.

While continuing to expand our Flavettes range, in line with demand, in 2021 we launched Flavettes Nutriskincare, offering pharmaceutical-grade beauty-enhancing products. Backed by science, the range incorporates an innovative "triple action" formulation that improves skin health at the cellular level.

Meanwhile, to build brand awareness we have continued to increase our Advertising & Promotion budget for CHC. In addition to drama sponsorship in the last two years, a large proportion of the events and consumer engagement activities were held using online platforms.

SUSTAINABILITY-LED BUSINESS COMMITMENT

As a result of continuous advertisement & promotion activities, all of CHC brands registered strong double-digit growth in 2021.

The CHC Business will continue to invest in media programs that will give strong reach and frequency to the Brands' target market. New product launch with a unique selling proposition (USP) will be the focus for CHC business. This will be a key driver to provide CHC business growth in the future.

Ethical Classic

The Ethical Classic product portfolio is constantly reviewed and updated to ensure market relevance. Key categories include cardiovascular, anti-infectives, alimentary tract and metabolism, respiratory, central nervous system and sensory therapies. The team strives to launch at least two new products every year, and is now expanding beyond pharmaceutical offerings by onboarding new technologies and venturing into medical devices. We endeavour to introduce much needed products in categories based on market trends with increase in demand whilst employing a business model and market-based pricing that enables us to be competitive.

During the year, eight new brands were launched while 13 items were discontinued, mainly due to technical / manufacturing issues. Consequently, at end 2021, ECB had a total of 167 brands under its portfolio. Of the new launches, Promesec, for stomach and intestinal ulcers, performed very well achieving more than RM 1 million in sales; while Bezartan, for high blood pressure, exceeded sales target by five times.

ECB had initiated several strategies to address sales performance in 2020 in view of the changes in market and prescriber behaviour as an effect of COVID-19. This included implementing strategies to address prescribers' needs to purchase products with lower quantities and strategies to retain business with Duopharma Biotech avoiding erosion to competitors.

We started 2021 strong with a solid performance and above expectations as our closing sales performance achieved above our sales target's expectation amidst the impact of OOS problematic situations. ECB will continue to replicate its key offering of ensuring our prices are competitive and meet prescriber and patient needs in 2022 by aggressively exploring collaboration with local pharmaceutical companies as an additional revenue stream to continuously grow our portfolio.

Moreover, 2022 will see new and improved action plans across all Ethical Classic Business ("ECB") channels with General/Macro & Micro/Targeted Marketing initiatives to strengthen sales force effectiveness (SFE) with the necessary monitoring tools like Tableau

Performance Dashboards, e-Catalogue and Learning Management System ("LMS"); targeted strategies leveraging on capabilities of ECB Telesales team and aligning resources to ensure ECB products remain competitive and continue to gain market share in all sectors.

Ethical Specialty

Our Ethical Specialty Business is committed to providing access to quality healthcare through generics and biosimilars via three franchises, i.e., Diabetes Care, Cancer Care and Renal Care.

Products under the three franchises:

Cancer Care Franchise	Zuhera (Biosimilar)
	Trevive
	Kytron IV
	Kytron Tab
	Lebreta
Renal Care Franchise	Krabeva (Biosimilar)
	ERYSAA® (Biosimilar)
	Unihepa
	Ranofer
	Bi-Haemosol Range
Diabetes Care Franchise	Haemosol C Range
	Insugen (Biosimilar)
	Basalog One (Biosimilar)
	INSUPEN
	BD RANGE

Our focus in recent years has been to expand our range of biosimilars given that biological-based large-molecule drugs are more efficacious in treating life-threatening diseases. The existence of biosimilar will create competition with the innovators. This prevents them from monopolising the pharmaceutical market by providing more affordable options. This gives the middle- and lower-income population access to affordable medicines to manage their conditions like Type 1 or 2 diabetes. In addition to affordability, locally-produced biosimilars and generics will also enable the country to be more self-sustainable and secure with regard to the supply of medicine.

Five biosimilar products are made available in the market to provide more affordable solutions for healthcare professionals and patients to manage diabetes, cancer and renal anaemia including one additional biosimilar product launched in 2021 for Cancer Care Franchise.

Increased sales and/or tender awards of various Duopharma Biotech biosimilars during the year indicates not only increasing demand but also market acceptance.

SUSTAINABILITY-LED BUSINESS COMMITMENT

- Sales of ERYSAA®, which treats renal anaemia, grew by 52% hence more dialysis patients were treated using this product. Despite the stiff competition by both short and long-acting erythropoietin stimulating agents, ERYSAA® further expanded into the dialysis market with approximately 49% of dialysis centres and hospitals have prescribed ERYSAA® for their renal anaemia patients. ERYSAA® also won the National Kidney Foundation tender for two years until 2023. Existing ERYSAA® MOH tender until 2023 also enables us to convert more dialysis patients in MOH to ERYSAA®.
- Sales of Basalog One, an insulin glargine, grew 10% and 22% in the government and private sectors respectively. Basalog One also won a strategic two-year pool-procurement tender to supply Ministry of Health (“MOH”), Ministry of Defence (“MINDEF”), Pusat Perubatan Universiti Kebangsaan Malaysia (“PPUKM”), Hospital Universiti Sains Malaysia (“HUSM”) and Universiti Teknologi MARA (“UiTM”) with Insulin Glargine till 12 September 2023. The Basalog One ‘pool procurement’ tender (including MOH, MINDEF, PPUKM, HUSM and UiTM) that we won recently has replaced the MINDEF tender.
- Revenue from Zuhera, a breast cancer treatment, grew 10% (RM5.59 million in 2021). Zuhera was well accepted by healthcare professionals and patients especially with its price advantage versus the reference product and was awarded with a year PPUM tender (December 2021 until 2022) with an estimated value of RM669K. Despite another biosimilar available in the market, Zuhera maintains as the preferred biosimilar being prescribed for patients especially in the private sector with 59% volume market share in IV trastuzumab market. We did participate in Zuhera MOH tender for 2021 but we lost the tender.
- MOH accepted the tender offer from Duopharma Marketing Sdn. Bhd. to supply Insugen by way of direct negotiation and issued a Letter of Award or “LOA”. The LOA is for a period of three (3) years commencing on 17 December 2021 until 16 December 2024 with a total contract value of RM375,174,320.00. We aim to retain the contract for long-term supply of Insugen to the MOH.

ERYSAA®’s performance was particularly encouraging as it is the first biosimilar to be produced by Duopharma Biotech. Our strategy is to expand our capability to produce a wider range of biosimilars. During the year, we completed the technology transfer for the production of Trevive, a generic pharmaceutical product for chronic myeloid leukaemia, from our Indian biotech partner, Natco Pharma Limited (“Natco”), and hope to start commercial production at our HAPI plant in the fourth quarter of 2022. We also continued the listing of Krabeva in private hospitals in order to increase patients on Krabeva (bevacizumab) for 6 types of cancer treatment. Our belief is that more patients are benefited from quality products through biosimilars and targeted therapy leading to more cost-effective solutions.

Meanwhile, we continue to educate the healthcare fraternity on the safety and quality of biosimilars. During the year, we participated in a number of major scientific events organised by medical societies such as the Malaysian Endocrine and Metabolic Society, Malaysian Oncology Society and Malaysian Society of Nephrology. We also held a number of our own online educational sessions and scientific events focusing on Basalog One, Zuhera, ERYSAA® and Krabeva. A key webinar, on “Biosimilars: A Case of More For Less”, attracted the participation of 310 practitioners. In addition, we conducted virtual plant tours of our HAPI plant and fill and finish facility in Klang for healthcare professionals; established collaboration with various Key Opinion Leaders and relevant specialists to advocate the use of Duopharma brands; and collaborated with the media on articles about biosimilars. In all these activities, we adhered to the Code of Pharmaceutical Marketing Practices on Prescription (Ethical) Products, issued by the Malaysian Organisation of Pharmaceutical Industries. All activities and events planned physically or virtually goes through strict internal approval process which includes Medical Affairs Department to ensure compliance; and all team members comply to the guidelines set resulting in no audit issues identified within the business.

Due to our initiatives, healthcare professionals are more receptive towards biosimilars and Duopharma brands while more patients are treated with Basalog One, Zuhera and ERYSAA®. Moreover, all events implemented were well attended and rated good to excellent by the participants and improved awareness on biosimilars to reduce patients’ burden with more cost-effective solutions.

Going forward, we seek to expand our Ethical Specialty Business regionally in order to offer more cutting-edge therapies to a larger number of people. In line with this, we have submitted ERYSAA® for registration approval in the Philippines and expect a positive response in 2022. Our first submission for a 2021 launch has been rejected and resubmission has been done back in 2021, hence some delay on the timeline in terms of product registration approval and product launch.

We also seek to engage and urge Biocon to improve the reliability and timeliness of supply of Insugen, Insupens and Basalog One, as thus far they have experienced recurrent supply issues for all three SKUs for various reasons and the issue may resurface in 2022. Moreover, we will improve Zuhera’s packaging with only one vial of bacteriostatic water for infusion (BWF1) in order to align with innovator packaging and further grow the private sector market by 16% vs previous year revenue. We aim to renew ERYSAA®’s current DaVita Group Tender which is going to expire by end February 2022.

SUSTAINABILITY-LED BUSINESS COMMITMENT

More biosimilar education webinars will be implemented in 2022 to reach out to more healthcare professionals in various disciplines; educate patients on biosimilars; and improve the number of Key Opinion Leaders and specialists in advocating and championing the use of biosimilars for better healthcare. We will also improve our internal Standard Operating Procedure to cover critical aspects in marketing pharmaceutical products and its communication.

ACCESS TO MEDICINE

It is not enough to be the biggest pharmaceutical manufacturer in Malaysia and ranked as number 1 in term of sales. More important is to ensure local communities have access to the therapies that we produce and market.

We are able to cover a large percentage of the population through our Government channel. Recognising the government’s immense reach, we participate in the Approved Product Purchase List (“APPL”) tenders as well as MOH Direct Tenders and Local Purchase Orders (“LPOs”). Under APPL contracts, we supply government hospitals, Klinik Kesihatan, dental clinics and medical centres in public institutions of higher learning via the government-appointed logistics and distribution concession holder. Currently, there are close to 4,000 facilities within this government healthcare network. For contracts won directly from MOH as well as for LPOs, we distribute directly to the relevant purchasing points. In 2021, this meant delivering to more than 700 purchasing points.

Within the private sector, our key customers are private clinics, retail and independent pharmacies and private hospitals. These are served by our Sales Team and newly formed Telesales Team. As of 31 December 2021, our penetration rate for the private sector stood at 85%, the same as in 2020. This is lower than our target of 90%, mainly because of issues accessing our healthcare customers due to the pandemic.

In addition, we are venturing into digital health in partnership with Naluri through the development of apps for renal anaemia and cancer patients. The apps are still being fine-tuned, however pilot projects have garnered positive interest from healthcare professionals. We hope for a successful implementation of the apps to benefit patients in the respective disease areas.

COMPETITIVE PRICING

By virtue of being a generic pharmaceutical organisation, we offer products of the same quality, safety and efficacy as originators but at competitive prices. Our objective is to ensure patients in Malaysia and the other markets we serve are able to access medicines they require at prices they can afford.

Due to pandemic-induced supply chain disruption and reduced availability of cargo ships leading to increased freight charges, the price of raw materials globally has increased since the second quarter of 2020. This includes raw materials for the pharmaceutical industry. To balance our increased costs, we have had to increase the price of impacted products.

Even so, we have continued to remain competitive, winning approximately 36% of all government tenders we participated in during the 2020/2021 cycle. It should be noted, moreover, that due to the pandemic, there were fewer tenders and decisions on some of the exercises have yet to be announced. Additionally, we were able to maintain our pricing for the APPL tender extension until 31 December 2022.

In the private sector, our pricing competitiveness is reflected in our ability to maintain our generic market share in the similar-molecule category at 46%. We still maintain our position as the leading Pharmaceutical company in both Volume and Value as at “Moving Annual Total” (“MAT”) November 2021.

Committed to affordable healthcare for all, we look forward to rationalising our prices once the operating environment stabilises.

CLINICAL STUDIES AND PHARMACOVIGILANCE

Clinical studies are conducted before pharmaceutical products are released into the market, while pharmacovigilance monitors any adverse reactions among consumers/patients. Both are critical in ensuring the safety and efficacy of therapeutics. Recognising their importance, Duopharma Biotech partners with Contract Research Organisations (“CROs”) to conduct Bioequivalence Studies (“BE”) on generics, while carrying out our own pharmacovigilance, for which we have established our own team.



SUSTAINABILITY-LED BUSINESS COMMITMENT

Clinical Studies

COVID-19 pandemic has impacted and changed the landscape of clinical trials globally. The pandemic has disrupted overall clinical activity and some of the study could not be conducted as planned. This is particularly so when local authorities imposed various restrictions including movement restriction and lockdown in order to curb the spread of the disease. Although CRO is listed under essential services and allowed to run the clinical study under a strict standard operating procedure. Through our Bioequivalence (“BE”) Centre Partnership Programme, we identify CROs that meet our requirements to conduct BE studies in a timely and cost-effective manner. The Clinical Affairs team worked very closely with the CROs to minimize the impact of the pandemic on our clinical study to ensure subjects and study personnel safety is prioritized and at the same time ensuring the success of study conduct. Meanwhile our Clinical Affairs department ensures all clinical studies carried out adhere to Good Clinical Practice (“GCP”) and ASEAN Guidelines for the Conduct of Bioequivalence Studies.

During the year, three BE studies were conducted, of which two were completed – with positive results and have been submitted to the NPRA for evaluation in order to support product registration; and the third was carried over to 2022. A purely research-based study was also carried out comparing Ranofer with other intravenous iron sucrose, which is to be published in a scientific journal.

Year	Type of Study	Outcome
2019	Three BE Study were carried over from 2018	BE established
	One BE Study were initiated	BE established
	Three BE Study studies were initiated	Not completed (Carry over to 2020)
	No studies conducted for Non-BE	
2020	Three BE Study were carried over from 2019	BE established
	Three BE Study studies were initiated	BE established
	One BE Study initiated	Not completed (Carry over to 2021)
	Non-BE study on Retrospective Study of Ranofer and other IV Iron Sucrose was conducted	Not completed yet and carried over to 2021
2021	One BE Study was carried over from 2020	BE established
	Two BE Study initiated	BE established
	One BE Study initiated	Not completed (carried over to 2022)
	Non-BE study on Retrospective Study of Ranofer and other IV Iron Sucrose was carried over from 2020	Study completed, Manuscript finalised, Submission to journal in 2022

No legal or regulatory fines and settlements associated with clinical trials in 2019, 2020 and 2021. In 2022, Duopharma Biotech will call for renewal of our BE Centre Partnership Program in order to select CROs as our partner for duration of two years (2022-2024). This program will identify CROs that meet our requirement to conduct BE studies in a timely and cost-effective manner.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Pharmacovigilance

Under pharmacovigilance, all instances of Adverse Drug Reaction (“ADR”) are properly recorded, assessed, investigated and reported to the regulatory authority or partner companies. In Duopharma Biotech, our Pharmacovigilance Department is responsible for monitoring the safety of all medicinal products and medical devices for which Duopharma Biotech, or our subsidiary companies, is the Market Authorisation Holder.

In carrying out its function, the department complies with the Malaysian Good Pharmacovigilance Guidelines (“GVP”) while establishing Safety Data Exchange Agreements (“SDEAs”) with partner companies.

In 2021, in line with the administration of Covilo, the Pharmacovigilance Department took up the additional responsibility of assessing and reporting any Adverse Event Following Immunization (“AEFI”) to NPRA as well as our partner company, Sinopharm.

Internally, the department has continued to enhance awareness of the importance of pharmacovigilance among employees through quizzes and PV awareness training. At the same time, it continues to build the capabilities of our PV team through external training. It also carried out audits on our business partners on their pharmacovigilance activities.

A key achievement was to move closer towards satisfying the pharmacovigilance requirements of the European Union, by successfully migrating our PcVmanager safety database to SafetyEasy. The latter complies with the European Medicine Agency (EMA)’s E2B(R3). Additionally, all valid spontaneous ADR and AEFI cases received by the Pharmacovigilance Department were reported to the authorities and partner companies within the stipulated timeline, and we were not faced with any legal or regulatory fines/settlements for the fourth year running.

Moving forward, the department is committed to complying fully with all the requirements of NPRA’s GVP for Product Registration Holders, which took effect as of 1 January 2022. Towards this end, it aims to participate in voluntary GVP inspections conducted by NPRA beginning in the third quarter of 2022.

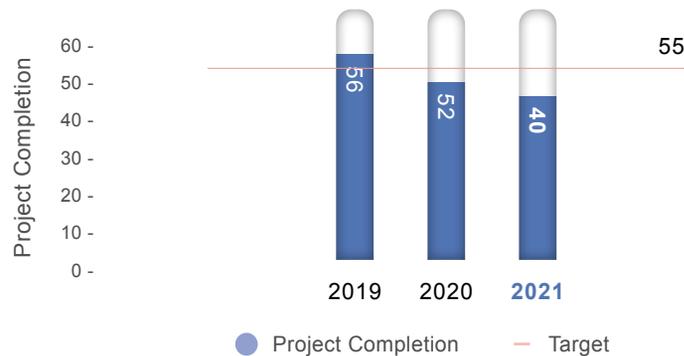
MANUFACTURING & SUPPLY CHAIN MANAGEMENT

Manufacturing is central to our operations and we are committed to ensuring that everything we do along the entire supply chain is socially as well as environmentally responsible.

Among our key priorities is to maintain optimal manufacturing and supply chain efficiency. Our Operations Excellence (“OE”) department is responsible for leading all continual improvement (“CI”) activities in the supply chain. The department continues to use LEAN methodology as the main tool to manage process improvement projects because it has proven to be most suitable in terms of achieving our objectives.

In 2021, we completed 40 CI projects, which was below our target of 55. This was mainly due to pandemic-imposed restrictions. On a positive note, although we had lowered our savings target from RM6 million to RM4 million (this was decided and agreed by management during yearly KPI workshop), the OE team achieved RM6.26 million in savings for the year from various CI initiatives.

OE PROJECTS



OE SAVINGS



SUSTAINABILITY-LED BUSINESS COMMITMENT

This year, again, two CI projects were notable. The first was Project Panther by DB Panthers, which in 2020 had been accorded the highest Band 5 ranking at the Annual Productivity & Innovation Conference (“APIC”) organised by Malaysia Productivity Corporation (“MPC”). In 2021 the project, which extends the scope of our Telesales team from C & D category customers to Silver Brand GP customers from the Ethical Classic Business, won the Par Excellence award (highest award) at the International Convention on Quality Control Circle 2021 (“ICQCC’21”) organised in Hyderabad, India, but held virtually. Via their Telesales Project, the team managed to increase our sales revenue from RM4.19 million in 2019 to RM3.93 million in 2020 and RM6.15 million in 2021.

The other project, The Sachet by DB Trident, has reduced product complaints from an average of six per year to zero through better packaging. The team had found that embossing their labels caused the granules in sachets to leak. Substitution with inkjet stopped the leaks, and the complaints. The project was awarded 3 stars at the Annual Productivity and Innovation Showcase (“AriSe”) 2021 organised by MPC.

Meanwhile, the Certified LEAN Practitioner programme, which started in 2019 and was halted due to the pandemic, has resumed. Eleven projects were supposed to be completed in August 2021 will be submitted again for review in January 2022.

Procurement Efficiencies

One of the most significant impacts of the pandemic on our business has been disruption of supply chains, with uncertainties in supply of raw materials from overseas suppliers being compounded by increased cost of freight. In response, our Purchasing Department worked more proactively with our suppliers/vendors, providing them longer lead times and helping to expedite outstanding orders.

With regard to cost savings, in addition to Purchasing SOPs, our SAP system 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. Purchase Requisition (“PR”) and Purchase Order (“PO”) approvals are given in accordance with Limits of Authority. For purchases over the budgeted approved limit, or for capital investments, users/buyers are required to obtain the Board’s approval.

We also have guidelines for direct negotiations and requests for quotation or e-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 executed 55 purchases worth a total of RM5.5 million in 2021 via our e-auction platform, and achieved average savings of 11.15%.

New Source Evaluation (“NSE”)

The process of getting a new supplier and/or potential alternates of raw materials approved in pharmaceutical manufacturing involves various chemical and technical evaluations by different departments. The process typically involves the following steps:

- A potential supplier and/or source 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 2021 same as reported in 2020, logistics/distribution restrictions remain the main challenges 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 was imperative to broaden our pool of suppliers to secure our supply. We therefore submitted the names of 140 new and potential alternate sources for preliminary evaluation and obtained approvals for 74 of them for commercial production (including approvals for submissions made earlier). This exceeded the targets of 86 submissions and 70 approvals.

Location	No. of Potential Alternate Sources submitted For Evaluation			No. of Alternate Source approved for Commercial Use		
	Year			Year		
	2019	2020	2021	2019	2020	2021
Klang	42	34	70	61	52	26
Bangi	69	44	70	46	44	48

SUSTAINABILITY-LED BUSINESS COMMITMENT

Vendor Management

Security of raw material supply is critical to our manufacturing process. Accordingly, we strive to establish strong relationships with our vendors through regular engagement and by listening to any issues they may have.

Vendor management at Duopharma Biotech is underpinned by an annual Vendor Performance Evaluation (“VPE”) which allows us to understand any challenges our vendors may face in meeting our expectations on timely supply, product quality and after-sales support. Outcomes of the survey are shared with the vendors who are required to acknowledge our report. The evaluation also draws attention to underperforming vendors (whereby we held meetings to support them), who may be removed from our network if they are unable to rectify and improve in relevant metrics. We were pleased with our VPE score for 2021, which met our target of 98%.

Location	Vendor Performance Evaluation (VPE)		
	2019	2020	2021
Bangi	98.52	99.04	98.77
Klang	98.70*	98.72*	98.96

*Errors in the numbers reported in our SR2020 have been corrected in the table above.

On Time In Full (“OTIF”)

The timeliness of delivery to customers is measured by our OTIF performance. Our target is for distribution plants to deliver goods within 24 hours upon orders being placed, at least 85% of the orders.

The following initiatives are in place to help achieve this target:

- Monitor pending orders report daily and ensure all orders keyed in are processed on a first-in, first-out (“FIFO”) basis
- Update staff on pending orders to ensure no orders are left out
- Monthly OTIF reports are shared with commercial and production teams to discuss causes of delays, eg credit holds, no stocks and partial delivery requested by customers themselves, and to develop mitigation plans.

For warehouses the OTIF KPI is set at 97%.

OTIF	Target	2019	2020	2021
Company	85%	90.0%	88.9%	85.9%
Warehouse	97%	98.5%	98.4%	98.8%

Our Company OTIF performance in 2021 was slightly lower than in 2020, mainly due to credit hold (9.7%). However, absence of stocks (3.5%) and requests for partial delivery (0.9%) also played a part. Of all the reasons mentioned previously, 1.2% is due to warehouse delay which is more likely to be affected by the recent pandemic condition. The team has to manage the operation with remaining number of staff allocated for every shift rotation while ensuring no more than 3% of delays in delivery. Meanwhile, our Warehouse On-Time-In-Full (“OTIF”) performance increased marginally from 2020. All our warehouses in Bangi, Klang, Penang, Kota Bahru and Johor Bahru were included in the assessment.

Our target is to achieve 100% OTIF in order to achieve customers’ satisfaction. The incomplete order report is closely monitored everyday to ensure all goods are sent within the specified time. Warehouse Management System (“WMS”) facility is optimized in performing daily work to ensure a smooth process of delivery. Transportation optimization to facilitate consolidated delivery to covering similar areas.

Voice of Customer (“VOC”)

VOC is a survey conducted in order to obtain customers’ feedback on their experience purchasing from Duopharma Biotech. This survey is conducted with targeted customers from various channels, including Consumer Health Care, Ethical Classic, Ethical Speciality, Government business, private hospitals and exports.

In 2021, questions in the survey were revised to focus on the impact of COVID-19 on customers’ purchasing behaviours and their future preferences in order for us to serve them better. The survey questions were designed by using Survey Monkey platform and the survey was set in early August and distributed to sales managers for them to disseminate to their sales representatives via WhatsApp. Every customer can only log in and respond once to the survey link by using their unique account number. The three-month survey ended on 30 November 2021.

The company’s target for customer satisfaction index is 95%. Our performance was extremely encouraging in 2021; we achieved a score of 98%, much higher than 90% in 2020, and slightly higher than 97% in 2019. The drop in 2020 was due to various challenges during the pandemic. In 2021, the team was able to make positive changes based on feedback obtained in 2020. This, and the re-designed questions, contributed to the exceptionally high score in 2021.

SUSTAINABILITY-LED BUSINESS COMMITMENT

NUMBER OF RESPONDENTS IN THE LAST THREE YEARS

Channel	2019		2020		2021	
	Target	Actual	Target	Actual	Target	Actual
Ethical	1,200	1,219	1,350	1,630	1,875	2,157
CHC	350	390	400	463	530	580
Government	220	225	245	264	300	315
Specialty	130	138	150	165	190	203
Private hospital	100	124	110	123	140	200
Export	15	20	18	19	20	20
TOTAL	2,015	2,116	2,273	2,664	3,055	3,475

We also achieved an overwhelming response, attracting 30% more respondents than in 2020, and 14% more than targeted. Every year, we seek to increase the number of participants in the survey in order to cover a wider range of potential customers from different ages and backgrounds.

Customer Returns Analysis

Products sent to customers are sometimes returned due to various reasons such as quality issues, short to expire, expired or other justifiable reasons. We seek to reduce the volume of customer returns as it does not reflect well on our Company and is a waste of resources. We therefore conduct an analysis of returns and share the results with relevant sales managers every two months during Sales and Operational (“S&OP”) meetings. The analysis emphasizes on the reasons of stocks being returned in order to identify room of improvement in order to reduce the volume.

AVERAGE STOCKS RETURN

	Return value against sales		
	2020	2021	Target
CHC	2.2%	1.4%	< 5%
Ethical Business	0.4%	0.3%	< 1%

Our performance in 2021 was better than in 2020, and well below our targets. However, all stakeholders involved, including the supply chain team and sales team, will continue to work together to further reduce our volume of returns through better controls.

WRITE-OFF VALUES FROM THE DIFFERENT PLANTS

Plant	Company	Site	2019	2020	2021
			(RM)	(RM)	(RM)
1022	Duopharma Marketing Sdn Bhd	Bangi	2,408,227	1,313,686	947,419
1026	Duopharma Marketing Sdn Bhd	Klang	4,238,461	829,320	447,441
1036	Duopharma (M) Sendirian Berhad	Klang	1,485,488	1,535,480	541,904
1057	Duopharma Consumer Healthcare Sdn Bhd	Bangi	-	67,584	637,434

Note: There were no write-offs for Duopharma Consumer Healthcare in 2019 because the new plant became operational only in January 2020.

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 disposed of in incinerators as part of our pharmaceutical waste.

RESEARCH & DEVELOPMENT (“R&D”)

R&D is critical in any science-based organisation, and especially in pharmaceutical companies, as it enables the development of increasingly better, more effective products. At Duopharma Biotech, R&D is carried out by a team of 48 scientists at Duopharma Innovation. Their work is supported by in-licensing and out-sourcing activities which increase our capacity in new product development.

The process of new product development involves:

- Product identification by a multi-functional committee, taking into consideration patent expiry dates, in-house manufacturing capabilities, potential market size and focus areas, among others. New products could comprise prescription drugs, medical devices, health supplements and functional foods.
- Development of the new product according to Malaysian and international regulatory standards, eg ASEAN Consultative Committee on Standards and Quality (“ACCSQ”), Pharmaceutical Inspection Co-operation Scheme (“PICS”) and International Council for Harmonization of Technical Requirement for Pharmaceuticals for Human Use (“ICH”).
- Registration with local and regional health authorities.
- Manufacture of the new products in compliance with GMP.

SUSTAINABILITY-LED BUSINESS COMMITMENT

In addition to developing new products, the team prepares all documents and data required for product registration for local and export markets. It also leads in the transfer of technology for new products.

We continue to enhance the capabilities of our R&D teams through constant training and exposure to the latest scientific advances in research. In recent years, we have focused on enhancing the team's Quality by Design ("QbD") knowledge.

Achievements in 2021:

- 3 new consumer healthcare products and 4 new ethical products were submitted for local registration
- 3 submission of patent application were filed in 3 regional countries
- Multiple articles were accepted for publication
- Participated in Asia Pacific conference to showcase one of the new products developed
- System and procedures implemented to close gaps identified in new regional registration requirements
- New research organisations and contract manufacturers identified, and collaboration initiated
- Intensive technology transfer for new products was completed covering ethical and consumer healthcare products, ensuring successful first production

Every year, we plan to evaluate and implement identified new technology platforms according to the new product pipeline; further enhance QbD knowledge and practices for development; continue to identify the gap for regional registration requirements; identify more partners or contract research organizations for out-sourcing and in-licensing; and continual improvement for the technology transfer procedures to ensure smoother and faster "right first time" production of new products in manufacturing plants.

Cancer Research & Therapies Development

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

Malaysia is heavily dependent on imported cancer drugs, and in the coming years targeted treatment is expected to grow rapidly. There is a need for enhanced local manufacturing of oncology medication not only for security of supply, but also to ensure the affordability of treatment by those who need it. Duopharma Biotech seeks to expand our oncology portfolio to reduce dependency on imports while increasing opportunities for export.

Cancer Drug Breakthroughs

The first cancer drug to be produced by Duopharma was Letronat 2.5mg (Letrozole) tablets, later rebranded as Lebreta, which were also the first products to be manufactured at HAPI, in 2020. As of end 2021, a total of 41 commercial batches of Lebreta had been manufactured and supplied to government and private hospitals, the volume increasing more than 256% in 2021 compared to the previous year.

In September 2021, the technology transfer from Natco for a second oncology molecule, Trevive (Imatinib), was completed; and we expect to start commercial production in the fourth quarter of 2022. The technology transfer included quality control and manufacturing process methodologies for the entire production process to ensure the end products are safe, efficacious and of quality.

Preparations are ongoing for the technology transfer of a third product.



HALAL COMMITMENT

The global halal market was valued at USD7.2 trillion in 2020 and is expected to grow to USD11.2 trillion by the year 2028, along with that of Muslim populations. Currently, the needs of this market far outstrip supply, and various governments including Malaysia have made it their mission to develop halal products and services in order to cater to demand.

Duopharma Biotech believes we can, and should, play our part to support the national halal agenda as encapsulated in the Halal Industry Master Plan 2030 and Halal Sectoral Roadmaps. We were part of the Technical Committee that developed the world's first halal standard, MS 2424 Halal Pharmaceuticals – General requirements (First revision), and continue to participate actively in various committees and taskforces on further developing sound halal governance and economy.

SUSTAINABILITY-LED BUSINESS COMMITMENT

Currently we are involved in the following initiatives:

Malaysian Standards on Halal Pharmaceuticals and Medical Device

We are a member of the following committees:

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

Standards for OIC SMIIC

We are part of Malaysia's delegation to the Task Force and Working Group of The Standards and Metrology Institute for Islamic Countries ("SMIIC") Technical Committee 16 for Halal Pharmaceuticals Issues. SMIIC, affiliated to the Organisation of Islamic Cooperation ("OIC"), was established to harmonise standards among Islamic countries.

i-Connect

i-Connect was established to encourage R&D, commercialisation and innovation along the halal value chain in various industries in Malaysia through private sector intervention. A representative of Duopharma Biotech participated in the i-Connect Founding Member Meeting; and i-Connect Halal Innovation Hatching Session held on 13-14 December 2021.

HDC Sectoral Working Group ("SWG")

Duopharma Biotech is part of the Halal Development Corporation ("HDC")'s SWG that oversees the Halal Pharmaceutical Roadmap which supports the Halal Industry Master Plan 2030.

National Occupational Skills Standards ("NOSS")

A representative of Duopharma Biotech participated in the development of competency requirements for halal manufacturing under NOSS, an initiative of the Skills Development Department of the Ministry of Human Resources, Malaysia.

Developing the Halal Market

Duopharma Biotech Berhad attended the First Meeting of the Working Group on Cooperation in Industry and Trade of the Joint Russia-Malaysia Commission for Economic, Scientific, Technical and Cultural Cooperation held virtually on 25 May 2021.

- "Halal - The Catalyst for Economic Recovery" on 9 September 2021

Meanwhile, our subsidiary in the Philippines organised a knowledge-sharing session in collaboration with the Islamic Medical Association ("IMAN"), Philippines during the National General Assembly of Muslim Physicians and Medical Students on 28 November 2021. The session was attended by more than 80 participants and received 97% favourable feedback.

ENTREPRENEUR DEVELOPMENT

We support the development of halal entrepreneurs via the Duopharma Biotech Halal Pharmapreneur ("DBHP") programme. Introduced in 2017, the programme helps community pharmacists to develop their financial, human resources, online and digital marketing skills. The programme is financed by the Skim Peningkatan Produktiviti Enterprise grant offered by MPC for Small and Medium Enterprises ("SMEs") under the Malaysia Productivity Blueprint.

Participants undergo six months of training in the form of coaching and mentoring in the following topics:

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

Four retail pharmacies signed up for the fourth batch of the programme, which commenced in September 2020. In total, 33 retail pharmacies have benefitted from DBHP since its launch.

Apart from developing the business capacity and skills of SMEs, the programme creates awareness of halal pharmaceuticals. Our direct intervention is through workshops organised on 3 & 11 April 2021 where we provided knowledge to participants on halal pharmaceuticals and promoted Duopharma Biotech's products to the general public in the vicinity of these community pharmacies and beyond. The workshop has been participated by 27 participants and received 97% overall favourable feedback.

The MPC grant offered ended in 2020, however to ensure the programme continues, Duopharma Biotech in collaboration with Universiti Kebangsaan Malaysia ("UKM"), the Malaysian Pharmacists Society and DBHP participants has developed a Professional Certificate Course on Halal Pharmapreneur and is a micro-credential under UKM. Participants who wish to undergo this course will need to borne the cost themselves. We target to launch the course by Q2 2022 and onboard participants by Q4 2022.

INTERNATIONAL HALAL THOUGHT LEADERSHIP

Duopharma Biotech continues strengthen our halal pharmaceutical thought leadership by participating in key platforms. In 2021, we were involved in two separate sessions at the World Halal Business Conference ("WHBC2021") Webinar hosted by the Ministry of International Trade and Industry and organised by HDC:

- "Halal Pharmaceutical Ecosystem Boosted After Pandemic" on 3 September 2021

SUSTAINABILITY-LED BUSINESS COMMITMENT

INTERNAL AWARENESS AND TRAINING

Our Halal and Government Relations Department organise awareness and training sessions to keep our employees updated on Malaysia’s halal ecosystem and especially progress in the development of halal pharmaceuticals. At least 3 of such sessions shall be conducted on annual basis and a target has also been set to assess the quality of each session via feedback from participants for continuous improvement.

In 2021, three main programmes were carried out:

- a) Board of Directors & Senior Management Training on Halal Pharmaceuticals
 - BOD & Senior Management were updated on the halal economic landscape, prospects, opportunities and the role of halal pharmaceutical players. The session was attended by 26 participants and received 76% favourable feedback.
- b) Celik Halal Train-the-Trainer
 - Three sessions were held with the participation of 108 staff from Government Sales, Ethical Classic Business, Ethical Specialty Business, CHC, Telesales, Production, Validation, QA/QC, Regulatory Affairs, Formulation Halal Monitoring Committee, etc. The sessions received 97% overall favourable feedback.
- c) Halal, Integrity & Sustainability (“HIS”) Program 2021 (15-19 November 2021)
 - The program was launched virtually live from the Duopharma Biotech Facebook and Zoom platform by YBrS, En Leonard Ariff Abdul Shatar, Group Managing Director of Duopharma Biotech Berhad. The launching session has more than 250 participants from the staff. More than 600 staff and business associates participated in the activities organised during the week. These included:

- Talks on “Kepentingan Pengambilan Ubat-ubatan dan Vaksin dari Sudut Pandangan Syariah” and “Tumbuk Rusuk Pengkisahan Dari Tirai Besi & Pelan Integriti Diri”
- Webinar on “Sustainability & Climate Change Initiatives: What, How & Why?” with our business associates
- Prevention of Corruption Act in Singapore
- Talk on “Climate Action for Future-Proof Business”
- Virtual treasure hunt, crossword puzzle and online quiz

The committee conducted a survey for HIS Program 2021 and about 149 respondents responded to this survey. The event received 73% overall favourable feedback.

REINFORCE EXTERNAL STAKEHOLDER AWARENESS

We seek to enhance awareness and understanding of the development and production of halal pharmaceuticals among relevant government agencies and other relevant stakeholders to strengthen and influence the acceptance of halal products. Towards this end, we frequently accept invitations to speak, be a panellist or to share our views on halal pharmaceuticals from various government agencies and stakeholders.

EXTERNAL STAKEHOLDER CALENDAR FOR 2021

Event	Date	Location	Role
Halal Digital Forum 2021	24 Feb	virtual	Speaker on “Adoption of Technology in Malaysia: Current Progress and Where We are Standing Now?”
Virtual Inauguration Ceremony of IsDB Center of Excellence	25 March	virtual	Panellist on roundtable titled “Harnessing Local Expertise and Leveraging International R&D Collaboration in the Pharmaceutical Industry With Focus on Halal”
Standard Chartered Saadiq - Halal360 Webinar	12 April	virtual	Panellist
Cross-Halal Trade Opportunities in a Post-COVID Scenario organised by DinarStandard, Penang Halal International, Halal Trade and Marketing Center Dubai, IMT-GT Subregional Cooperation.	6 July	virtual	Panellist
SC-HDC Flagship Forum	6 August		Panellist in “National Halal Industry Blueprint - Malaysia as a Halal Leader” session

SUSTAINABILITY-LED BUSINESS COMMITMENT

Event	Date	Location	Role
WHBC2021 Final Webinar Series	3 September 2021	virtual	Panellist in "Halal Pharmaceutical Ecosystem Boosted After Pandemic" session
UAH FB Live for series 4	5 September 2021	virtual	Panellist in "Lulus KKM, Lulus Halal Tapi Bahaya?" session
UAH FB Live for series 5	12 September 2021	virtual	Panellist in "Apa sebenarnya produk suplemen?" session
UAH FB Live for series 7	26 September 2021	virtual	Panellist in "Ubat Halal Sukar Ke Nak Buat?" session
Pendanaan Industri Untuk Projek Komuniti organised by Pejabat Hubungan Industri (PHI) UKM in collaboration with Pusat Transformasi Komuniti Universiti (UCTC) UKM	20 October 2021	virtual	Panellist
Continuous Medical Education (CME) Session organised by BIG Pharmacy	21 October 2021 and 2 November 2021		Speaker on "Halal Pharmaceuticals Awareness with BIG Pharmacy"
Fiqh Halal: "Halalkah Ubat Anda?" Series 5 organised by Pusat Islam Universiti Malaysia Kelantan	9 November 2021	virtual	Panellist
MyHalal programme on RTM1	3 December 2021	TV	Guest panellist on "Farmaseutikal Halal: Perlu?"

Other Sponsorships & Participation in Strategic Halal Platforms

- Sponsor and partner for the World Halal Business Conference ("WHBC2021") themed "Halal - The Catalyst for Economic Recovery" organised by HDC on 9 September 2021 via full virtual platform.
- Sponsor for Ustaz Amri Halal Facebook Live which aired every Sunday from 15 August - 3 October
- Sponsor for Bicara Halal: Hospital Patuh Shariah Program organised by Persatuan Alumni Akademi Pengajian Islam Kontemporari Universiti Teknologi Mara (PRACIS) on 24 October 2021
- Sponsor for State of the Global Islamic Economy Report 2021-2022 by DinarStandard, for which Chief Commercial Officer of Duopharma Biotech was interviewed on 28 May 2021.
- Participated in World Halal Summit and OIC Halal Expo 2021 held at the Istanbul Congress Center, Istanbul, Turkey from 25-28 November 2021. Duopharma Biotech met up with a few pharmaceutical companies in Turkey, MATRADE Turkey and SMIIC Secretary General and TC16 of The Standards and Metrology Institute for Islamic Countries (SMIIC) and discussed on the potential collaboration for halal pharmaceuticals.

Digital Outreach

For two months from 19 April to 18 June, CHC together with our Halal & Government Relations Department reached out to Malaysian consumers through a campaign to create more awareness of halal pharmaceuticals, directing those interested in knowing more to our digital platform, Halal4pharma.com. The campaign delivered creative messages targeting Muslims aged 35 years and above.

Branding and Communication

Throughout 2021, a series of branding and communication initiatives targeting thought leadership and halal pharmaceutical awareness was carried out, bringing a total estimated return of PR and ad value of RM0.8 million.

Duopharma-Academia R&D Collaborations

In 2021, we had engaged Universiti Sains Islam Malaysia ("USIM") to conduct research on "The Use of Chinese Hamster Ovarian ("CHO") Cell Line for Erythropoietin ("EPO") Biosimilar from Halal Perspective". The report is nearing completion, and we hope to present the paper to Panel Pakar Syariah, JAKIM, in 2022.

Meanwhile discussions are ongoing with UKM on research demonstrating the value of halal pharmaceutical products entitled "Keutamaan pengguna terhadap nilai produk penjagaan kesihatan yang disahkan halal".

Moving forward, Duopharma Biotech will continuously ensure internal workforce competency aligned to Halal Certification requirements and updated with the current Halal development; continue to expand regional and international market presence in the areas of thought leadership, awareness and promotion on halal pharmaceuticals; continuously explore international media platform to internationalize Duopharma Biotech Halal pharmaceutical positioning; continuously participate and support the National Halal Agenda that would influence and strengthen the halal pharmaceutical supply chain and uptake of Duopharma Biotech halal products; and develop a 10-year strategy for Halal from the year 2022 which outlines our Halal Strategy Roadmap to defend and grow through innovation & product development as well as enhancing domestic and international halal stakeholders' relationships.

OUR WORKFORCE & COMMUNITY



Our people and the people we serve – i.e., the community – are important to us, and we seek to create positive outcomes for both key stakeholder groups. This means providing a nurturing yet also stimulating and rewarding place to work; and responding to the needs of the underprivileged in society.

Our Safety & Health Policy is guided by the Occupational Safety and Health Act (“OSHA”) 1994, Factories and Machinery Act (“FMA”) 1967 and other relevant statutory laws and regulations in Malaysia.

OCCUPATIONAL SAFETY & HEALTH

As an organisation that is involved in healthcare, the health and safety of our employees, contractors and visitors are among our top priorities. This is demonstrated by concerted efforts to continuously enhance our safety processes and procedures in order to uphold the highest standards of health and safety throughout our operations.

We have a comprehensive Safety & Health Policy which ensures our operations are carried out safely, and that proper procedures as well as processes have been outlined for the safe use of all equipment and substances

in our plants. Our Safety & Health Policy is guided by the Occupational Safety and Health Act (“OSHA”) 1994, Factories and Machinery Act (“FMA”) 1967 and other relevant statutory laws and regulations in Malaysia. The Policy is available on our website for easy reference for employees as well as other stakeholders.

The ultimate objective of our Safety & Health Policy is to minimise all identified Occupational Safety and Health (“OHS”) hazards across our sites and to “maintain as far as practicable the achievement of zero reportable accident rate at the workplace”.



OUR WORKFORCE & COMMUNITY

SAFETY GOVERNANCE

At Duopharma Biotech, safety is everyone's responsibility. Although our SHE department is entrusted with the identification, assessment, review and monitoring of potential OHS hazards, we seek to create a culture in which everybody is aware of what it means to work safely and naturally adopts safe behaviours.

In order to carry out its critical function to the best of its ability, our SHE department works together with other designated departments, such as engineering and administration departments, to oversee existing controls, review their effectiveness, make recommendations and implement additional controls if deemed necessary.

Within our structured safety governance framework, our Group Management Committee ("GMC") oversees the activities carried out by our SHE department; while the Group's overall safety performance is reviewed by the RMSC. 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.

WORKERS' CONSULTATION AND PARTICIPATION

Each operations site has its own Safety and Health Committee comprising representatives from the operations and the management team. Since the pandemic, the committees' quarterly meetings have taken on a hybrid form with some members joining virtually.

Among others, the committees' roles and responsibilities include:

- Reviewing SHE-related policies
- Conducting workplace inspections and proposing ways to enhance safety
- Getting involved in SHE awareness programmes
- Being part of site Emergency Response Teams during emergencies
- Assisting in the review of workplace tasks and suggesting safer ways of working
- Being part of investigating teams in SHE-related incidents

IDENTIFICATION OF WORK-RELATED HAZARDS AND RISKS

All potential hazards related to ongoing and planned activities at our operation sites are identified and assessed according to probability and severity of occurrence. The SHE team regularly reviews the resulting risk rating, while assessing the effectiveness of controls that are in place. Where any control is deemed inadequate, additional measures will be recommended to fill the gaps.

SAFETY REPORTING

We encourage everybody to be vigilant of safety gaps and hazards and to report any unsafe incident or unsafe condition using the Unsafe Condition, Unsafe Act ("UCUACT") forms. In addition, all employees are advised to notify their local Safety and Health Committee members should they have OHS concerns.

All work-related OHS incidents must be reported to the SHE team within 24 hours, following which the team will conduct the necessary investigations and produce an OHS Incident notification. This notification is circulated to everyone across the Group via email. Upon the completion of full investigations, the SHE team will propose appropriate corrective and preventive measures.

In the event of an emergency, employees have been trained to notify the relevant personnel and to obtain help if needed. The Company has also trained first responder teams at sites, while procedures have been established to escalate the situation to senior management if required. Duopharma Biotech tests our emergency response procedures annually. In 2020, we revised our Business Continuity Management Systems ("BCMS") and structure to enhance our ability to handle identified events.



OUR WORKFORCE & COMMUNITY

AWARENESS PROGRAMMES

The SHE department conducts regular briefing sessions with all operations staff. During these sessions, the department reinforces the need to work safely; discusses safety concerns; and shares OSH updates. During the pandemic, these activities were conducted either fully online, or in some hybrid format.

The yearly Halal, Integrity and Sustainability (“HIS”) event is also used as a platform to enhance staff awareness of occupational safety. This year’s HIS was conducted fully online.

Contractor Management

All contractors must go through SHE induction before being allowed to work at our sites. In addition, frequent checks and inspections are conducted to ensure compliance with our Safety & Health Policy at all times.

EMERGENCY PREPAREDNESS AND RESPONSE

In 2020, Duopharma Biotech revised our BCM framework. Under this revised framework, teams have been put in place to handle crises and events according to their severity. Site Emergency Response Teams (“ERTs”) are well trained and act as the first on-site responders. Escalation procedures have been formulated and are in place to manage potential crises.

Should a crisis unfold, the Crisis Management Team will be mobilised to assume responsibility for the scenario. Post-crisis, teams such as our Damage Assessment Team and Recovery Teams will take over as per our new Business Continuity (“BC”) framework. This new framework helps to ensure the capability to execute rapid recovery and to follow through with appropriate remedial action according to the BC Plan.

SAFETY PERFORMANCE

The number of OHS incidents increased year-on-year especially in machine related incidents, prompting our SHE Department to outline various mitigation actions including:

- Identification of high-risk activities and processes
- Implementation of tighter controls in relation to high-risk activities and processes
- Increasing awareness of safety and health while at work

OHS Performance, from 2018-2021

	2018	2019	2020	2021
Lost time incident (“LTI”)	5	6	4	9
Total recordable cumulative frequency (“TRCF”)	1.14	1.58	1.17	1.92
Recordable incidents	5	8	5	9
Penalty from authorities	0	1	1	0

Our target is to achieve zero LTI and a TRCF of 1.28 or less.

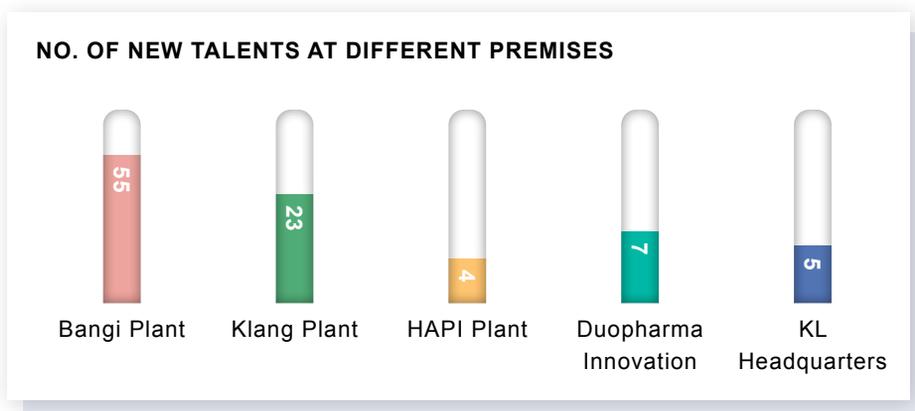
TALENT RECRUITMENT & RETENTION

RECRUITMENT

We believe we are only as good as our people, hence we are always on the lookout for fresh talent while continuously developing existing talent to help them realise their true potential. Not only does this increase our intellectual capital, it also enhances the level of professional satisfaction among our employees.

External talents are sought via advertisements on job portals and social media. At the same time, we welcome write-in applications and employee referrals. Due to the pandemic, we have avoided face-to-face interviews in the last two years, replacing these with virtual sessions. As part of the screening process, all shortlisted candidates were first requested to share a self-introductory video. Shortlisted candidates were then invited for a virtual interview.

In terms of recruitment, Duopharma Biotech is fortunate as we are one of the most sought-after employers. In 2021, we were among HR Asia Best Companies to Work for in Asia for the sixth consecutive year; as well as a recipient of the Graduate’s Choice Award 2021, for the third year. Our reputation as an employer of choice played a role in the ease with which we were able to recruit a total of 94 talents for supervisory to management level positions during the year under review. Among the criteria for bringing in external talents are their experience, cognitive abilities and skills sets.



OUR WORKFORCE & COMMUNITY

Graduate Trainee Programme

Due to the pandemic, we did not recruit any fresh graduates under our management trainee programme, ProGrad. However, we have been working on the career microsite of our website to make it more user-friendly and attractive to young talent. We hope to launch the revamped microsite in 2022.

EMPLOYEE ENGAGEMENT

We recognise it is important for our people to feel engaged as this contributes significantly to job satisfaction, as well as a sense of connectedness with the Company's goals and objectives. We therefore invest in various activities to maintain strong communication lines between Management and employees as well as among employees themselves.

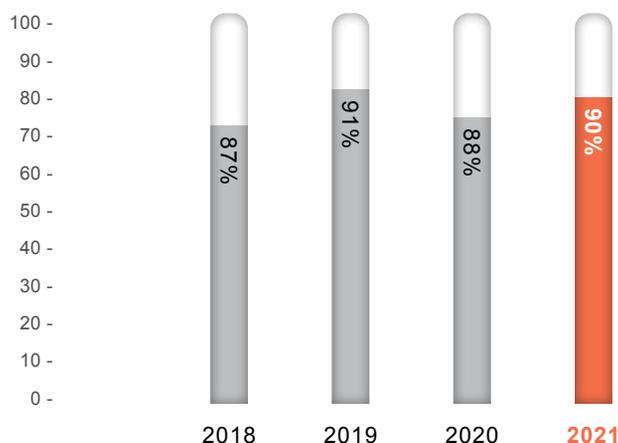
The following channels are used to communicate with our employees:

- Townhalls – at these quarterly events, our Group Managing Director (“GMD”) provides updates on the Group's performance, and recognises outstanding performance. GMD also announced key updates of Kelab PETIRR. The sessions are held live simultaneously at all sites online.
- Intranet – all activities organised by Group Human Resources are posted on our intranet, HR Updates.
- E-mail – Management and HR send out e-mails regularly to share important messages or news on COVID-19 SOPs, safety measures and requirements, as well as to provide updates on new recruits, resignations, promotions, transfers, restructuring, etc.
- Social media (Facebook, Instagram, LinkedIn) – all HR-related activities are uploaded onto our own social media platforms. These include awards and recognition, and company social events.

Employee Engagement Survey

We undertake an annual Employee Engagement Survey in order to keep a pulse on how connected employees feel to the organisation, as well as how motivated they are in carrying out their work. We also use the survey as an opportunity to obtain important feedback on how we can improve in terms of delivering on our employee value proposition. To encourage openness and honesty, the survey is carried out by an independent consultant, Willis Towers Watson.

In 2021, we garnered a participation rate of 98%, demonstrating employees' willingness to share their opinions with us. Most encouragingly, despite the pandemic, we achieved an engagement score of 90%, which was two percentage points higher than our score in 2020, and which continues to exceed our target of 85%. Focus group discussions have been planned for the four departments with the lowest scores to better understand and address our employees' concerns.



OUR WORKFORCE & COMMUNITY

Engagement Activities

Other than to communicate corporate-related news, we keep connected with our employees through a range of social events, health-related activities as well as activities that cater to their personal interests.

Activities organised in 2021 are as follows:

Event	When	Description
Let's Exercise & Be Healthy Posters	February	HR Department shared different exercise posters every week for a month to promote a healthy lifestyle.
2021 Chinese New Year Contest	February	Employees posted Chinese New Year celebration photos and videos on their Facebook and Instagram, tagging Duopharma Biotech
Talk - Benefit of Healthy Eating	31 March	The talk, by dietitian Ms Gursharon Gill, was organised in collaboration with Bank Islam via zoom.
Healthy Eating Posters & Crossword Puzzle	March and 2-7 April	HR Department shared weekly posters on healthy food throughout March, and came out with crossword puzzles on healthy eating early April.
EPF Talk	27 April and 17 August	The Employees Provident Fund ("EPF") presented talks on EPF withdrawal, Financial Planning & Retirement Scheme.
Biskut Raya Giveaway	4 May	Duopharma organized Biskut Raya Giveaway to all employees during the fasting month. The Biskut Raya were made and supplied by several employees and part of the profits from their sales were contributed to the Employee Relief Fund. Biskut Raya was distributed to all staff in Klang, Bangi, Glenmarie & Kenanga office. Biscuits were also couriered to the depots for outstation staff.
Quarterly Townhalls	23 March, 7 May, 24 August and 24 November	Duopharma conducted quarterly Townhall sessions at all its sites on quarterly basis. The sessions act as communication platforms between the management and employees. The townhall for 2021 was held via Zoom.
Gardening Challenge (Photos & Videos contest)	8-21 June	The challenge, held in conjunction with Environment Day, encouraged staff to appreciate the earth by promoting gardening activities.
Happy World Friendship Day & Friendship Wishes Challenge	26-31 July	Organised in conjunction with World Friendship Day, the challenge inspired staff to acknowledge their friendship with the staff in the Company through the Padlet website whereby employees upload their wishes and photos in the website.
Merdeka Posters & Contest	August and 3-7 September	Prior to Merdeka, posters on Malaysia's Journey to Independence were shared to all staff. This was followed by crossword puzzles on Independence Day.
Donation for Charity Campaign	20-30 September	Employees donated items such as newspapers, clothes, accessories, books, shoes, etc to Persatuan Amal Seri Sinar and The Salvation Army.
Kajang Plaza Medical Centre Talk	28 September	Talk on Common Mental Health Problem During Pandemic by Kajang Plaza Medical centre
World Mental Health Day	15, 22 and 29 October	Duopharma celebrated World Mental Health Day by sharing information on burnout, anxiety and depression via posters.
Befrienders Talk	14 October	In conjunction with World Mental Health Day, we organised a talk by Befrienders on Listening Skills to Support Those Who are Struggling Emotionally.
Programme ROSE	October	Free cervical screening was organised for B40 employees in Malaysia in collaboration with Rose Foundation, an NGO focused on Women and Cervical Cancer.
Deepavali Festival Contest	November	Staff posted their Deepavali celebration photos tagging Duopharma Biotech on Instagram and Facebook

OUR WORKFORCE & COMMUNITY

Long Service Awards

The Long Service Awards is organised to recognise the loyalty and contributions of those about to retire as well as employees who have worked for 10, 15, 20, 30, 35 and 40 years. In 2021, we feted a total of 159 employees. Due to the Movement Control Order ("MCO"), the occasion was pared down to the respective Chiefs presenting plaques and door gifts to the recipients at separate events in November 2021. Meanwhile, nine employees who were retiring received Gold Medallions at an event held on 10 December 2021 at Le Meridien Putrajaya Hotel.

Employee Relief Fund (ERF)

ERF, established in February, is a fund by employees for employees. Through the ERF, we channel employee donations to other employees in need. Funds are provided to employees who:

- Are affected by natural disasters such as floods, fire, typhoon, etc
- Have to care for an immediate family member with a serious illness
- Have suffered the death of an immediate family member

Employees are welcome to make donations/contributions at any time through:

- Donation boxes
- Participation in activities organised by HR, e.g., online Entrepreneur Bazaar, Maruku Sales and sales of Biskut Raya made by employees
- Kelab PETIRR's online ERF account

Other sources of ERF are unclaimed lost & found items and proceeds from sales of scrap items.

Employees with the conditions mentioned above can apply by filling up the ERF form. An ERF Committee will review the form for approval. The ERF Committee consists of

Chief Manufacturing Officer, Chief Technical Officer, Human Resource Head of Department, Finance Head of Department (Klang and Bangi), and Union Head, Klang and Bangi.

Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ)

PROTÉGÉ is a Ministry of Entrepreneur Development and Cooperative ("MEDAC") initiative to upskill unemployed graduates in order to increase their marketability in the workspace. We support the programme by providing participants with 12-month on-the-job training via attachment to various departments, as well as sessions on grooming and etiquette, communication and networking skills, organisational adaptability, creative and analytical thinking, sustainability, entrepreneurship and values.

For 2021, the group project that was given to the Protégé Trainees is to produce a video on GMC portfolio namely Consumer Healthcare (CHC). We also took in 50 trainees under the scheme, seven of whom will be given full-time employment in 2022. The Company will collaborate with the Protégé secretariat to meet the 2022 target which is a work in progress with the Protégé secretariat.

Year	No. of Protégé Absorbed by Company	Quota Approved by MEDAC
2018	29	64
2019	31	50
2020	28	50
2021	0	50

EMPLOYEE LEARNING AND DEVELOPMENT

We believe in providing continuous learning and development opportunities to our employees in order to help them realise their true potential, as well as to benefit from better performance and productivity.

Under our Learning & Development ("L&D") framework, we develop individual learning journeys for each employee from their first day at Duopharma Biotech. The framework covers five areas:

- On-Boarding: Training for new recruits which introduces them to our culture, values and way of working.
- Core Learning: Soft skills training to help all employees work effectively and harmoniously.
- Professional Learning: Foundation and functional courses that enable employees to carry out their roles effectively.
- Leadership Learning: Management and leadership skills for supervisors onwards.
- Talent Development: To develop identified talents for higher roles.

Training is based on ensuring employees have the competencies required to perform their tasks optimally. Using our competency model, we assess the competency level of individual employees and undertake development intervention to fill any gaps identified. Duopharma Biotech's L&D team came out with a detailed infographic on Duopharma Biotech's L&D framework and also a homemade video on Duopharma Biotech's L&D framework and shared with all employees as a reminder that no one gets left behind in the learning journey.

OUR WORKFORCE & COMMUNITY

Based on the competency needs of our employees as well as that of the organisation as a whole, HR prepares an annual training calendar. This is shared with superiors, to nominate employees for the different courses; and employees themselves, allowing them to sign up for programmes they feel are relevant to their needs. Registration is via an online system which stores all relevant Duopharma Biotech training data. We also continued using our Human Resource Management System (“HRMS”), e-training module for the supervisory level and above.

In addition to training organised by HR, staff are given the opportunity to attend other technical and soft skills trainings based on their respective development plans. Discussions are held on these development plans with immediate superiors during the annual appraisal session.

We promote mentoring, reverse mentoring (junior members mentoring the seniors) and coaching by superiors. We also provide stretch assignments where talents work on various projects either in teams or individually as we believe that one of the best methods of learning is on the job training.

Trainings are held in house and staffs are also encouraged to attend public trainings. Close monitoring and updating was done to ensure the targets were achieved.

Learn It Yourself Challenge

In 2021, we introduced an e-learning platform, called e-latih, to empower employees to learn on their own in their own time, at their own pace. To promote the self-learning, we ran a Learn It Yourself Challenge that rewarded the person who completed the most courses every month with RM100. The L&D team then collaborated with Kelab PETIRR to turn it into a house competition where we had a total of 117 employees participating in this learning challenge.

Budget & Training Hours

The total budget allocated for training in 2021 was RM 900,000 while our total expenditure on training in 2021 amounted to RM982,402.46, averaging RM680.81 per employee. This amounted to 99.23% of our training budget and included both training expenses as well as talent assessment costs. Once again, we exceeded our training hours targets for the year.



TRAINING HOURS (ON AVERAGE)

2021

Category	Number of staff	Training Hours	Total Training Hours per Employee	Training Hours Target per employee
Blue	284	13,732.3	48.35	32
Red	466	14,860.75	31.89	16
Green	693	6,244.2	9.01	8
Total	1,443	34,837.25	24.14	

2020

Category	Number of staff	Training Hours	Total Training Hours per Employee	Training Hours Target per employee
Blue	271	9,229.25	34.06	32
Red	449	8,124.5	18.09	16
Green	684	6,867.25	10.04	8
Total	1,404	24,221	17.25	

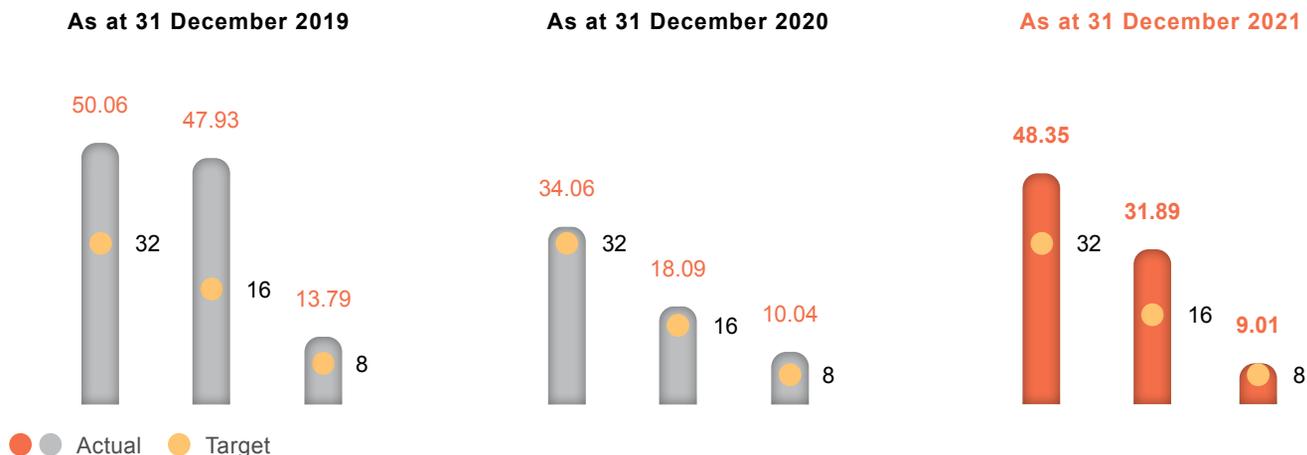
2019

Category	Number of staff	Training Hours	Total Training Hours per Employee	Training Hours Target per employee
Blue	248	12,414	50.06	32
Red	389	18,643.35	47.93	16
Green	664	9,156.25	13.79	8
Total	1,301	40,213.6	30.91	

OUR WORKFORCE & COMMUNITY

TRAINING STATISTICS

TRAINING HOURS PER EMPLOYEE



TRAINING HOURS PER EMPLOYEE 2021, 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	284	13,732.3	48.35	32
Supervisors, Technician and Executives	466	14,860.75	31.89	16
Clerical & Manufacturing Employees	693	6,244.2	9.01	8

Year	2019	2020	2021
Total number of training hours	40,214	24,221	34,837
Total number of training hours per employee	31	17	24

From the table above, it can be seen that both the total number of training hours offered in 2021 as well as total number of training hours per employee are steadily increasing to pre-COVID levels.

No. of Staff	Male	Training Hours	Female	Training Hours
1,443	782	16,339.9	661	18,497.35

Although there are more men than women in Duopharma Biotech, women underwent more training hours in total as well as per employee. While the average for each male employee was 20.9 hours; that for each woman was 28.0 hours.

OUR WORKFORCE & COMMUNITY

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

Training statistics for 2021 (Regional offices)

	No. of Staff	Total Training Hours	Training hours per employee (Blue Book)	Training hours per employee (Red Book)
Singapore	9	90	10	10
Indonesia	7	30	5	0
Philippines	30	271.5	13.25	6.9

Our target for the regional offices is set at eight hours of training per employee. We did not meet this target in Indonesia and among supervisors/technicians/executives in the Philippines because of difficulties encountered in physical attendance at training courses.

In 2022, we plan to launch an e-Learning Management System which will be able to host in-house as well as off-the-shelf content. With the online system, employees will be able to learn anytime and anywhere based on their availability. We will also secure more places for regional staff to attend virtual courses run by Group HR.

Talent Management & Succession Planning

Every year, our Heads of Department and respective Chiefs nominate high-potential employees for our talent pool. Subsequent to appraisal by our Talent Review Committee, approved high-potential talents undergo assessments to determine their aptitude, behaviours, competencies and Emotional Quotient (“EQ”). They are then prepared for leadership roles within the Group through appropriate training and other interventions.

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, benefits, diversity and inclusivity. This is integral to our employee value proposition and helps to 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 organization. In addition to it, we have always

adhered to the minimum wage law in all the countries where we operate and as for employees in Malaysia, we abide by Minimum Wage Order 2020 as gazetted by Malaysia’s Government.

In addition, we offer corporate benefits such as medical coverage and term life policies, housing and car loan interest subsidies, annual and sick leave as well as maternity and compassionate leave.

In view of the pandemic-induced economic slowdown, many companies have had to furlough staff and reduce salaries. In contrast, Duopharma Biotech has not cut any salaries in our manufacturing sites; instead, we have continued to recognise the hard work of our employees by paying out bonuses to all eligible employees.

Freedom of Association

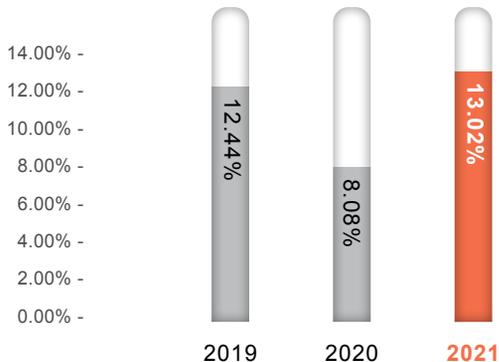
We fully support employees’ right to collective bargaining and allow them to join unions as per the Employment Act and the Trade Union Act. No less than 693 Green Book employees are members of the National Union of Petroleum and Chemical Industry Workers Peninsular Malaysia (“NUPCIW”). Management enjoys a good working relationship with the union’s leaders, and liaises closely with them on employment terms and policies.

Turnover Rate

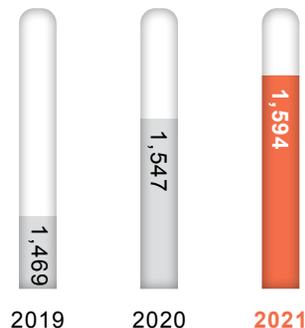
In 2021, our turnover rate increased slightly, from 8.08% in 2020 to 13.02%, partly because as more businesses started re-opening, employees once again had the choice of trying out different places of employment. However, our turnover rate was still lower than the industry average, indicating Duopharma Biotech’s strength as an employer of choice.

OUR WORKFORCE & COMMUNITY

TURNOVER RATE



NUMBER OF EMPLOYEES



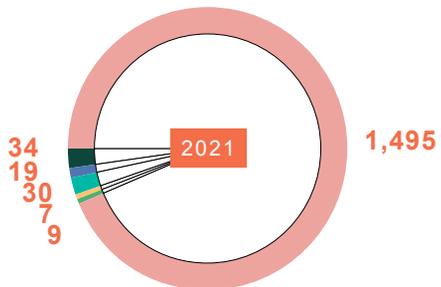
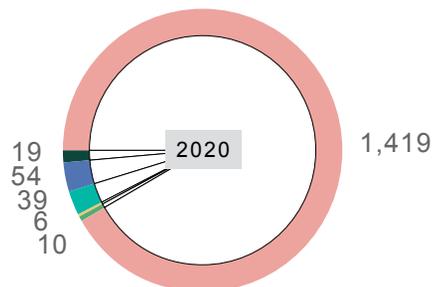
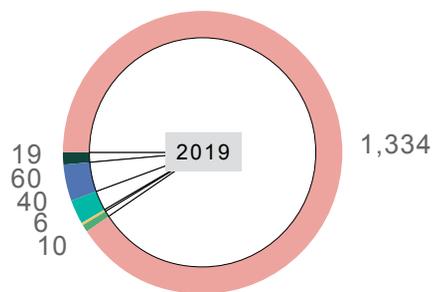
Diversity & Inclusivity

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 sexes. With diversity, we enrich our intellectual capital and strengthen our decision-making capabilities. To celebrate diversity, all employees are treated equally, and we do not tolerate any form of discrimination. In December 2021, the Board has approved the adoption of a Diversity Policy for the Board of Directors and Senior Management and pursuant to the recommendation under the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad in December 2021, the Board also approved a Fit and Proper Policy for the Board of Directors and Senior Management (“Fit and Proper Policy”) in January 2022.

Details of the Diversity Policy and the Fit and Proper Policy have been disclosed in the Report of the NRC that is included in the AR 2021.

The number of employees Group-wide increased by 3.04% from 2020 to total 1,594. Of this total, 63.99% are Bumiputera, 13.80% Chinese, 13.24% Indian and the remaining 8.97% employees represent other ethnicities – presenting a good mix that roughly mirrors that of the country’s population.

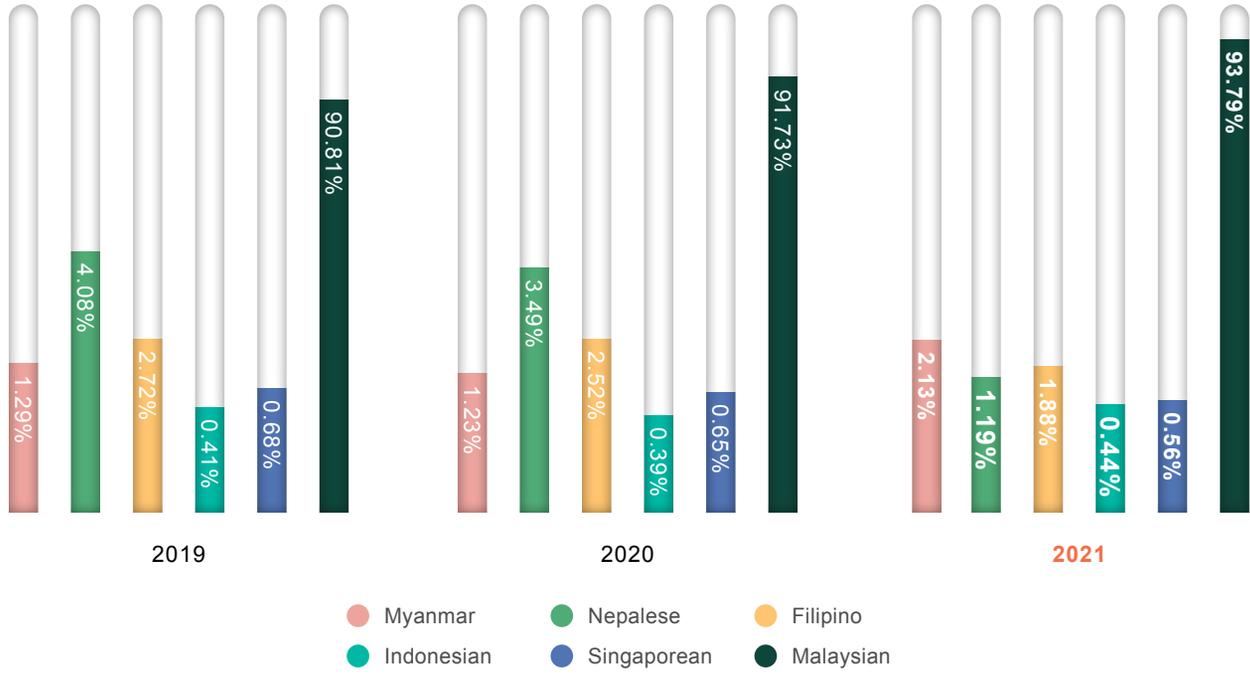
EMPLOYEES DEMOGRAPHIC BY NATIONALITY



- Malaysian
- Singaporean
- Indonesian
- Filipino
- Nepalese
- Myanmar

OUR WORKFORCE & COMMUNITY

EMPLOYEES DEMOGRAPHIC BY NATIONALITY



Gender Equality

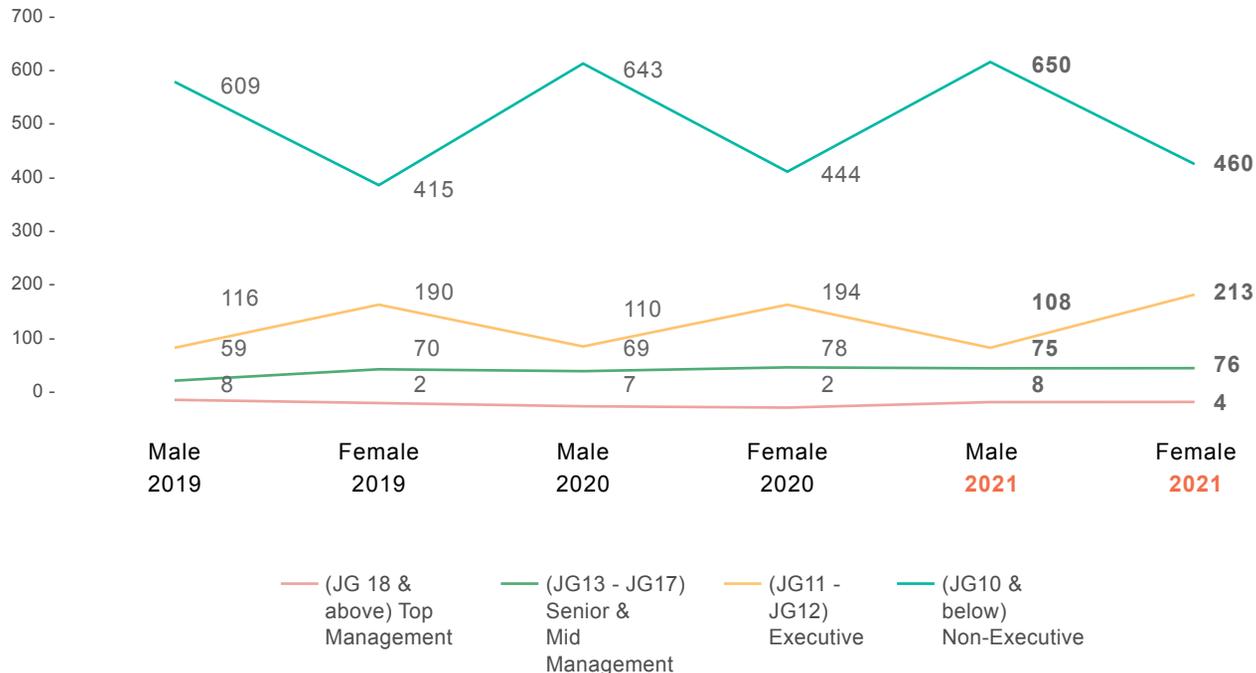
In terms of gender, although we continue to have more male employees (841) than female employees (753), women make up 49.1% of our middle to top management, and 40% of our Board of Directors – exceeding the Government’s requirement for women to occupy at least 30% of decision-making positions. We have been able to retain women at senior levels because of inclusive policies. Women receive equality of salary range at the same job grade level as men. We also extend support to women who need to balance their family responsibilities with that of work.

For expecting mothers, we offer:

- designated parking spaces
- time off for monthly maternity check-ups
- 90-day paid exclusive maternity leave and maternity assistance

OUR WORKFORCE & COMMUNITY

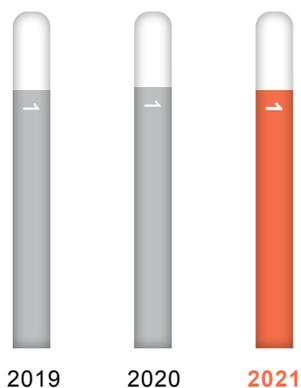
EMPLOYEES BREAKDOWN BY GENDER



Disabled Employees

As an equal opportunity employer, we are open to taking on Persons With Disability (“PWD”). Since 2019, we have employed one PWD who is working as an Operator at one of the manufacturing sites. Employees are encouraged to provide support to such staff.

DISABLED STAFF (Number of employees)



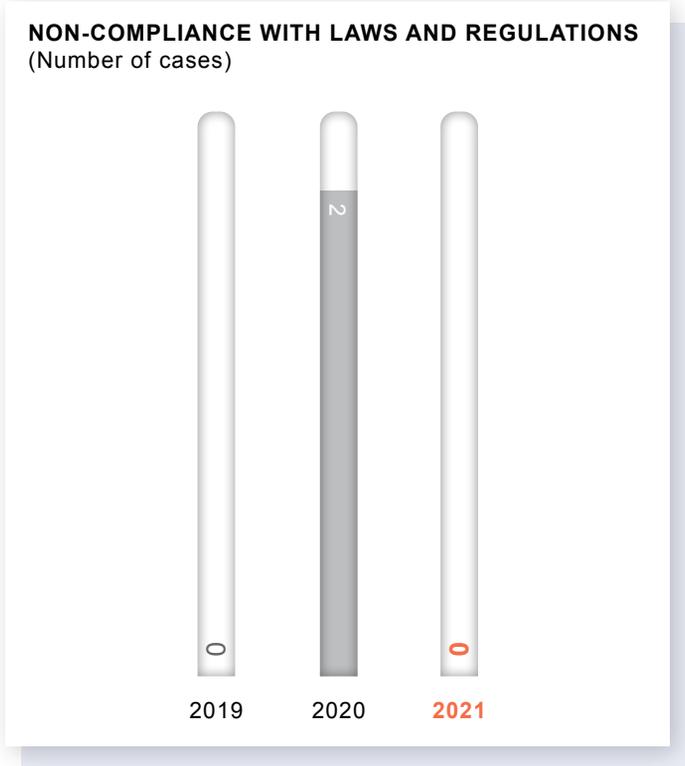
Retired Employees

We recognise the immense knowledge and expertise that our older employees have, and offer to extend the services of those approaching retirement wherever possible via contract employment. Company will also provide extended coverage of the Group Hospitalisation & Surgical (GHS) up to 70 years old with the same coverage for the permanent staff, whereby the premium is fully paid by the employees at Company’s corporate rate.

Non-Compliance

Despite the uncertainties of the pandemic, Duopharma Biotech has strictly adhered to all relevant labour-related policies and guidelines. As a result, there has been no incidence of non-compliance with regulations in the year 2021.

OUR WORKFORCE & COMMUNITY



COMMUNITY OUTREACH

As an extension of promoting healthier lives, we believe in promoting better lives. That means contributing in meaningful ways to communities that are marginalised in order to close some of the gaps that exist. Our community outreach programmes focus on three key areas:

- Uplifting the lives of the underprivileged
- Enhancing quality education for all
- Providing humanitarian relief

During the year, we undertook the following initiatives:

- Aiding Front-liners: We contributed RM9,000 worth of Proviton CoQ10 and Uphamol 650 to front-liners working at the COVID-19 Vaccination Centre in Bangi. The Uphamol team also raised

RM20,000 for the purchase of Personal Protective Equipment (“PPE”) for front-liners in Hospital UiTM Puncak Alam from an Instagram campaign in which RM5 was donated for every photo posted of a Malaysian who had been vaccinated.

- Raising Awareness of Autism: CHAMPS® collaborated with the National Autism Society of Malaysia (“NASOM”) for the fifth year running to raise awareness of autism. Our team also collaborated with Guardian Malaysia to channel RM1 from the sale of every CHAMPS® Vitamin C promotion to NASOM. This initiative raised RM81,890 for NASOM.
- Champs also contributed RM15,000 to Persatuan Kebajikan Anak-Anak Istimewa Selangor. They are responsible to develop education program for children with special needs in order to enhance the potential of each child throughout their school year.
- Getting Smart: We contributed RM1.5 million to CERDIK, a programme initiated by the Ministry of Education and the Ministry of Finance to provide 646 laptops with data connectivity to students from low-income families.

Separately our Halal and Government Relations Department organised/sponsored the following events:

- An eight-episode Facebook series conducted live by Ustaz Amri on halal pharmaceuticals from 15 August to 3 October 2021.
- Bicara Halal: Hospital Patuh Shariah Program held on 24 October 2021, organised by Persatuan Alumni Akademi Pengajian Islam Kontemporari (PRACIS), UiTM mainly to reach out to UiTM's surrounding community, including students, industry and general public; enhance halal knowledge and the development of the halal industry.

Our sports club i.e., Kelab PETIRR, also contributed to the following:

- Volunteered in Flood Relieve efforts in Karak, Pahang
- Donated RM10,000 to Duopharma’s Emergency Relieve Fund for staffs affected by flood

PLANET PERFORMANCE



As a pharmaceuticals manufacturer, Duopharma Biotech necessarily has an impact on the environment. Being responsible, we seek to minimise as far as possible any negative footprint we have while putting in place systems and processes to create positive outcomes.

WASTE REDUCTION & MANAGEMENT

Waste management at Duopharma Biotech comprises three main elements: 1) minimising the use of materials in manufacturing and general operations; 2) recycling or repurposing waste to avoid waste to landfill; and 3) proper disposal of scheduled (hazardous) waste to prevent any public health concerns. Waste that cannot be recycled is sent to municipal landfills.



Reduced Consumption

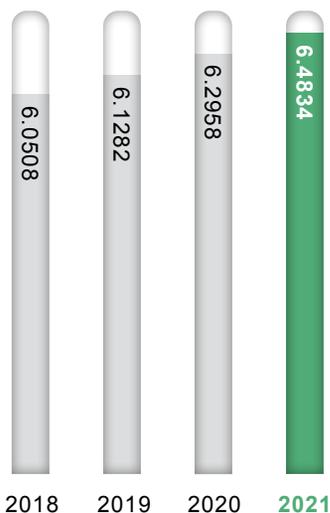
Under our employee-driven Continual Improvement ("CI") programme, teams identify ways in which we can enhance efficiencies across our value chain. Some of the projects initiated create positive environmental outcomes either directly or indirectly by increasing yields while using fewer resources. During the year, one team was able to reduce the volume of cartons used in packaging for the manufacture of Diametex at our site in Klang by 10%. The initiative will help to save 0.5 tonnes of paper per annum.

Meanwhile, paper consumption across the Group has been steadily growing in tandem with increasing production volume, which requires more paper work as well as packaging. As lowering our production is not an option, we seek to address the situation by reducing the volume of paper used for administrative purposes. During the year, we were able to reduce the number of forms needed for transaction changes by consolidating up to 10 changes into one form. This has the potential of reducing our paper consumption for change requests up to 90%.



PLANET PERFORMANCE

PAPER CONSUMPTION INTENSITY (REAMS PER EMPLOYEE)



Scheduled waste

Our plants produce six types of Scheduled Waste (“SW”), which are collected by licensed operators and disposed of according to regulations.

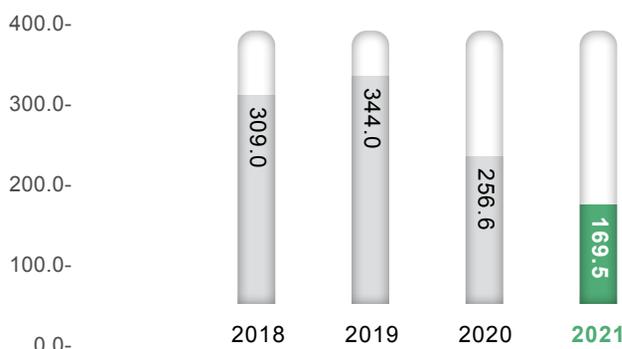
Scheduled waste from the different sites in 2021 (kg) & disposal method

Type	Description	Klang	Bangi	Glenmarie	Total	Disposal method
SW109	Electrical/ electronic waste	0	0	0	0	Incineration
SW204	Sludge	0	5,870	0	5,870	Recovery then landfill
SW322	Non-halogenated solvents	0	0	3,460	3,460	Recovery then incineration
SW401	Spent alkaline	0	0	0	0	Recovery
SW405	Gelatinous waste	0	22,320	0	22,320	Landfill
	Pharmaceutical waste	31,120	85,938	0	117,058	Incineration
	Denatured alcohol	0	0	0	0	Recovery
SW409	Contaminated containers	0	20,770	0	20,770	Recovery then landfill
Total		31,120	134,898	3,460	169,478	

Recycling

Staff are encouraged to recycle paper, plastic and glass by discarding items made of these materials in recycling bins which have been placed at all our offices and sites. We monitor non-scheduled waste produced and recycled at all three plants, with the intention of reducing waste generation while increasing the volume that is recycled. We have a dedicated contractor that has been recycling waste for Duopharma Biotech for quite some time and this is the first year that we reported the data as it was not tracked properly previously.

TOTAL SW DISPOSED FROM ALL SITES 2018-2021 (MT)



TOTAL WASTE GENERATED AND % RECYCLED

	Klang		Bangi	
	Total waste (tonnes)	% waste recycled	Total waste (tonnes)	% waste recycled
2020	519	na	578	8.1
2021	427	34	585	7.1

Our target is to reduce scheduled waste generation by 3% annually. We have met this target since 2020, when we achieved a 26% reduction. The momentum continued in 2021, when we further decreased the generation of scheduled waste by another 33.9%. The significant reduction from 2019 to 2020 was due to the pandemic which resulted in reduced demand for pharmaceutical products, especially Ethical Specialty and Classic treatments, hence also lower production volumes. The sizeable reduction from 2020 to 2021 was due to improved yield and better management of finished goods stock resulting in the disposal of fewer expired products.

PLANET PERFORMANCE

Energy Consumption

Energy consumption is directly related to the emission of carbon dioxide and other Greenhouse Gases (GHG) responsible for climate change. To reduce our GHG emissions, we aim to increase our energy efficiency throughout our operations. Our target is to lower our energy intensity by 5% every year.

Energy-saving initiatives implemented include:

- Replacing old fluorescent tubes and metal halide high bay lights with energy-efficient Light Emitting Diodes (LED)
- Using solar panel powered street lighting in our manufacturing compounds
- Upgrading and replacing inefficient machinery
- Installing motion detectors to turn off lights in areas where there is no human movement

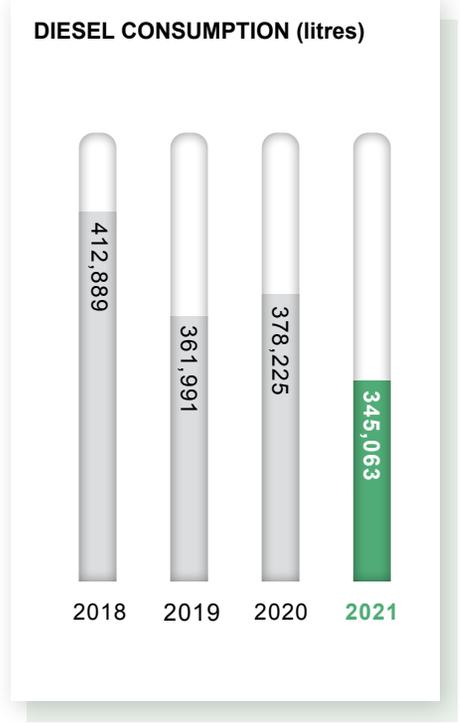
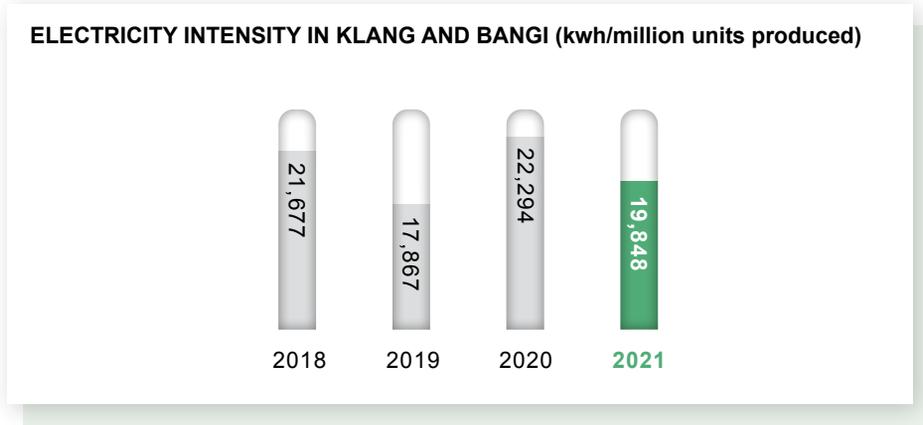
During the year, two initiatives to reduce our energy consumption were launched as a result of the CI programme. These were:

- Management and optimising of chiller/heating and compressed air facilities in Bangi and Klang
- Installation of a smart lighting system at the K6 warehouse in Klang saved 161.56 MWh year eq to 94.51 MTCO₂e/year

We have been monitoring our electricity consumption at our facilities since 2017. As the tables above indicate, both electricity consumption as well as electricity intensity have reduced from 2020 to 2021. The reduction in total consumption was due to various energy conservation projects while better performance in terms of intensity was the result of the measures taken to enhance efficiencies and reduce waste.

In the second half of 2021, we conducted an energy and water audit in order to understand our consumption patterns better and to be able to outline a roadmap to further increase our energy efficiency in the upcoming years. This will be important in meeting our commitment to achieving Carbon Neutrality by 2030 and Net-Zero emissions by 2050.

We also monitor the diesel consumption of machinery at our plant in Klang. During the year, diesel consumption dropped by 8.8% due to lower production volume, especially for liquid/sterile products and phasing out of diesel material handling equipment to material handling equipment using electricity.



PLANET PERFORMANCE

CARBON FOOTPRINT

In 2021, together with UNGC MYB, Duopharma Biotech conducted an exercise to evaluate the Group’s readiness to sign the UNGC’s Business Ambition for 1.5°C, which would commit us to reduce our emissions in line with science-based targets aimed at limiting global warming to 1.5°C as per the Paris Agreement; and transitioning towards a net-zero emissions economy.

During the exercise, we also put in place systems and tools to measure our scope 1 and scope 2 emissions, namely all our direct emissions (from fuel combustion and use of company vehicles, etc); and the emissions from electricity used. We are also working towards setting up the right systems to measure our scope 3 emissions (emissions from sources we do not own, such as emissions associated with business travel, procurement, waste and water). We expect to start monitoring scope 3 emissions (specifically from business travel) as of 2023, and to gradually enhance our coverage over the subsequent years.

For this report, we are able to report on emissions from all our plants and offices in Malaysia, Singapore, Indonesia and the Philippines. Our emission intensity decreased in 2021 as there were more electricity savings projects conducted in the year.

CO₂ equivalent emissions and intensity

	CO ₂ e (MT)	Units produced (in millions)	CO ₂ e intensity (MT/million units)
2019	24,178.81	2,072.20	11.67
2020	22,148.12	1,697.22	13.05
2021	22,844.32	1,964.72	11.63

Note that the data for 2019 and 2020 have been recalculated based on MS ISO 14064-1:2018 methodology.

WATER SCARCITY

Freshwater scarcity is a global issue due to drought and falling water tables. In Malaysia, despite relatively high rainfall, water availability is still a concern because of overconsumption, the drying up of major dams, and contamination making certain sources of water too polluted for use. Recognising the importance of water and potential supply issues. Duopharma Biotech is committed to using water efficiently and ensuring we do not contaminate water bodies surrounding our operations.

Water Consumption

Although Bangi, Klang and Shah Alam, where our plants are located, are not water-stressed zones, we ensure a high level of water efficiency in all our equipment and processes while further reducing our consumption through water recycling and rainwater harvesting. In 2020, we initiated a project to recycle water from the cooling process in Klang. Recycled water is channelled to the washrooms.

These initiatives help us to manage our water withdrawal from Pengurusan Air Selangor Sdn. Bhd. (“Air Selangor”) one of the biggest water utility companies in the country; and is reflected in the drop in consumption recorded in 2021 in Klang and Bangi. In addition to Air Selangor, we also obtained water from other sources in 2020 and 2021 because of water supply disruptions in the Klang Valley.

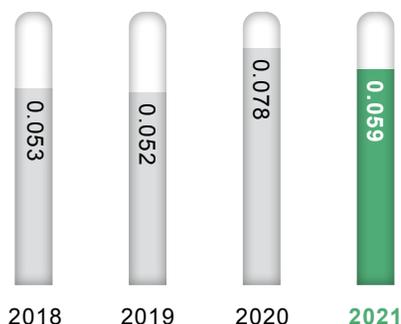
Water withdrawal (ML)

Site	Air Selangor			Other sources*	
	2018	2019	2020	2020	2021
Klang	42.029	61.770	68.432	5.245	0.400
Bangi	48.298	46.774	57.718	0.320	0.244
Other sites	3.312	5.429	5.010		

* Other sources refer to water from private contractors that supplies water in tankers. Duopharma Biotech did not report on water withdrawal from other sources prior to 2020.

As a result of more efficient water consumption and recycling, our water intensity decreased by 24.0% in 2021 compared to 2020.

TOTAL WATER INTENSITY (ML per million units produced)



PLANET PERFORMANCE

In 2022, Duopharma Biotech will study the feasibility of participating in the UNGC CEO Water Mandate which is a UNGC initiative that mobilises business leaders on water, sanitation and the Sustainable Development Goals. Endorsers of the CEO Water Mandate commit to continuous progress against six core elements of stewardship and in so doing understand and manage their own water risks.

The mandate's six commitment areas are:

- Direct Operations
- Supply Chain & Watershed Management
- Collective Action
- Public Policy
- Community Engagement
- Transparency

Effluent Discharge

Due to the nature of our operations, we release liquid waste from our plants into surrounding water bodies. Committed to ensuring our effluents do not pose any environmental hazard, we abide by all relevant Department of Environment ("DoE") rules and regulations.

Our effluents are treated before being dispelled. We also monitor their Chemical Oxygen Demand ("COD"), Biochemical Oxygen Demand ("BOD") and Suspended Solids ("SS"), and submit reports on these as well as other key indicators to the DoE every month. COD and BOD measure the amount of oxygen required to oxidise organic matter in a water body. The higher the figures, the higher the oxygen-stripping capacity of the effluent, and the greater the likely damage to biological life in those waters.

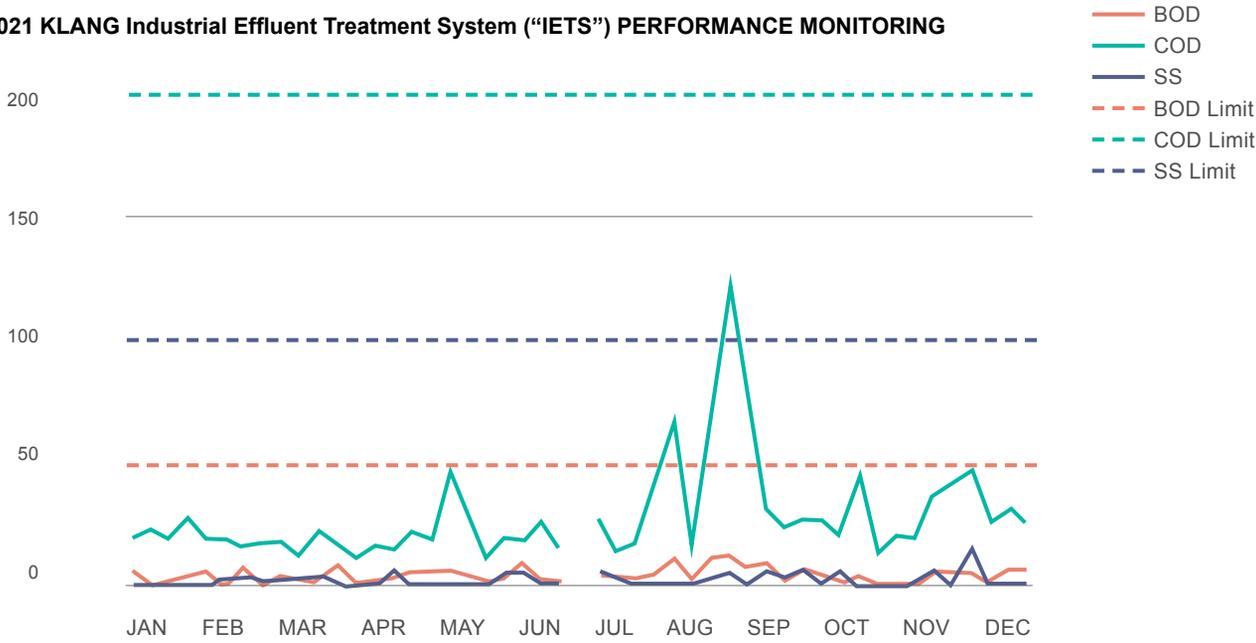
Our plants in Bangi comply with the more stringent (Standard A) requirements of the Environmental Quality (Industrial Effluent) Regulations 2009 compared with our plants in Klang and Glenmarie as their effluents are discharged upstream of Sungai Langat. In 2021, all our plants met the relevant regulatory limits for effluent discharge.

VOLUME OF TREATED EFFLUENT DISCHARGED FROM PLANTS (m³)

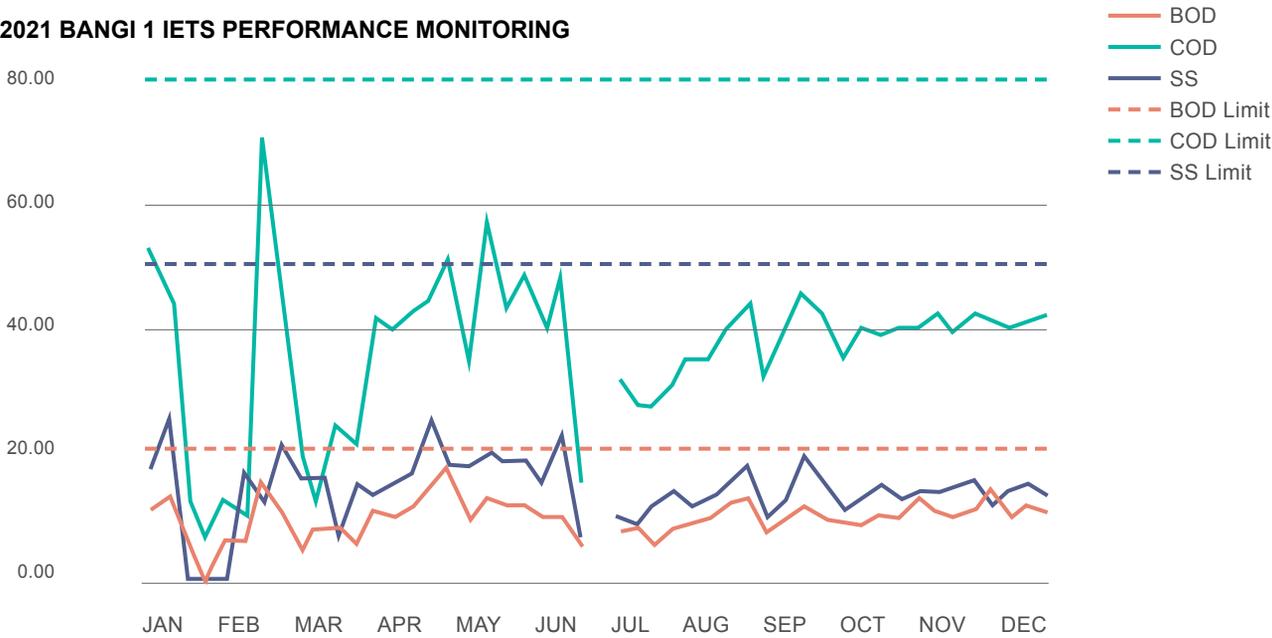


PLANET PERFORMANCE

2021 KLANG Industrial Effluent Treatment System (“IETS”) PERFORMANCE MONITORING

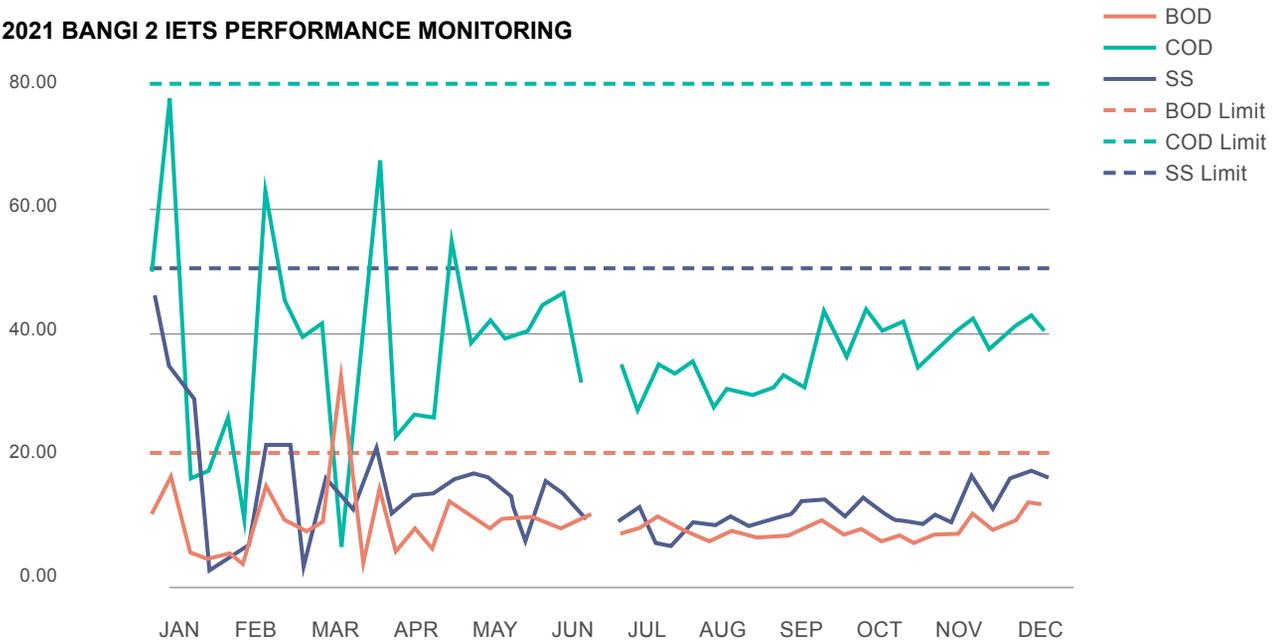


2021 BANGI 1 IETS PERFORMANCE MONITORING

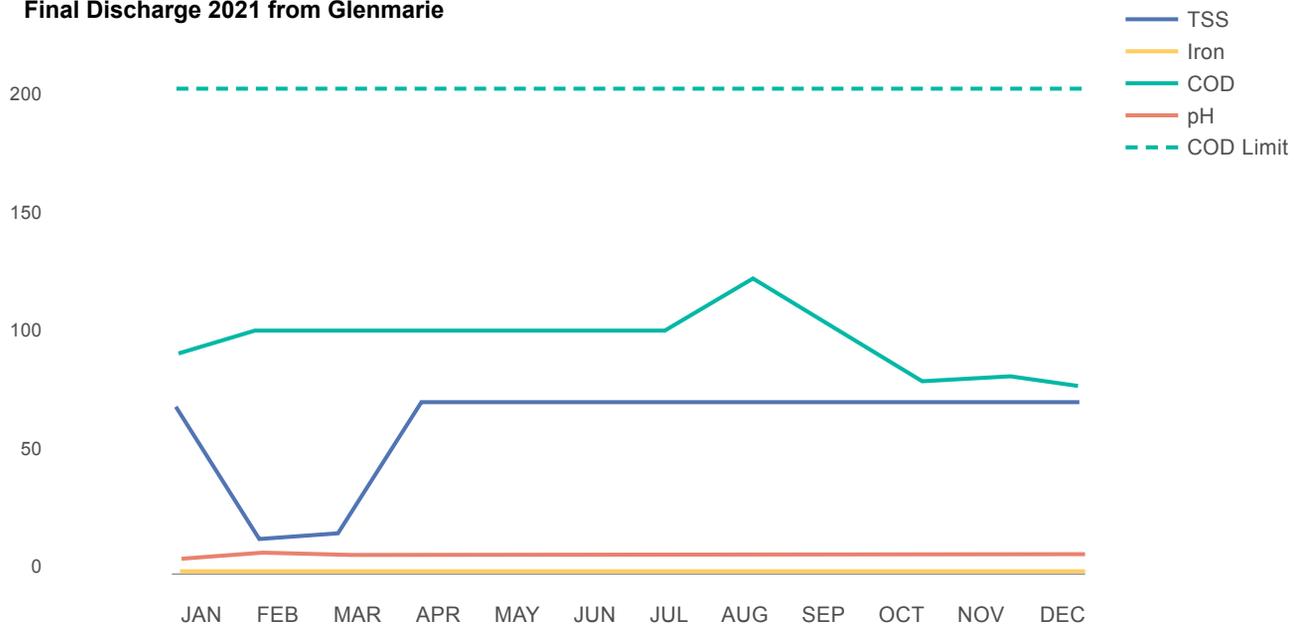


PLANET PERFORMANCE

2021 BANGI 2 IETS PERFORMANCE MONITORING



Final Discharge 2021 from Glenmarie



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 Index (“GRI”) Standards, although all may not be entirely in accordance with the GRI Standards. The 2021 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 2021 Annual Report and the 2021 Sustainable Report in respect of the financial year ended 31 December 2021, 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: Inside Front Cover • Corporate Information • Corporate Structure	P. 5 P. 6-7
102-8	Information on employees and other workers	Sustainability Report: • Our Workforce and Community	P. 37-49
102-9	A description of the organisation’s supply chain, including its main elements as they relate to the organisation’s activities, primary brands, products, and services	Sustainability Report: • Manufacturing and Supply Chain Management	P. 29-31
102-10	Significant changes to the organisation and its supply chain	Annual Report: • Group Managing Director’s Management Discussion and Analysis	P. 16-24
		Sustainability Report: • Manufacturing and Supply Chain Management	P. 29-31
102-12	External initiatives	Annual Report: • Statement on Risk Management and Internal Control	P. 92-104
102-13	Membership of associations	-	Not reported
STRATEGY			
102-14	Statement from senior decision-maker	Annual Report: • Chairman’s Statement • Group Managing Director’s Management Discussion and Analysis	P. 12-15 P. 16-24
		Sustainability Report: • Message from Chairman and Group Managing Director	P. 4-5
102-15	Description of key impacts, risks and opportunities	Annual Report: • Strategy • Group Managing Director’s Management Discussion and Analysis • Statement on Risk Management and Internal Control	P. 25 P. 16-24 P. 92-104
		Sustainability Report: • Managing our Material Issues	P. 12-14

GRI CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
GRI 102: GENERAL DISCLOSURES (CONTINUED)			
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	Annual Report: <ul style="list-style-type: none"> Vision/Mission Core Values Corporate Governance Overview Statement Corporate Governance Report	P. 1 P. 2 P. 54-71 P. 15-16
102-17	Mechanisms for advice and concerns about ethics	Annual Report: <ul style="list-style-type: none"> Corporate Governance Overview Statement Corporate Governance Report	P. 54-71 P. 15-16 Sustainability Report: <ul style="list-style-type: none"> Sustainability-Led Business Commitment P. 15-36
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 Corporate Governance Report	P. 54-71 P. 67-68 Sustainability Report: <ul style="list-style-type: none"> Our Sustainability Governance P. 8
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 Corporate Governance Report	P. 54-71 P. 25 Sustainability Report: <ul style="list-style-type: none"> Our Sustainability Governance P. 8
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 Corporate Governance Report	P. 54-71 P. 25 Sustainability Report: <ul style="list-style-type: none"> Our Sustainability Governance P. 8
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. 84

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. 84-87
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. 92-104 P. 15-36
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 Corporate Governance Report	P. 54-71 P. 24
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. 9-11
102-41	Collective bargaining agreements	Sustainability Report: • Our Workforce and Community	P. 37-49
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. 12-14
GRI 103: MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Managing Our Material Issues	P. 12-14
103-2	The management approach and its components	Annual Report: • Corporate Governance Overview Statement Corporate Governance Report Sustainability Report: • Managing Our Material Issues	P. 54-71 P. 25 P. 12-14
103-3	Evaluation of the management approach	Sustainability Report: • Sustainability Governance	P. 8

GRI CONTENT INDEX

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. 37-49
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. 37-49
ANTI-CORRUPTION			
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report: • Sustainability-Led Business Commitment	P. 15-36
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report: • Sustainability-Led Business Commitment	P. 15-36
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. 37-49

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. 37-49
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. 37-49
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. 15-36 P. 37-49
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. 50-56
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. 50-56
COMPLIANCE			
307-1	Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	Sustainability Report: • Planet Performance	P. 50-56

GRI CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
OTHER SPECIFIC STANDARD DISCLOSURES			
CATEGORY: ECONOMIC			
ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	Annual Report: <ul style="list-style-type: none"> • At a Glance • Strategy 	P. 4 P. 25
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. 37-49
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. 12-15 P. 16-25 P. 9-11 P. 15-36
203-2	Significant indirect economic impacts, including the extent of impacts	Sustainability Report: <ul style="list-style-type: none"> • Sustainability-Led Business Commitment 	P. 15-36
PROCUREMENT PRACTICES			
204-1	Proportion of spending on local suppliers at significant locations of operation	New Source Evaluation	P. 30

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. 50-56
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. 50-56
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. 50-56
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 CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
OTHER SPECIFIC STANDARD DISCLOSURES (CONTINUED)			
CATEGORY: SOCIAL (LABOUR PRACTICES AND DECENT WORK)			
EMPLOYMENT			
401-2	Benefits provided to full-time employees, that are not provided to temporary or part-time employees, by major operations	Sustainability Report: • Our Workforce and Community	P. 37-49
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. 37-49
TRAINING AND EDUCATION			
404-1, 404-3	Average hours of training per year per employee and percentage of employees receiving regular performance and career development reviews	Sustainability Report: • Our Workforce and Community	P. 37-49
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. 37-49

SDG CONTENT INDEX 2021

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	P. 25-27	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		
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. 25-27	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		

SDG CONTENT INDEX 2021

TARGETS				INDICATORS			
3	SUSTAINABLE DEVELOPMENT GOAL 3 -	Page Reference	Check Box	3	SUSTAINABLE DEVELOPMENT GOAL 3 -	Page Reference	Check Box
	Ensure healthy lives and promote well-being for all at all ages				Ensure healthy lives and promote well-being for all at all ages		
3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	P. 24-29	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. 24-29	Access to medicines, Leading in Cancer, Competitive pricing, Serving the community, Community Outreach, Humanitarian, Ethical Specialty, Cost effect treatments for all	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		

SDG CONTENT INDEX 2021

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. 42-45	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. 47-48	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. 48	
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. 50-51	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		

SDG CONTENT INDEX 2021

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. 50-54	Water scarcity, Effluent discharge, Waste management	6.4.1	Change in water-use efficiency over time	P. 53	
				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. 33-35	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. 33-35	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. 37-39, 46-47	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		

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. 27-35	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. 27-35	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. 45	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. 45	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. 50-56	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		

SDG CONTENT INDEX 2021

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. 50-51 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. 7-8 Sustainability Statement, 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. 8 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. 8, 15-23 Ethics and Integrity		16.3.1	Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms		
				16.3.2	Unsentenced detainees as a proportion of overall prison population		

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. 8, 15-23	Ethics and Integrity	16.5.1	Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months		
				16.5.2	Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months		
16.6	Develop effective, accountable and transparent institutions at all levels	P. 8	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. 8	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
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. 7-8	Sustainability Statement, Sustainability Governance	17.4.1	Debt service as a proportion of exports of goods and services		

FINANCE

SDG CONTENT INDEX 2021

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. 34 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. 34-36 Collaborate with other healthcare and life sciences companies and stakeholders to provide industry perspectives to Governments, policymakers, legislators and regulators on the sustainable development impact of legislative, regulatory and tax frameworks including recommendations for improvement.	17.16.1	Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals
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ASSURANCE STATEMENT



Sustainability Assurance Report for DUOPHARMA BIOTECH BERHAD's "Sustainability Report 2021"

Assurance Provider's Moderate Level Assurance Report

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

We have undertaken to perform the following assurance engagements for DUOPHARMA BIOTECH vide an agreement dated 11/02/2022 (the 'agreement') for providing independent assurance services on the performances to be reported in the DUOPHARMA BIOTECH's Sustainability Report for the year 2021 titled "Sustainability Report 2021":

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

Identified Sustainability Indicators

The Identified Sustainability Indicators are summarized below:

Specific Disclosures	
Economic	
✓	GRI 205-2 (Communication and training about anti-corruption policies and procedures)
✓	GRI 205-3 (Confirmed incidents of corruption and actions taken).
Environmental	
✓	GRI 303-3 (Water withdrawal)
✓	GRI 305-1 (Direct: Scope 1)
✓	GRI 305-2 (Indirect: Scope 2)
✓	GRI 307-1 (Non-compliance with environmental laws and regulations)
Social	
✓	GRI 404-1 (Average hours of training per year per employee)
✓	GRI 404-2 (Programs for upgrading employee skills and transition assistance programs)
✓	GRI 419-1 (Non-compliance with laws and regulations in the social and economic area).
Non-GRI Disclosures:	
✓	Communication & Publication of Basic / Biomedical trial results
✓	Work-related recordable case and recordable rate in the calendar year 01/01/2021 – 31/12/2021.
✓	Percentage of customer returns on products

Criteria

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

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

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Management's Responsibility

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

Inherent limitations

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

Our Responsibility

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

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

Our moderate level assurance shall not be taken as a basis for interpreting the DUOPHARMA BIOTECH's performance across the scope of aspects covered in the Sustainability Report. A moderate level assurance engagement is substantially less in scope than a high level assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Hence, the level of assurance obtained in a moderate level assurance engagement is substantially lower than the assurance that would have been obtained with high level assurance engagement.

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

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

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

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

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- ✓ Obtained a fundamental understanding of the application of the AA 1000 ACCOUNTABILITY principles 2018 by interviewing responsible employees for stakeholder management at DUOPHARMA BIOTECH
- ✓ Random sampling concerning the understanding of the documentation regarding stakeholder dialogue, communication with stakeholders
- ✓ Understanding the materiality analysis at corporate level for analysing and prioritizing sustainability topics and ascertaining areas for action.

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

- ✓ Made enquiries of DUOPHARMA BIOTECH's management, including the Environment, Health & Safety and Sustainability team, Corporate Social Responsibility (CSR) Team and those with responsibility for CSR management and Sustainability reporting.
- ✓ Understand and evaluate the design of the key structures, systems, processes, and controls for managing, recording and reporting on the selected sustainability indicators.
- ✓ Review of the Sustainability Report for detecting, on a test basis, any major anomalies between the information reported in the Sustainability Report on performance with respect to Identified Sustainability indicators and relevant source data/information
- ✓ Our review covered the corporate office of DUOPHARMA BIOTECH and two sites i.e., Bangi and Klang site. Performed limited substantive testing on a sample basis of the Selected Indicators at corporate head office, and in relation to the two sites as visited and to check that data had been appropriately measured, recorded, collated, and reported and
- ✓ Considered the disclosure and presentation of the agreed Indicators/ parameters.
- ✓ Obtained representations from DUOPHARMA BIOTECH's Management.

Exclusions

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

- ✓ Operations of the company other than those included in the reporting boundary
- ✓ Information other than those specified under 'Identified Sustainability Indicators'
- ✓ Aspects of the Report and the data/information (qualitative or quantitative) other than the Identified Sustainability Indicators above.
- ✓ Data and information outside the defined reporting period i.e., Year 2021.
- ✓ The company statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by DUOPHARMA BIOTECH

Our Independence and Quality Control

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

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

Moderate level Assurance Conclusion

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

- a) DUOPHARMA BIOTECH's Identified Sustainability Indicators contained in the Sustainability Report for the year 2021 are not prepared, in all material respects, in accordance with the Global Reporting Initiatives (GRI) Standards.
- b) DUOPHARMA BIOTECH does not have systems and processes in place to comply with the AA 1000 ACCOUNTABILITY principles 2018 i.e. inclusivity, materiality and responsiveness in the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

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ASSURANCE STATEMENT



Restriction on Use

Our moderate level assurance report has been prepared and addressed to the Board of Directors of DUOPHARMA BIOTECH BERHAD's at the request of the company solely to assist the company in reporting on the Sustainability performance and activities. Accordingly we accept no liability to anyone, other than DUOPHARMA BIOTECH. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Assurance Provider neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our deliverables are shown or into whose hands it may come without our prior consent in writing.

		<h1>AA1000</h1> <h2>Licensed Report</h2> <h3>000-213/V3-OH30S</h3>
		
Name: Amit Anand		Name: Vikash Kumar Singh
Designation: Chief Executive Officer		Designation: Executive Director
Place: New Delhi, India		Place: New Delhi, India
Date: 26 th April 2022		Date: 26 th April 2022

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UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI'S STATEMENT



SECOND PARTY OPINION STATEMENT

FOR DUOPHARMA BIOTECH BERHAD GROUP'S SUSTAINABILITY INITIATIVE

Project Scope

UN Global Compact Network Malaysia & Brunei (thereafter “UNGCMYB”) was requested by Duopharma Biotech Berhad Group (thereafter “Duopharma Biotech”) to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the linkages of Duopharma Biotech's sustainability activities/initiatives to the Sustainable Development Goals (thereafter “SDGs”)

Responsibilities

Duopharma Biotech

Duopharma Biotech is responsible for the development of their SDG content index in their Sustainability Report 2021, whilst ensuring the linkages is free from information misstatement and error.

UNGCMYB

UNGCMYB is responsible for carrying out a Second Party Opinion on the approach and processes taken by Duopharma Biotech to:

- Develop its SDG content index and reporting up to indicator level

Methodology

UNGCMYB’s methodology to assess Duopharma Biotech’s sustainability alignment is based on its Second Party Opinion evaluation framework organized into seven (7) domains, namely: 1) *Purpose of the undertaking*; 2) *Process Development*; 3) *Source of Data*; 4) *Credibility of Data*; 5) *Output Representation*; 6) *Sustainability Alignment*; and 7) *Approach to Disclosure*



Figure 1 : UNGCMYB’s Second Party Opinion Evaluation Framework

UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI'S STATEMENT



Global Compact
Network
Malaysia & Brunei

SECOND PARTY OPINION STATEMENT

FOR DUOPHARMA BIOTECH BERHAD GROUP'S SUSTAINABILITY INITIATIVE

In the process of conducting this Second Party Opinion, UNGCMYB conducted one interview with a representative of Duopharma Biotech and reviewed all additional supporting documents provided.

UNGCMYB's Opinion

We express an opinion that Duopharma Biotech has adopted a methodological approach to develop its SDG content index, and demonstrated linkages to indicator level.

High Level Recommendations

It is recommended that Duopharma Biotech enhances its SDG content index by providing a detailed process overview on how the SDG linkages are derived (e.g., linkage framework, review structure, consolidated datapoints)

UN Global Compact Network Malaysia & Brunei
Dated: 26 April 2022

UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI'S STATEMENT



SECOND PARTY OPINION STATEMENT

FOR DUOPHARMA BIOTECH BERHAD GROUP'S SUSTAINABILITY INITIATIVE

Disclaimers

Transparency on the relationship between both parties: This Second Party Opinion is the only service undertaken by UNGCMYB for Duopharma Biotech Berhad Group's sustainability report and as such, does not compromise our independence or impartiality.

Accuracy and reliability of information: All information contained herein is obtained by UNGCMYB from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "as is" without warranty, express or implied, of any kind, including as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose. UNGCMYB is not acting as an auditor and this Second Party Opinion is not to be represented as an audit exercise.

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