CAPTURING EMERGING OPPORTUNITIES

SUSTAINABILITY REPORT 2022

DUOPHARMA BIOTECH BERHAD
REGISTRATION NO.: 200001021664 (524271-W)

WHAT'S INSIDE THIS REPORT

CAPTURING EMERGING OPPORTUNITIES

Just as the pandemic was unprecedented, so is its aftermath. Companies the world over have been left without any playbook to help navigate an operating landscape shaped by two years of compromised economic activity amid intense focus on healthcare. As with other pharmaceutical companies, we at Duopharma Biotech Berhad ("Duopharma Biotech" or the "Company") have faced our share of challenges. Yet, at the same time, we have been able to discern many opportunities both in the financial and non-financial realms. While leveraging the business opportunities that are opening up, we are also placing added emphasis on ensuring environmental and social well-being. In this report, we describe how we are creating greater value through intensified focus on sustainability.

Scan QR Code to download our Sustainability Report 2022

ICONS IN THIS REPORT

This icon tells you where to find more details in this report

This icon allows you to find more details at our website

BASIS OF THIS REPORT

The production of our Sustainability Reports since 2015 is driven by Duopharma Biotech Berhad ("Duopharma Biotech" or "the Company")'s belief that it is important not only to create value for our stakeholders but also to explain the thinking behind our sustainability actions and strategies. This report is therefore a comprehensive account of what sustainability means to us, what we hope to achieve, and how. In this report, we also disclose our performance in the different environmental, social and governance ("ESG") matters that we have ascertained to be important to our stakeholders. Where possible, we provide quantitative data to indicate progress made. Otherwise, we describe our performance qualitatively.

REPORTING GUIDELINES

Preparation and contents of this report have been guided with reference to the Global Reporting Initiative ("GRI") Standards and Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (3rd Edition). Other frameworks and guidelines taken into consideration include:

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

At the end of the report, we include indexes for mapping of disclosures related to the GRI indicators and UN SDGs.

MATERIALITY

We provide disclosure on matters that are material to our stakeholders as well as to Duopharma Biotech. These matters have been determined using the materiality approach, while also considering Double Materiality elements to analyse our impact on society and the environment, as well as the impact of social and environmental factors on our financial performance.

SCOPE & BOUNDARY

This report covers the sustainability performance of the Malaysian operations of Duopharma Biotech, as well as our international entities, namely Duopharma (Singapore) Pte. Ltd., DB (Philippines) Inc. and the representative office of Duopharma Marketing Sdn. Bhd. in Indonesia from 1 January till 31 December 2022, 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. Our independent assurance has been obtained from Carbon Check (I) Pvt. Ltd. which has verified that our disclosure is prepared with reference to the selected topic-specific GRI indicators. The limited assurance was conducted using AA1000 Assurance Standard (AA1000AS v3).

FEEDBACK

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

DUOPHARMA BIOTECH AT A GLANCE

Established 5-year ESG Strategy and Roadmap

CLIMATE PERFORMANCE | SUSTAINABLE SUPPLY CHAIN | ACCESS TO MEDICINE | DIVERSITY & INCLUSION | GOVERNANCE

CLIMATE PERFORMANCE

Pledge to achieve:

Carbon Neutrality
by 2030

Net Zero Carbon Emissions
by 2050

Replace 50% **of single-use plastics with** biodegradable plastics **within our operations by 2026**

Established GHG Scope 3 Roadmap and identified 8 categories of Scope 3 for reporting

Total treated effluents discharged (ML)

Total non-scheduled waste recycled (tonnes)

SUSTAINABLE SUPPLY CHAIN

Vendor Performance Evaluation ("VPE") scores

2022 exceeded target of 98%

Completed **43** Continual Improvement ("CI") projects to improve manufacturing efficiencies, which contributed to

RM5.95 million
in savings, exceeding our target of **RM4.0 million**

On-Time, In-Full Performance

2022 exceeded target for both **company & warehouse**

Customer Satisfaction Index ("CSI")
Increased from 98% in 2021 to

98.4% (2022)

DUOPHARMA BIOTECH AT A GLANCE

Launched new Corporate Culture of

PERFORMANCE DRIVEN | ESG COMPLIANCE | INNOVATION | GLOBAL MINDSET

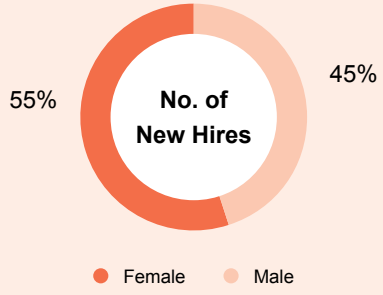
ACCESS TO MEDICINE

First pharmaceutical company to receive halal certification **for an oncology product**, enabling patients greater choice in therapies and medication

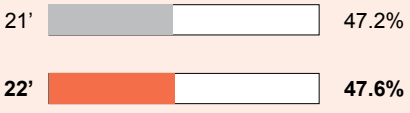
Total of 62 **commercial batches of LEBRETA** were produced & supplied to government and private hospitals

Plan to develop affordable and accessible plant-based **&** highly nutritious functional foods

DIVERSITY & INCLUSION



Narrowed gender gap (women in workforce)



Achieved:
Training hours achieved according to employee category:

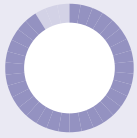
47 **hours** (Blue Book)
32 **hours** (Red Book)
10 **hours** (Green Book)

Launched **Mental Health Awareness Programme and HR Cares Wellness Helpline** to promote mental well-being of employees

GOVERNANCE

Total of 13 policies **to strengthen integrity across the Group**

34 initiatives were rolled out under the Organisation Integrity & Anti-Corruption Plan ("OIACP")



31 completed

In 2022, NO staff/ Management/ Director was subject to **disciplinary action** or **dismissed** due to **corruption, bribery or fraud**

Launched **Integrity and Anti-Corruption Series for Business Associates** to guide them in identifying and assessing their corruption/ ethical risks

MESSAGE FROM OUR CHAIRMAN AND GROUP MANAGING DIRECTOR

DEAR SHAREHOLDERS,

It is with great pleasure that we present Duopharma Biotech's Sustainability Report for the year 2022. It was in many ways a defining year for the Group, during which we underlined our commitment to operating responsibly and sustainably. As a pharmaceutical company, we have always been driven to fulfil a key sustainability goal, namely to provide quality healthcare for all. From this anchor, we subsequently broadened our sustainability approach to include other ESG areas that are relevant to our operations and to our stakeholders. In 2022, however, we created greater clarity in what sustainability means to us and what we seek to achieve by introducing our very first ESG Strategy.

COMMITTED TO BECOMING CARBON NEUTRAL BY 2030 AND TO HAVING NET ZERO CARBON EMISSIONS BY 2050

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 OUR CHAIRMAN AND GROUP MANAGING DIRECTOR

We were motivated to develop this 5-Year ESG Strategy (2022-2026) because of growing urgency for nations, corporations and individuals to take decisive actions in managing global issues of concern. Without doubt, the top issue – now that the pandemic is slowly receding – is climate change, and this represents one of the five focus areas under our ESG Strategy. The other four areas reflect the nature of our operations, the impacts that we have on society and the environment, and where we can make the most significant positive differences. Accordingly, these focus areas are: **Sustainable Supply Chain**, through which we seek to create optimum ESG impact along the entire value chain from sourcing materials to distributing products; **Access to Medicine**, through which we will continue to make treatments as inclusive as possible; **Diversity & Inclusion**, which is about creating a meritocratic, high-performance work environment that celebrates and values differences; and **Governance**, which guides us to do the right thing all the time.

OUR ENVIRONMENTAL PLEDGE

When we launched our 5-Year ESG Strategy in March 2022, we also made a pledge underscoring our commitment to mitigating climate change and to protecting the environment more generally. Supporting the Government's environmental targets as well as the Business Ambition for 1.5°C[1], we committed to becoming carbon neutral by 2030 and to having net zero carbon emissions by 2050. In addition, we have pledged to replace 50% of single-use plastics throughout our operations with biodegradable plastic by 2026.

The carbon emissions goal is admittedly ambitious, nevertheless, we are determined to achieve it and have already outlined a roadmap to get us to our destination, combining energy efficiency initiatives and carbon offsetting mechanisms. In order to keep track of our progress on the net zero carbon journey, it is important for us to know what our indirect carbon emissions are, namely Scope 3 emissions from employees commuting, from business travel, from our supply chain, etc. This is a huge undertaking, but we have already started to take important first steps by conducting a survey on employees' commute to and from work. We have also identified other Scope 3 emissions categories that we will measure and monitor. These will be disclosed from next year onwards.

[1] A campaign led by the Science Based Targets initiative in partnership with the UN Global Compact and the We Mean Business coalition

MESSAGE FROM OUR CHAIRMAN AND GROUP MANAGING DIRECTOR

CANCER GENERICS ADVANCES

Other than the positive advances we are making on the environmental front, we are very encouraged by the speed with which our team is developing our oncology portfolio. After becoming the first Malaysian pharmaceutical company to manufacture a cancer generic, LEBRETA (formerly known as Letronat) in June 2020, we have begun commercial production of a second cancer product, Trevive, and are going through the technology transfer with our Indian biotech partner, Natco Pharma Limited, for another two cancer products – Gefitinib and Abiraterone. By manufacturing generics in Malaysia, we are able to offer these effective treatments to patients in Malaysia and the region at prices that are 30% to 60% cheaper than the innovator versions.

As a strong advocate of halal medicines, we were even more pleased when LEBRETA, which is used in the treatment of post-menopausal women with breast cancer, received halal certification from the Department of Islamic Development, Malaysia ("JAKIM") in September 2022. We believe this makes LEBRETA the world's first oncology product to be halal certified, and Duopharma Biotech the first pharmaceutical company to receive halal certification for an oncology product. To us, this is extremely exciting as it opens a whole new frontier of providing cutting-edge drugs that are not only affordable but can be consumed with a clear conscience by everyone.

DIGITALISATION & ONLINE LEARNING

Within Duopharma Biotech itself, we are making good progress in our digitalisation journey. During the year, a number of digital systems were implemented in our manufacturing plants which are set to bring about enhanced efficiencies. Among others, we have installed manufacturing dashboards that provide the teams with comprehensive real-time data, a Track and Trace system for finished goods, and a Proof of Delivery system to enhance security and track the whereabouts of products being delivered to customers.

For our employees, we introduced a new online learning platform, MyDuopharma Learning ("MDL"), which offers a range of programmes catering to soft and technical skills as well as induction sessions under our On-Boarding Programme. Some of the modules have been developed in-house while others are from service providers. We aim to continue building this platform which has proven popular among employees as the courses can be undertaken anytime they wish, at their convenience.

MDL supports the Corporate Culture that we seek to develop in Duopharma Biotech which revolves around employees being Performance Driven, meeting ESG Compliance, inspired by Innovation and having a Global Mindset. The objective is to empower and inspire our employees so that they take ownership of their professional development as they contribute to the achievement of our business objectives.

In line with greater digitalisation at Duopharma Biotech, we have included Data Privacy and Security as a material matter under our refreshed materiality matrix. More details on how we are protecting our own and our stakeholders' data are provided on page 74 of this report.

INTEGRITY & ANTI-BRIBERY

In the last few years, we have been strengthening our governance framework, with particular emphasis on creating a culture of integrity in Duopharma Biotech. It is with great pride to share that our efforts have not been in vain. Audits conducted on our Anti-Bribery Management System were completed with zero non-conformance reports (for the third consecutive year), and zero findings for improvement across the Group. Going forward, we seek to ensure integrity across our supply chain too.

Under Duopharma Biotech's Organisational Integrity and Anti-Corruption Plan 2021–2023 ("OIACP"), we will be implementing an Integrity & Anti-Corruption programme for our business associates. A pilot project involving external business agents kicked off in December 2022, and will be extended to all our suppliers in due course. The idea is to ensure that not only Duopharma Biotech but our entire ecosystem upholds the principles of integrity and transparency, minimising the risk of corruption across the Group.

Recognising that good governance is critical to the Group's ability to maintain positive ESG outcomes, we will continue to strengthen our governance platforms to ensure sustainable value creation for everyone.

ACKNOWLEDGEMENTS

We have come a long way since we embarked on our sustainability journey in 2015 - thanks to the support and dedication of our employees. The Board and Management would like to acknowledge the contributions of all employees in this regard, and look forward to working together as we break more ground to achieve all our targets moving forward.

OUR SUSTAINABILITY APPROACH

To us, sustainability is about creating value for Duopharma Biotech and our stakeholders while ensuring global environmental sustainability, which is critical to the well-being of everyone. To meet our two-way value creation objectives, this year we reviewed our material matters and undertook a materiality assessment which considered Double Materiality elements to understand our social and environmental impacts, and vice versa – namely the impacts of social and environmental trends on our business performance and value.

Based on this assessment, and guided by various sustainability frameworks, particularly the GRI and SASB Standards, UN SDGs and TCFD recommendations, we have outlined a new 5-Year ESG Strategy for the years 2022-2026. Given the increasing criticality of the need to manage climate change, Climate Performance is one of the five focus areas in this wide-angled strategic blueprint. Other than Climate Performance, we also seek to focus on our Sustainable Supply Chain, Access to Medicine, Diversity and Inclusion, and Governance.

Our ESG Strategy's Purpose, Objectives and Key Focus Areas:

A RESPONSIBLE PHARMACEUTICAL COMPANY

1	2	3
Achieve Excellent ESG Rating	Create Awareness Among Employees	Business & ESG Strategies Are Aligned

KEY FOCUS AREAS

CLIMATE PERFORMANCE	SUSTAINABLE SUPPLY CHAIN	ACCESS TO MEDICINE	DIVERSITY & INCLUSION	GOVERNANCE
Be a responsible company to reduce and minimise activities that contribute to adverse climate impact	Efforts to consider the environmental and human impact of our products' journey through the supply chain	Reasonable ability for people to get needed medicines required to achieve health	Make-up of an entity and how well the contributions, presence and perspectives of different groups impact an environment	Essentially about how our company is managed by those in the top floor executive offices

OUR SUSTAINABILITY APPROACH

OUR SUSTAINABILITY FRAMEWORK

To attain our sustainability objectives, we have put in place a robust sustainability framework comprising a Sustainability Policy that guides our strategies and actions, supported by various ESG-related policies and guidelines, and an effective governance structure.

For more information on our sustainability-related policies and guidelines, please refer to our corporate website.

Key elements of our Sustainability Policy:

SUSTAINABILITY-LED BUSINESS COMMITMENT

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

PLANET PERFORMANCE

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

OUR WORKFORCE AND COMMUNITY

- Ensure a safe, healthy and efficient work environment for our employees
- Create a safety culture throughout the organisation which influences the way we approach our work on a day-to-day basis
- Adhere to fair employment practices while embracing diversity and inclusion
- Continuously enhance the skills and knowledge of our employees through training and development opportunities
- Engage with our employees to create a sense or ownership of their functions
- Enrich communities and improve quality of life through humanitarian and monetary contributions

OUR SUSTAINABILITY APPROACH

SUSTAINABILITY GOVERNANCE

Sustainability governance at Duopharma Biotech is overseen by our Board of Directors ("the Board"), through the Halal and Sustainability Committee ("HSC"), formerly known as our Halal Committee ("HC"). The HC took up the sustainability functions formerly delegated to the Risk and Management and Sustainability Committee ("RMSC"), now known as the Risk Management Committee ("RMC"). The shift followed a review of our overall governance framework which saw various changes in our Board committees, implemented as of 1 July 2022.

In 2022, the RMSC met five times and the HSC met two times thereafter, having taken over oversight of sustainability matters from the RMSC on July 1, to discuss and deliberate on the following key ESG issues:

KEY TOPIC	DETAILS
5-Year ESG Strategy and Roadmap	The 5-Year ESG Strategy and Roadmap were presented for consideration and approval.
ESG Roadmap and initiatives updates	Quarterly progress updates on key initiatives under our 5-Year ESG Strategy and Roadmap were presented for information and feedback.
Materiality Assessment review	Updates on the materiality assessment review were presented for information and feedback.
Sustainability Reporting progress and approval	Updates on the development of the Sustainability Report 2021 were shared for notation and approval.
FTSE4Good assessment results	FTSE4Good assessment results along with improvement plans were shared for consideration and feedback.

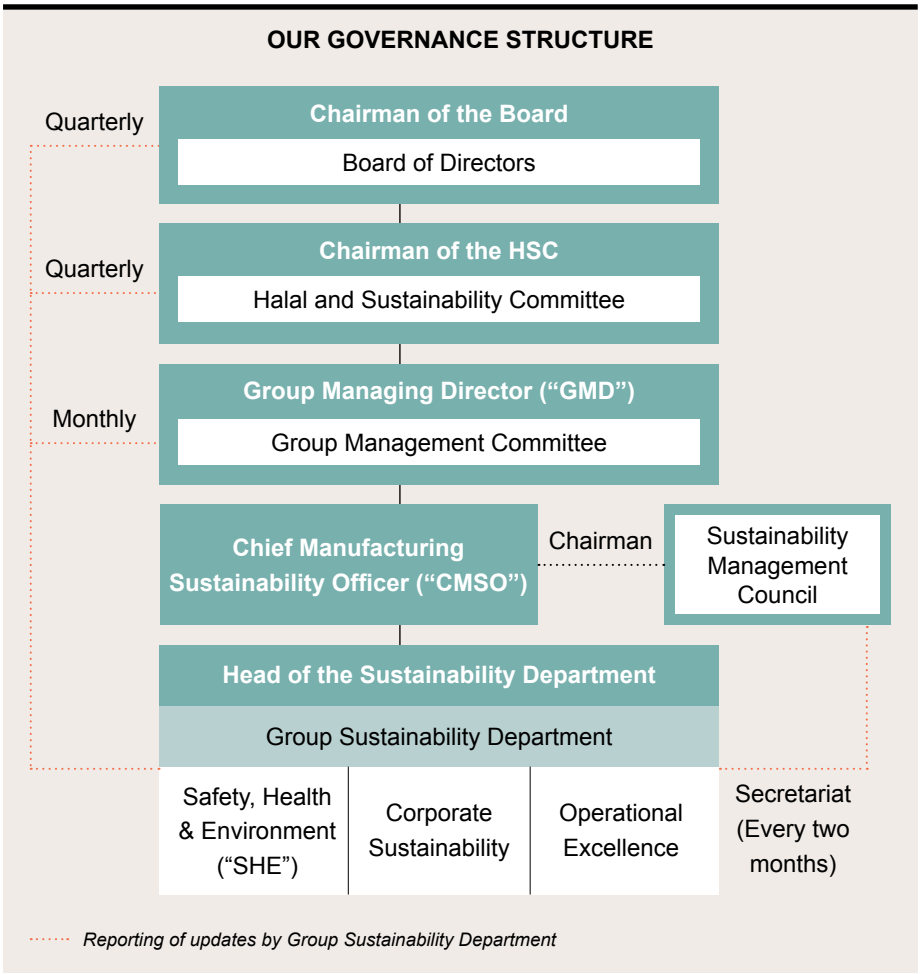
Our sustainability governance structure is also supported by our Sustainability Management Council ("SMC") comprising Heads of Department and process owners from the different functions in Duopharma Biotech. The SMC meets bimonthly to discuss progress made in all sustainability related initiatives, while the Chief Manufacturing and Sustainability Officer ("CMSO") together with Group Sustainability Department – reports to the HSC quarterly. In FY2022, the SMC met five times to provide input on our 5-Year ESG Strategy, the Materiality Assessment process (and deliberation on the shareholders to be engaged), and finalisation of Duopharma Biotech's sustainability matters. Following the launch of our ESG Strategy, it has been monitoring progress on the key initiatives.

At the operational level, the Group Sustainability Department ("Sustainability Department") is in charge of implementing sustainability initiatives and monitoring performance across our operational sites. The Department has become the key coordinator in rolling out our ESG Strategy, working closely with all sites to track progress and performance, reporting on progress made to the CMSO on a weekly basis, Group Management Committee ("GMC") on a monthly basis and to the HSC and Board on a quarterly basis. The Sustainability Department is also in charge of sustainability training and communication (both internal and external).

The Sustainability Department ensures that sustainability awareness is inculcated throughout the organisation through ESG communication and trainings. Knowledge sharing sessions are held continuously with internal and external stakeholders. For internal employees, monthly ESG bulletins are disseminated via email blasts and the MDL platform.

The Sustainability Department has also been conducting ESG awareness training for all levels of employees, including the Board, since January 2022. In the fourth quarter, physical ESG briefings were conducted for Green Book (manufacturing) employees to introduce them to ESG and create awareness of ESG management. A virtual training on the 'Introduction to Circular Economy' was also organised for all Red and Blue Book employees. In 2023, we will continue to conduct ESG-related training for all employees.

OUR SUSTAINABILITY APPROACH



While we continue to enhance our oversight function, we believe that to achieve the best possible sustainability outcomes we need to nurture the right culture throughout Duopharma Biotech. Towards this end, we have been driving more awareness sessions and involving more employees in our sustainability programmes. As a participatory member of the United Nations Global Compact Malaysia & Brunei ("UNGCMYB"), we have access to resources that can be shared with our employees. UNGCMYB has been a key partner in guiding Duopharma Biotech's sustainability journey, conducting awareness programmes and providing their technical expertise on climate change matters.

A key development in 2022 was to launch a new Corporate Culture focused on four key elements, with ESG Compliance being one of the four. This reflects the integration of sustainability into Duopharma Biotech's business strategy. As of 2022, our ESG risks have been incorporated in the Group's risk register and we are working towards identifying the risks posed by climate change, as well as mitigation measures to address these risks.

ENVIRONMENTAL PLEDGE

With guidance from the United Nations Global Compact ("UNGC") in 2022 we have pledged and committed to becoming carbon neutral by 2030 and to achieving net zero emissions by 2050. Our carbon reduction targets are to be achieved through a combination of greater energy efficiency across our operations and investments into carbon offsetting mechanisms. In addition to our carbon pledge, we also made a commitment to replace 50% of single-use plastics with biodegradable plastics within our operations by 2026.

CONTINUED THOUGHT LEADERSHIP

We continue to participate in industry sustainability events to share our experiences as well as to learn from others. During the year under review, we further strengthened our halal thought leadership through our inaugural Duopharma Biotech Halal Pharmaceutical Symposium with support from the Department of Islamic Development Malaysia ("JAKIM"), Department of Standards Malaysia ("DSM"), Halal Development Corporation Berhad ("HDC") and the Standards and Metrology Institute for Islamic Countries ("OIC/SMIIC").

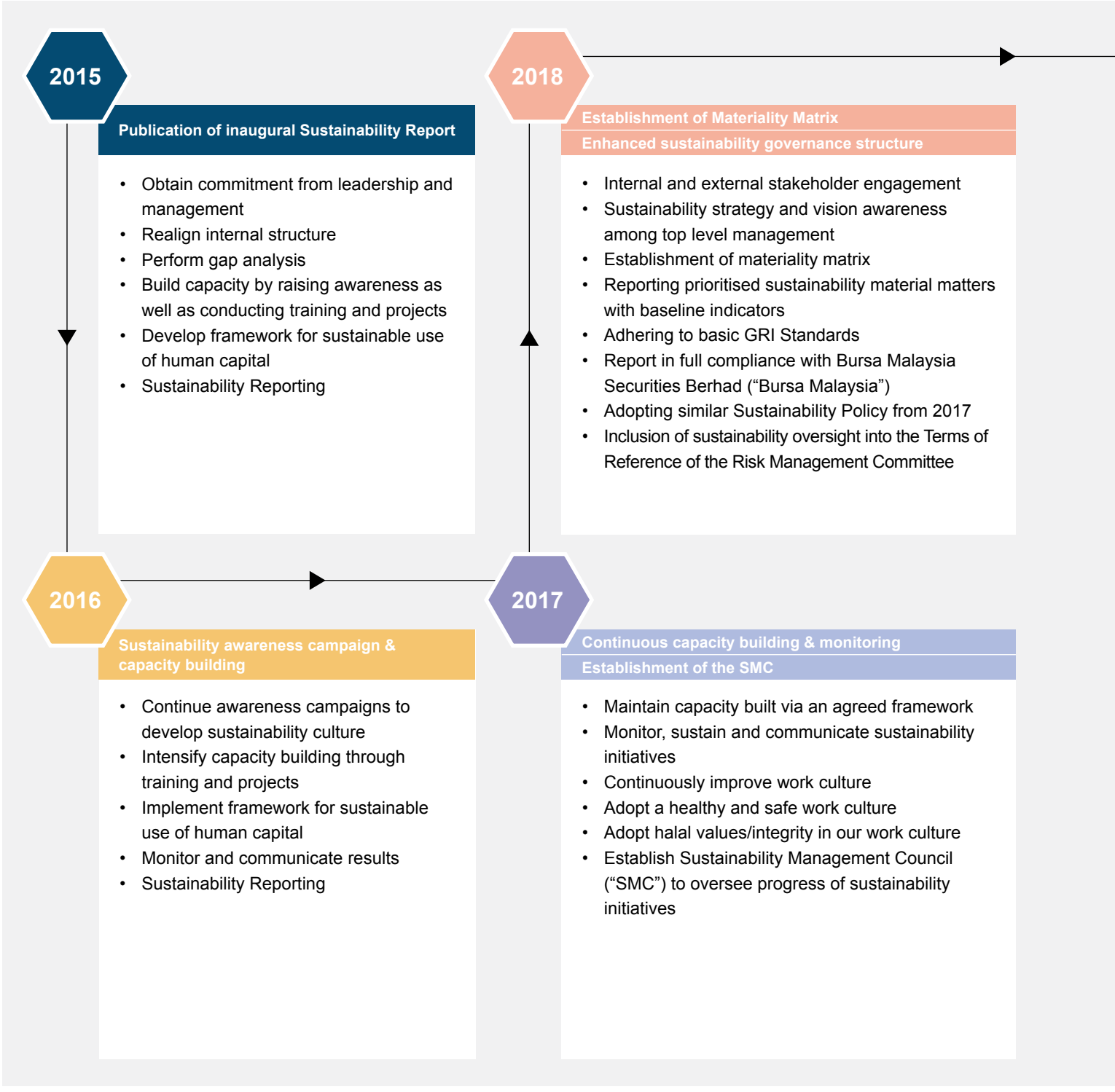
We have also been keeping external stakeholders up to date on our ESG journey. In September 2022, the GMD shared Duopharma Biotech's sustainability journey, 5-Year ESG Strategy, Key Focus Areas, and commitments with other companies and investors during CIMB ESG Corporate Day 2022. We also exhibited our ESG commitments and initiatives to an external audience during the GO ESG ASEAN 2022 Summit organised by UNGC. During the two-day conference, we were invited to participate in a panel discussion, where the Head of Sustainability Department has shared insights on the topic 'Beyond Price and Quality – ESG Impact as a Third Value Add Credential'.

RECOGNITION

Duopharma Biotech received the 'Sustainability Awareness and Employee Engagement Recognition' and was shortlisted for 'Benchmark 10 - Zero Incidences of Bribery' at the UNGCMYB Sustainability Performance Awards 2022. The Sustainability Performance Awards was initiated by UNGCMYB to recognise and showcase positive sustainability actions and efforts by UNGCMYB participants/ members to inspire others to make sustainability an integral part of business strategies.

OUR SUSTAINABILITY JOURNEY

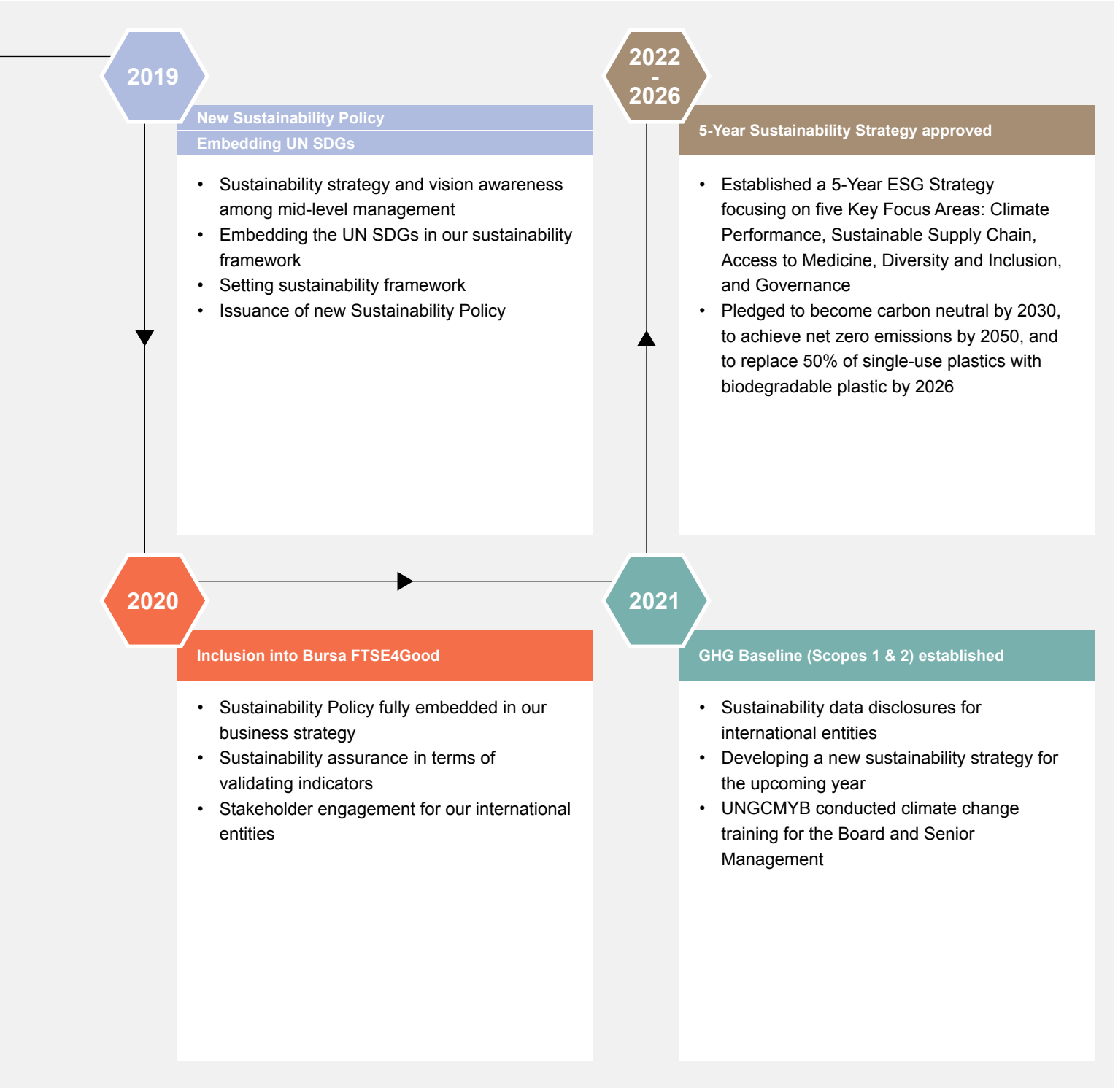
Duopharma Biotech embarked on a formal sustainability journey in 2015 when our Sustainability Department was established, and a gap analysis was conducted to develop a sustainability framework to guide our actions.



Refers to key milestones achieved

OUR SUSTAINABILITY JOURNEY

Since then, we have put in place policies and procedures to enhance our sustainability performance, and to create a sustainability culture throughout the organisation. The year 2022 was significant as it saw us refresh our materiality matrix following a comprehensive materiality assessment, and launch a 5-Year ESG Strategy to take us to the year 2026.



STAKEHOLDER ENGAGEMENT

Our key stakeholders are those who impact and/or are impacted by our operations. Because of their relationship with Duopharma Biotech, we seek to understand our stakeholders' expectations of us, and address their interests.

GOVERNMENT & REGULATORY AUTHORITIES	EMPLOYEES	CUSTOMERS
WHY THEY ARE IMPORTANT		
The government and regulators establish the legal frameworks that shape our operations. By engaging with them, we are kept aware of changes in the regulatory environment and are better able to manage our compliance risk.	Our employees determine our productivity and ultimately our performance. They are also the 'face' of Duopharma Biotech, representing our values and what we stand for.	Our customers – hospitals, clinics and pharmacies are important channels through which we are able to reach patients/the general population.
HOW WE ENGAGE		
• Formal dialogues & meetings • Participation in trade councils & associations • Communication via phone, emails, letters or fax • On-site inspections	• Regular communication via email, townhalls, company intranet, Berita Farma Facebook, Instagram and MDL • Face-to-face and online meetings • Yearly performance appraisals & employee engagement surveys • Activities such as festive celebrations, sports and Corporate Social Responsibility ("CSR") events	• Roadshows, seminars, exhibitions and events • Continuous Medical Education ("CME") sessions • Communication via e-mails, phone, digital, social media and online platforms • Face-to-face meetings
AREAS OF INTEREST		
• Regulatory compliance • Equitable healthcare • Achievement of national goals	• Competitive remuneration • Career development • General well-being • Work-life balance	• Safe and efficacious products • Quality service (including timely delivery) • Competitive pricing
HOW WE ADDRESS THEIR INTERESTS		
• Strict adherence to all regulatory requirements • Ensure affordable and accessible medicines • Support national agendas such as the Halal Agenda and Bumiputera Agenda	• Regular benefits benchmarking by Group Human Resources ("HR") • Structured and customised training programmes; talent management and succession planning • Emphasis on safety & health, targeting zero lost time injuries; campaigns on personal health; Employee Relief Fund • Continuation of hybrid work structure; support to expecting mothers	• Up-to-date safety and quality certifications; compliance with relevant regulations • Account managers engage regularly with key customers; continuous monitoring of on-time, in-full ("OTIF") performance • Annual Voice of Customer surveys • Development of generics and biosimilars; and cost management to maintain affordable prices

STAKEHOLDER ENGAGEMENT

This is integral to our value creation process. In the table below, we have prioritised our stakeholders according to feedback from our Sustainability Management Council ("SMC") members, described how they are important, how we engage with them, and how we seek to address their key concerns.

HEALTHCARE PROFESSIONALS	FINANCIAL COMMUNITY	LOCAL COMMUNITIES
Medical doctors, therapists and pharmacists are important because they decide which medications to prescribe to patients.	Banks, other financial institutions and investors provide us with capital to pursue our growth plans.	The community is an extension of our customer/consumer base. A robust community is important for the long-term sustainability of our operations.
• CME sessions for medical fraternity • Roadshows, seminars, exhibitions and get-together events • Journal publications	• Meetings, presentations and dialogue • Annual general meetings • Assessments • Analyst briefings	• Roadshows, seminars, exhibitions and get-together events • Halal workshops and symposiums • Community programmes • Philanthropy and donations • Regular communication via Duopharma Biotech's official Facebook page
• Quality management • Compliance status • Portfolio expansion to treat a wider range of ailments	• Group's financial stability • Growth prospects & returns on investment • Strong and effective leadership • ESG commitments and performance	• Safe and efficacious products and services • Affordable and accessible products • Community development and enrichment • Environmental impacts
• Pharmacovigilance unit keeps track of adverse drug reactions • Compliance with all relevant pharmaceutical industry regulations • Partnership with science-based pharma companies to introduce cutting-edge therapies in Malaysia/region	• Sound financial management • Business strategy outlining growth and product innovation • Leadership training & succession planning • Focus on ESG and ESG Strategy	• Adherence to relevant quality standards • Development of generics and biosimilars; and cost management to maintain affordable prices • CSR programmes focusing on social equity and humanitarian relief efforts • Proper management of climate change and environmental impacts

STAKEHOLDER ENGAGEMENT

SUPPLIERS & OTHER BUSINESS PARTNERS	MEDIA	SHAREHOLDERS
WHY THEY ARE IMPORTANT		
Our suppliers are critical to our operations as they provide us with raw materials and services that enable production. Meanwhile, we collaborate with business partners on expansion of our product portfolio.	The media delivers corporate news to all our stakeholders, creating visibility and public confidence in our brand.	Shareholders provide us with financial capital through their investment in the company. Their trust in Duopharma Biotech is indicative of our market reputation.
HOW WE ENGAGE		
• Periodic meetings • Annual Vendor Performance Evaluation ("VPE") • Knowledge sharing and transfer of technology	• Media briefings on financial results • One-on-one interviews • Press conferences and events	• Announcements to Bursa Malaysia & corporate website • Investor roadshows, updates & briefings for fund managers • Meetings of Members • Annual General Meetings ("AGMs") • Annual Reports and Corporate Governance Reports • Phone calls and emails to address enquiries
AREAS OF INTEREST		
• Fair and transparent procurement procedures • Supplier development • Technical capabilities, market reputation and integrity	• Regular updates on performance • Transparent & timely response to enquiries • Responsible practices	• Financial performance • Business direction • Key corporate developments • Sustainability initiatives • ESG aspects of the Company
HOW WE ADDRESS THEIR INTERESTS		
• Procurement procedures e.g., Purchasing Control Procedure and implementation of e-bidding system • Bumiputera Vendor Development Programme • Maintenance of good governance	• Our corporate communications team maintains close relationships with the different media houses • Our GMD & other Senior Management are available for interviews • Increasing focus on ESG	• Development & review of corporate strategy • Continuous capacity expansion & business growth • Development of sustainability strategy and roadmap • Maintaining good governance practices and disclosures, compliance with Main Market Listing Requirements, Malaysian Code on Corporate Governance, Suruhanjaya Syarikat Malaysia, and recommendations by the Securities Commission Malaysia • Maintaining listing in Bursa Malaysia's FTSE4Good Index

STAKEHOLDER ENGAGEMENT

INDUSTRY ASSOCIATIONS	SCIENTIFIC COMMUNITY	NON-GOVERNMENTAL ORGANISATIONS ("NGOs")
Industry associations such as the Malaysian Organisation of Pharmaceutical Industries ("MOPI") and Halal Development Corporation ("HDC") provide us platforms to keep updated on relevant developments, as well as important networking opportunities.	Scientists and researchers support our Research & Development ("R&D") and innovation.	NGOs are ESG guardians and serve as watchdogs as well as advisers to companies seeking to enhance our ESG practices.
• Industry forums, conferences, dialogues, exhibitions • Local and international networking events	• Talks/events on pharmaceutical research • Joint research • Journal publications • Patent filing and trademark registration • Online conferences	• Programmes and events
• Industry-relevant developments • Promotion of the Malaysian pharma industry regionally and internationally	• Scientific advancement in pharmaceuticals • The ability to partner with industry players in joint research	• Access to healthcare • Affordable healthcare • Public healthcare education
• Knowledge sharing with members of industry associations • Active participation in industry events • Growing network of regional and international partners	• Research collaboration based on medicines, vaccines and halal pharmaceuticals • Group Intellectual Property Policy and Manual	• Ensure affordable and accessible medicines • Participation in public healthcare forums • Organise CME sessions for medical fraternity • Corporate subscription to Minority Shareholders Watch Group ("MSWG")

OUR MATERIAL MATTERS

Material matters are matters that are material to the sustainability of our operations as they help us meet the expectations of key stakeholders while managing risks posed by our changing landscape. It is important to ascertain our material matters in order to operate in a manner that is optimally conducive to the well-being of our stakeholders, the environment and, ultimately, Duopharma Biotech itself. We carried out our first materiality assessment in 2018 involving both internal and external stakeholders. We then reviewed our material matters annually to determine their continued relevance.

Given significant changes in our operating landscape, in 2022 we conducted a comprehensive review of our previous materiality assessment involving 80 external stakeholders and 105 employees and management. To ensure our material matters are relevant both to the sustainability of society and the environment (external), as well as to our own business (internal), this year we adopted certain elements of the Double Materiality assessment. The assessment followed the following three steps:

IDENTIFICATION

We reviewed our existing material matters as well as mega trends, global risks and the material matters reported on by our peers

PRIORITISATION

We ranked the material matters according to the extent to which we could make an impact on them; how important our stakeholders feel that we should manage these matters; and how important our Management feel these matters are in terms of adding value to Duopharma Biotech

VALIDATION

We discussed and deliberated our list of prioritised matters with our GMD and Chief Executive Officers ("CEOs"), and presented the final results to the Board for endorsement

The materiality assessment resulted in significant changes to our material matters, and especially their ranking. In addition, we changed the names for some of our material matters for better alignment with Bursa Malaysia Securities Berhad's Common Sustainability Matters, as highlighted in its Enhanced Sustainability Framework. These changes are indicated in the table below:

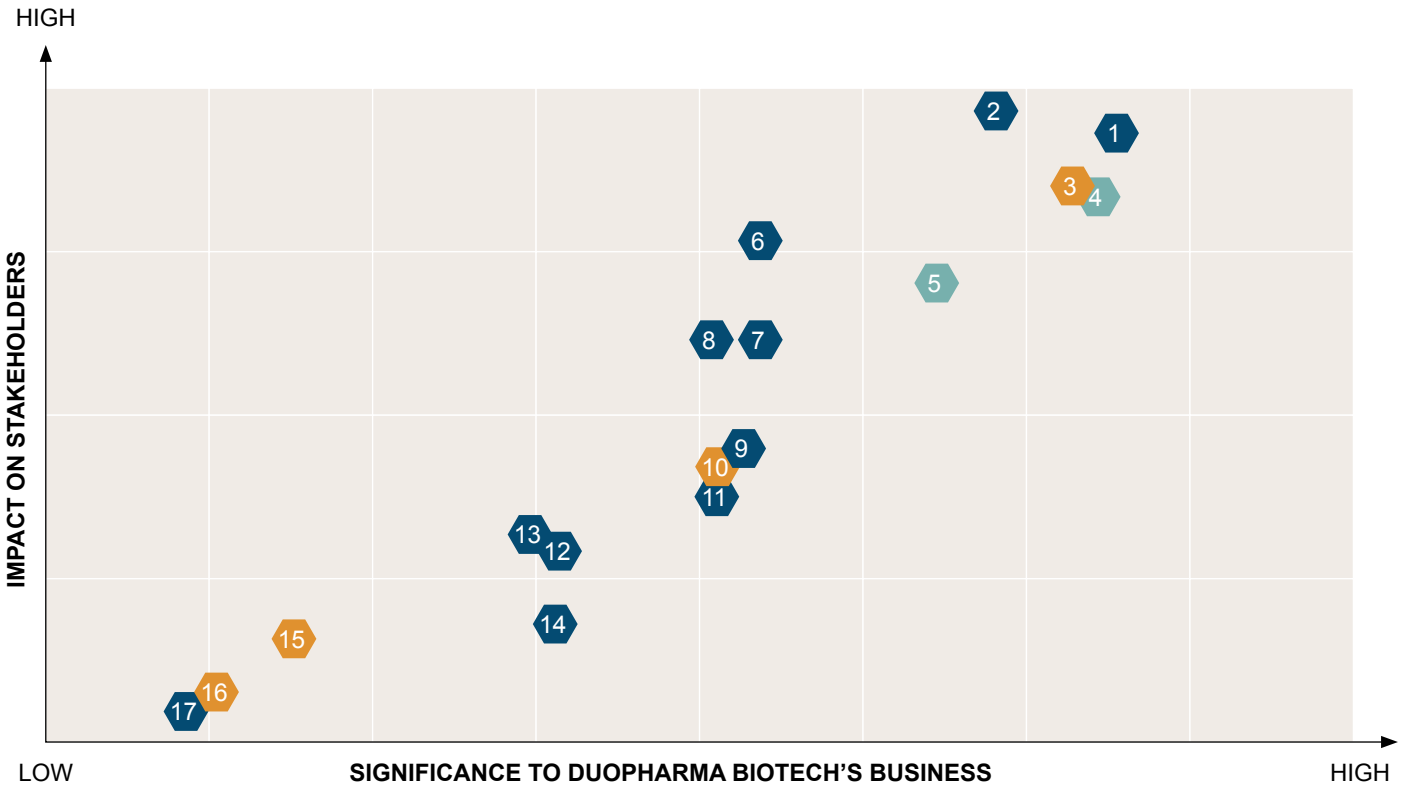
RANK	2021 MATERIAL MATTERS	CHANGES	2022 MATERIAL MATTERS	RANK
1	Compliance	'Compliance' and 'Clinical Studies & Pharmacovigilance' have been merged into 'Product Quality, Safety and Responsibility'	**Product Quality, Safety and Responsibility**	1
2	Ethics & Integrity	'Ethics and Integrity' has been renamed 'Anti-Corruption'	**Anti-Corruption**	2
3	Employee Learning & Development	'Employee Learning & Development' and 'Talent Recruitment & Retention' have been merged into 'Labour Practices and Standards'	**Labour Practices and Standards**	10

OUR MATERIAL MATTERS

RANK	2021 MATERIAL MATTERS	CHANGES	2022 MATERIAL MATTERS	RANK
4	Occupational Safety & Health	'Occupational Safety & Health' has been renamed 'Health and Safety'	**Health and Safety**	3
5	Manufacturing & Supply Chain Management	'Manufacturing & Supply Chain Management' was renamed 'Supply Chain Management'	**Supply Chain Management**	9
6	Clinical Studies & Pharmacovigilance	'Clinical Studies & Pharmacovigilance' and 'Compliance' were merged into 'Product Quality, Safety and Responsibility'	**Product Quality, Safety and Responsibility**	1
7	Waste Reduction & Management	'Waste Reduction & Management' was renamed 'Waste and Material Management'	**Waste and Material Management**	4
8	Halal Commitment	-	**Halal Commitment**	13
9	Talent Recruitment & Retention	'Talent Recruitment & Retention' and 'Employee Learning & Development' were merged into 'Labour Practices and Standards'	**Labour Practices and Standards**	10
10	Research & Development	-	**Research & Development**	12
11	Product Portfolio	'Product Portfolio' was merged into 'Accessibility of Medicines'	**Accessibility of Medicines**	7
12	Business Innovation and Model	-	**Business Innovation and Model**	14
13	Community Outreach	-	**Community Outreach**	16
14	Carbon Footprint	'Carbon Footprint' was merged with 'Energy Consumption' and 'Water Scarcity' into 'Climate Risk'	**Climate Risk**	5
15	Competitive Pricing	'Competitive Pricing' was renamed 'Affordability & Pricing'	**Affordability & Pricing**	6
16	Water Scarcity	'Water Scarcity' was merged with 'Carbon Footprint' and 'Energy Consumption' into 'Climate Risk'	**Climate Risk**	4
17	Accessibility of Medicines	-	**Accessibility of Medicines**	7
18	Fair Employment Practices	'Fair Employment Practices' was renamed 'Diversity and Inclusion'	**Diversity & Inclusion**	15
19	Energy Consumption	'Energy Consumption' was merged with 'Carbon Footprint' and 'Water Scarcity' into 'Climate Risk'	**Climate Risk**	5
20	Counterfeit Medicines & Adulteration	-	**Counterfeit Medicines & Adulteration**	11
21	-	New addition	**Data Privacy & Security**	8
22	-	New addition	**Digitalisation**	17

With the merger of some material matters and the addition of two new material matters i.e., 'Data Privacy & Security' and 'Digitalisation' – we now have a total of 17 material matters, compared to 20 previously.

OUR MATERIAL MATTERS



GOVERNANCE / ECONOMIC

- 1 Product Quality, Safety & Responsibility
- 2 Anti-Corruption
- 6 Affordability & Pricing
- 7 Accessibility of Medicines
- 8 Data Privacy & Security
- 9 Supply Chain Management
- 11 Counterfeit Medicines & Adulteration
- 12 Research & Development
- 13 Halal Commitment
- 14 Business Innovation & Model
- 17 Digitalisation

SOCIAL

- 3 Health & Safety
- 10 Labour Practices & Standards
- 15 Diversity & Inclusion
- 16 Community Outreach

ENVIRONMENT

- 4 Waste & Material Management
- 5 Climate Risk

Notes:

1. *refers to sustainability matters under the **Governance & Economic categories***
2. *refers to sustainability matters under the **Social category***
3. *refers to sustainability matters under the **Environment category***

OUR MATERIAL MATTERS

Also significant are changes to our top 10 material matters. Most pertinently, 'Climate Risk' is a top-five priority whereas in the previous materiality assessment process, 'Carbon Footprint' and 'Energy Consumption' were ranked 14th and 19th – reflecting the urgency to mitigate climate change. 'Affordability and Pricing' and 'Accessibility of Medicines' are now ranked sixth and seventh, from being 15th and 17th previously, indicating increasing importance placed on ensuring the public have access to affordable and authentic medicines. This is something that will guide our decisions and strategies in the near future. 'Data Privacy & Security', a new material matter, is ranked eighth.

TOP 10 MATERIAL ISSUES

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

ABOUT OUR MATERIAL MATTERS

Following our materiality assessment, we mapped our material matters, including the top 10 material matters according to the five ESG Strategy Key Focus Areas, ensuring that initiatives planned under our ESG Strategy are in line with matters that are important to both Duopharma Biotech and our stakeholders.

ESG STRATEGY KEY FOCUS AREAS	CLIMATE PERFORMANCE	SUSTAINABLE SUPPLY CHAIN	ACCESS TO MEDICINE	DIVERSITY & INCLUSION	GOVERNANCE
TOP 10 MATERIAL MATTERS	• Waste & Material Management • Climate Risk	• Supply Chain Management • Health & Safety	• Affordability & Pricing • Product Quality, Safety & Responsibility • Accessibility of Medicines	• Labour Practices & Standards	• Data Privacy & Security • Anti-Corruption

MAPPING TO DUOPHARMA BIOTECH'S TOP 10 MATERIAL MATTERS

OUR MATERIAL MATTERS

In the table below, we provide a summary of Duopharma Biotech's performance for each of our ESG Key Focus Areas by highlighting the relevant material matters under each Key Focus Area, and progress made to meet the strategy.

	MATERIAL MATTER	DEFINITION	WHY IT IS IMPORTANT
CLIMATE PERFORMANCE	4 **Waste & Material Management**	Procedures to encourage the responsible use of materials; recycling to avoid unnecessary waste generation; and treatment of effluents to minimise pollution.	Natural resources are easily depleted, while the exponential increase in waste has led to overflowing landfills and generation of methane. Untreated effluents, meanwhile, pollute waterways potentially causing health hazards.
	5 **Climate Risk**	Efforts to support the transition to a low-carbon economy by using energy responsibly and reducing our emissions in order to avert potentially catastrophic climate events: as well as to prepare for extreme weather events to protect business operations.	Uncontrolled carbon emissions will cause further warming of the Earth, and if the global temperature increases by 2°C relative to pre-industrial times, there could be catastrophic economic and social consequences. As a result, most nations have pledged to reduce their carbon emissions, with Malaysia committing to having net zero GHG emissions by 2050.
SUSTAINABLE SUPPLY CHAIN	3 **Health & Safety**	Protection of employees in the workplace from accidents, injuries and exposure to harmful substances as we ensure their holistic well-being.	It is important to keep our employees safe for their well-being, as well as to safeguard our productivity, our assets and reputation.
	9 **Supply Chain Management ("SCM")**	SCM is the management of the flow of goods/services and includes all processes that transform raw materials into end products. It also encompasses our relationship with suppliers.	Efficient SCM ensures the reliability of supply of raw materials/ingredients and optimal plant operations, even during crises such as pandemics. Through responsible supplier management, we are also able to support local vendors and ensure that our vendors observe ESG principles, thus promote sustainability across our supply chain.
ACCESS TO MEDICINE	1 **Product Quality, Safety & Responsibility**	Ensuring our products satisfy consumers' and patients' needs while meeting all relevant pharmaceutical safety, quality and efficacy standards.	Maintaining safety, quality and efficacy standards safeguards our market reputation and increases the trust of consumers as well as customers – namely public and private healthcare providers.
	6 **Affordability & Pricing**	Making sure that everyone is able to afford quality medication by keeping prices within the means of the average Malaysian.	Costly medicines are a growing challenge for national budgets as well as for individual patients. It is vital for us to ensure patients have the access to affordable medicines and that health systems remain financially sustainable.

OUR MATERIAL MATTERS

OUR RESPONSE	STAKEHOLDER GROUPS IMPACTED/ INTEREST
• Continual Improvement programmes to reduce material consumption • Efforts to go paperless; and recycling of paper, plastic and glass items • Target to reduce scheduled waste by 3% annually • Compliance with relevant environmental laws, such as Malaysia's Environmental Quality Act, 1974 *Refer to pages 38 to 41 for more information*	• Employees • Suppliers & Other Business Partners • Shareholders • Local Communities
• Continuously monitor our energy consumption, and review our mechanisms to track and report greenhouse gas ("GHG") emissions • Implement energy-saving initiatives, and explore renewable energy opportunities • Moving towards a carbon-neutral pathway through initiatives to reduce our emissions, such as replacing or retrofitting old electrical systems with energy-efficient alternatives • In 2022, we performed high-level assessment of Duopharma Biotech's climate-related risks, especially the physical risks to our plants in Malaysia. Moving forward, the asssessment will be extended to the rest of our business within and outside Malaysia *Refer to pages 30 to 37 for more information*	• Employees • Shareholders • Suppliers & Other Business Partner • Local Communities
• Have in place preventive controls and safety measures to reduce the risk of incidents • Compliance with all relevant laws in the countries where we operate • Implementation of continuous training programmes to instil a safety mindset among employees *Refer to pages 47 to 49 for more information*	• Employees • Shareholders
• Increase our pool of approved suppliers to avoid any supply bottlenecks • Engage our vendors and business partners in sustainable supply chain practices • Conduct audits to ensure our vendors/ suppliers meet Good Manufacturing Practices ("GMP") standards • Adopt Lean concept and methodology to enhance operational efficiencies *Refer to pages 44 to 47 for more information*	• Employees • Suppliers & Other Business Partners
• Adherence to pharmaceutical and medical devices acts, regulations and standards inlcuding: - current Good Manufacturing Practice ("cGMP") for pharmaceutical products - ISO13485 for Medical Device Manufacturing - Good Distribution Practice ("GDP") for pharmaceutical products and medical devices - Drug Registration Guidance Documents and Pharmaceutical Products Compendia - Malaysian Good Pharmacovigilance Guidelines ("GVP") - Relevant United States ("US") and European Union ("EU") standards on testing of incoming raw materials and outgoing finished product specifications • Conduct bioequivalence studies in accordance with Good Clinical Practice ("GCP") *Refer to pages 52 to 55 for more information*	• Employees • Customers • Healthcare Professionals • Local Communities
• All our medicines are generic, which are more affordable than the original drugs • We have one biosimilar and are working on more • We work closely with industry organisations and governmental agencies on keeping prices affordable *Refer to page 52 for more information*	• Government & Regulatory Authorities • Local Communities • Non-Governmental Organisations ("NGOs") • Healthcare Professionals

OUR MATERIAL MATTERS

ACCESS TO MEDICINE

MATERIAL MATTER	DEFINITION	WHY IT IS IMPORTANT
7 **Accessibility of Medicines**	Availability of quality medicines for the public in the event of sickness and to prevent, treat and control diseases.	Access to medicines is integral to the basic right to good health.
11 **Counterfeit Medicines & Adulteration**	Ensuring that all therapeutic products carrying the Duopharma Biotech logo have been produced by us under strict guidelines, adhering to all relevant regulatory standards.	Counterfeit drugs would impact medicine's efficacy, purity and safety.
12 **Research & Development ("R&D")**	Investment into science-based methodologies to develop new or bioequivalent products at affordable pricing.	R&D provides powerful knowledge and insights, enhances process efficiency, and reduces costs. It also allows businesses to develop new products and services to thrive in competitive markets.
13 **Halal Commitment**	Our commitment to ensuring that all our products are halal, meaning that they have been manufactured in accordance with the hygienic and wholesome principles of Shariah guidelines.	Halal certification gives consumers the assurance that products are clean, hygienic, environmentally-friendly, and have been produced respecting animal welfare. By offering halal products, moreover, we are respecting the rights of Muslims to consume healthcare products in accordance with their religious principles.
14 **Business Innovation & Model**	The incorporation of innovation into our entire value chain, from product development to our business focus and direction.	Achieving organisational and economic growth through innovation is key to staying relevant in today's highly competitive world.
17 **Digitalisation**	Investment into the latest digital technologies to increase our operational and marketing efficiencies as well as to venture into digital healthcare.	Digitalisation helps to improve process efficiency, key internal business functions and product quality, while enabling greater access to our products and enhancing the customer experience.

OUR MATERIAL MATTERS

OUR RESPONSE	STAKEHOLDER GROUPS IMPACTED/ INTEREST
• Aim to universalise access to medicines for different needs by expanding our product portfolios and forging new partnerships • Continuously expand our patient and consumer reach through public and private hospitals/clinics as well as pharmacies *Refer to pages 55 to 59 for more information*	• Local Communities • Healthcare Professionals • Customers • Government & Regulatory Authorities
• Work closely with organisations such as MOPI to protect consumers from counterfeit products and adulteration • Use of holograms to enable customers to validate our products' authenticity *Refer to pages 52, 53 & 55 for more information*	• Customers • Healthcare Professionals • Local Communities • Government & Regulatory Authorities
• Duopharma Innovation Sdn Bhd, Duopharma Biotech's wholly-owned subsidiary company, has developed a number of first-of-their-kind consumer healthcare ("CHC") products under the brands Flavettes® and CHAMPS®, among others • The team's focus is on achieving first-generic-to-market for a wide range of therapeutic groups and formulation formats at affordable pricing • We also collaborate with innovator partners such as Natco Pharma Limited, China National Pharmaceutical Group Corporation ("Sinopharm"), AZTherapies, Inc., and PanGen Biotech Inc. to produce cutting-edge therapies • Our R&D team is led by highly qualified scientists for whom we have put in place succession plans *Refer to pages 54, 56 & 57 for more information*	• Scientific Community
• Contributed to development of the world's first halal standard, MS2424:2019, Halal pharmaceuticals – General requirements (First revision) • Developed the first halal cancer drug at our HAPI plant • Participate in initiatives to further develop a well-governed halal economy • Support the development of halal entrepreneurs via the Duopharma Biotech Halal Pharmapreneur ("DBHP") programme • Create greater awareness and knowledge about halal pharmaceuticals through Halal4pharma.com and other forums *Refer to pages 54, 58 & 59 for more information*	• Customers • Suppliers & Other Business Partners • Industry Associations
• Committed to ensuring relevance of business based on efficient strategy. It helps us to identify opportunities and trends that can inform decisions for the future *Refer to pages 56 to 57 for more information*	• Suppliers & Other Business Partners • Financial Community • Shareholders
• Outlined a Digital Strategy in 2021 to tap into the digital health space • Rolled out manufacturing dashboards in all our facilities • Invested in a Track and Trace system which enables product tracking • Invested in a Proof of Delivery system to enhance security and track the whereabouts of products being delivered to customers *Refer to page 45 for more information*	• Customers • Media • Suppliers & Other Business Partners

OUR MATERIAL MATTERS

	MATERIAL MATTER	DEFINITION	WHY IT IS IMPORTANT
DIVERSITY & INCLUSION	10 **Labour Practices & Standards**	Governance of our approach to employee hiring, promotion and turnover, remuneration, learning and development, as well as protecting employees' rights.	It is important to have robust HR policies and procedures to enhance our reputation as an employer of choice, and to attract the best talent.
	15 **Diversity & Inclusion**	Creation of an environment that attracts and enables a diverse range of employees, regardless of gender, age and race, among others.	By bringing together a diverse workforce, we are able to enhance our organisational perspective for better and more effective decision-making.
	16 **Community Outreach**	Addressing the needs of local communities, underprivileged and underserved groups.	Social inequities exist throughout the world, including here in Malaysia. It is important to bridge these gaps to nurture harmonious and just societies.
GOVERNANCE	2 **Anti-Corruption**	Undertaking ethical operations as we adhere to guidelines to mitigate corruption-related risks.	Transparency and integrity are important in establishing and maintaining stakeholders' trust in Duopharma Biotech.
	8 **Data Privacy & Security**	Actions taken to protect our business from internal and external cyber security threats.	As we digitalise more and more of our operations, it is imperative to protect our data, as well as data of our customers and partners.

OUR MATERIAL MATTERS

OUR RESPONSE	STAKEHOLDER GROUPS IMPACTED/ INTEREST
• Comprehensive employee retention programme to attract and retain key employees, and to minimise turnover • Learning and development programmes to enhance employees' knowledge/skills for continuous growth and job satisfaction • Compliance with relevant labour laws and regulations *Refer to pages 62 to 69 for more information*	• Employees • Shareholders
• Diversity Policy for the Board of Directors and Senior Management • Diverse and inclusive work culture, affording every employee equal opportunities for career enhancement, supported by newly-launched Diversity, Anti-Discrimination and Anti-Harassment Policy • Constantly encourage and motivate employees to perform to the best of their ability *Refer to pages 69 & 70 for more information*	• Employees • Shareholders
• We provide financial and non-financial contributions to uplift the lives of the underprivileged; enhance quality education for all; and provide humanitarian relief *Refer to page 71 for more information*	• Local Communities • Employees • NGOs
• Developed and enforce our Anti-Bribery and Anti-Corruption ("ABAC") Policy and Anti-Bribery Management System ("ABMS") • All our employees are expected to adhere to our Code of Conduct • We have whistleblowing procedures to deal with any corrupt or unethical incident *Refer to pages 75 to 79 for more information*	• Government & Regulatory Authorities • Employees • Shareholders • Suppliers & Other Business Partners
• Proactive measures, such as Secure Sockets Layer ("SSL") 256bit security encryption and Fsecure antivirus, have been implemented to mitigate risks related to cybersecurity and data security • Compliance with regulations on data privacy to protect customers' and business partners' data *Refer to page 74 for more information*	• Government & Regulatory Authorities • Employees • Customers • Suppliers & Other Business Partners

CLIMATE PERFORMANCE

GRI: 301, 302, 303, 305, 306

We recognise that our operations have an impact on the environment. As a responsible organisation, we seek to minimise as far as possible any negative footprint we may have while enhancing positive outcomes through effective systems and processes.

MATERIAL MATTERS

- Climate Risk
- Waste & Material Management

CLIMATE PERFORMANCE

CLIMATE RISK

Climate change has become the most pressing global issue today, with the effects of global warming already evident in the increased frequency of floods, droughts and forest fires, among others. Experts have posited that, to avert irreversible change, the world needs to cap the increase in global temperature to 2°C from pre-industrial levels, preferably at 1.5°, by reducing carbon emissions.

At the corporate level, there is increasing demand for companies not only to be part of efforts to transition to a low-carbon economy but also to identify the risks of climate change on our operations and to have mitigation plans to manage these. Recognising the criticality of climate change mitigation and adaptation, Duopharma Biotech is investing in both areas. Additionally, we have defined our Climate Risk as encompassing water management, hence our disclosure will include initiatives to use water sustainably as well as to reduce our energy consumption and carbon emissions.

OUR CLIMATE RISK PLEDGE

In March 2022, we pledged to achieve carbon neutrality by 2030 and net zero carbon emissions by 2050, as well as to replace 50% of single-use plastics with biodegradable plastics within our operations by 2026. To achieve our emissions goals, we are committed to improving our energy efficiency, stepping up various circular economy initiatives, as well as balancing our emissions with the purchase of carbon offset credits, investing in forestation and carbon sequestration, and exploring new technologies that can reduce emissions more efficiently.

We recognise the need to develop a clear roadmap towards our goals and, as a participatory member of the UNGCMYB, we have been working closely with them to obtain support and guidance to strategise our climate mitigation plan towards this end. UNGC has already supported us in establishing our GHG baseline data (from 2019 to 2021) for Scopes 1 and 2. Moving forward, we will be working collaboratively with UNGC on a Net Zero Transition Plan which will serve as a guiding template for targets and actions to implement in order to meet our net zero carbon emissions aspiration.

BOARD OVERSIGHT

As with all our ESG matters, the Board has oversight of Duopharma Biotech's strategies with regard to mitigating our climate risks. The role was previously assumed by the RMSC but is now under the purview of the HSC following a shift in the functions of Board Committees, as expained earlier. In line with recommendations of Climate Governance Malaysia ("CGM"), we have amended our Board paper template to include discussions on climate change impacts. This is to assist the Board in considering climate change impacts in business proposals and strategic decision-making. The revised board paper template was adopted in October 2022.

SENIOR MANAGEMENT KPIs

As a measure of our commitment to enhanced climate change performance, non-financial (or ESG-related) key performance indicators ("KPIs") are part of a balanced scorecard used to evaluate our Senior Management's performance and, ultimately, their remuneration. In 2022, these non-financial KPIs included the publication of our 5-Year ESG Strategy, maintaining Duopharma Biotech's listing in FTSE4Good and 100% execution of our 2022 ESG roadmap initiatives, which also includes carbon emissions reduction strategy.

CLIMATE PERFORMANCE

CLIMATE-RELATED RISKS

As of 2021, we have started assessing our climate-related risks, with inputs from all levels within the organisation including our operations in Indonesia, the Philippines and Singapore. The process is guided by our Enterprise Risk Management ("ERM") system and involves discussions between the Risk Management team, the ESG team and site teams, with oversight provided by the Board. Risks identified are then categorised as either physical or transitional, and are incorporated into our Enterprise Risk Management ("ERM") system, along with other business risks, for close monitoring and mitigation. Various risk management measures have been outlined, and include assessing all new projects on their climate-related risks and impacts before they are approved.

Our climate risk assessment is still in its initial stages, and will become more comprehensive as we include the strategic risks posed by new regulations on climate change, operational risks posed by extreme weather, and financial risks with regard to taxes (e.g., carbon tax) and insurance. We are in the process of exploring the right tools, analytics and processes to properly assess our climate risks, subsequently to strengthen our governance and business strategy in order to increase our resilience to these risks.

The process will be aligned and guided by TCFD recommendations, which are geared towards helping organisations understand and quantify the financial impacts of climate-related risks and opportunities. Further to this, we have also started to consider the impact of climate change risks in our financial planning by ensuring that an adequate budget for mitigation plans is included every year. These include initiatives to reduce our emissions and water consumption such as the installation of solar panels and electric vehicle ("EV") chargers as well as water effiency fittings, among others.

COMMITMENT TO TCFD

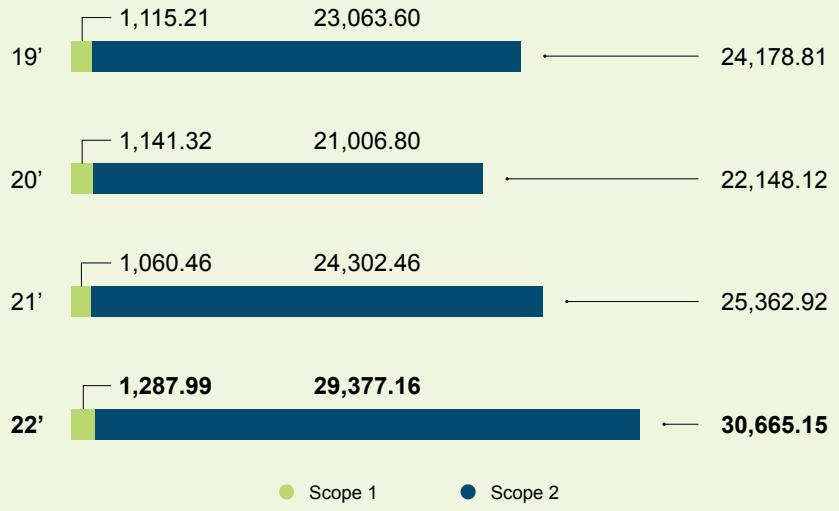
To satisfy the concerns of our investors, customers, regulators and other stakeholders, we are committed to disclosing our climate change actions and risks comprehensively and transparently. Our objective is to align our reporting fully with TCFD recommendations by 2026, thereby meeting Bursa Malaysia's newly released reporting requirements. The process has already begun and will continue to intensify in the coming years.

GHG EMISSIONS

We have been monitoring our Scopes 1 & 2 GHG emissions from all our operations sites in Malaysia, Indonesia and the Philippines since 2019, and Singapore since 2020. In line with our energy usage, our GHG emissions are contributed by electricity and fuel consumption, with most emissions coming from our manufacturing sites in Malaysia. We are still at the initial stage in terms of measuring, monitoring and reporting of our activities. 2019 was used as the baseline year for Duopharma Biotech as it was assumed that we were operating at our highest capacity without any restrictions caused by the pandemic, as compared to 2020 and 2021. Moving forward we will continue to improve our data scope and accuracy.

Our emissions calculations are guided by and refer to 2006 Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories (including 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories); CO_2 Emissions from Fuel Combustion 2020 Edition, International Energy Agency; and Institute for Global Environmental Strategies ("IGES") List of Grid Emission Factors.

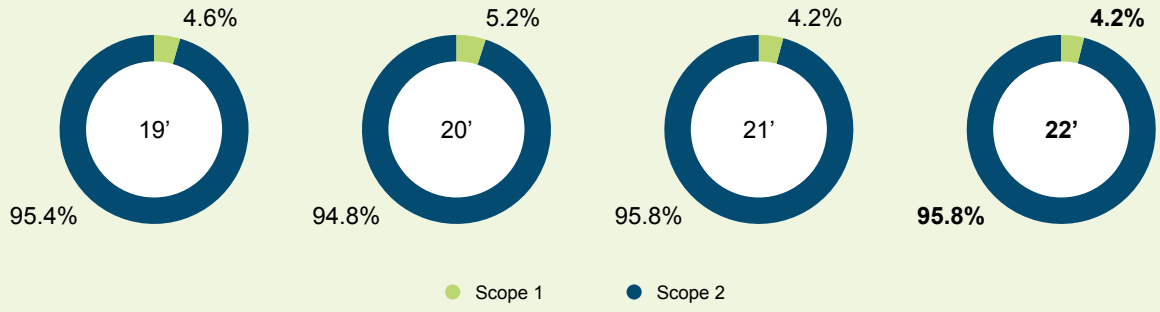
SCOPES 1 & 2 GHG EMISSIONS (tCO_2-e)



Note: *The GHG emissions data for year 2021 in Sustainability Report 2021 have been restated, due to improvement in data accuracy.*

CLIMATE PERFORMANCE

GHG EMISSIONS BREAKDOWN BY SCOPE (tCO_2-e)



GHG emissions breakdown by country

	2019	2020	2021	2022
Malaysia	99.85%	99.79%	99.81%	**99.78%**
Singapore	-	0.11%	0.09%	**0.02%**
Indonesia	0.09%	0.07%	0.07%	**0.07%**
Philippines	0.07%	0.04%	0.03%	**0.13%**

Our total GHG emissions increased by 26.8% from 2019 (baseline year) due to the increase in energy consumption to support production, while our GHG emissions intensity (tCO_2-e per RM million of revenue) has increased by 4.9% from 2019 (baseline year). Our emissions in 2022 are largely contributed by our plant operations in Malaysia (99.78%) as our operations in Indonesia, the Philippines and Singapore are office based.

As part of efforts to achieve net zero carbon emissions by 2050, and guided by our 5-Year ESG Strategy, in 2022 we initiated our Scope 3 accounting journey by conducting a materiality assessment to identify the most significant sources of Scope 3 emissions as well as to prioritise our reduction activities. Two workshops were conducted for key departments following which we established a GHG Scope 3 Roadmap which includes recommendations of Scope 3 categories to be reported, as well as the implementation plan and actions. The study suggested that a total of eight categories should be accounted for, six of which have been classified as being 'relevant to report' and the remaining two as 'optional to report'.

Identified Scope 3 emissions for Duopharma Biotech:

RELEVANT TO REPORT

CATEGORY 6	**CATEGORY 7**
Business Travel	Employee Commuting
CATEGORY 5	**CATEGORY 1**
Waste Generated in Operations	Purchased Goods & Services
CATEGORY 4	**CATEGORY 12**
Upstream Transportation & Distribution	End-of-life Treatment of Sold Products

OPTIONAL TO REPORT

CATEGORY 2	**CATEGORY 15**
Capital Goods	Investments

CLIMATE PERFORMANCE

Our target for 2023 is to focus on establishing baseline data for three relevant-to-report categories – Business Travel, Employee Commuting and Waste Generated in Operations – while developing an accounting framework for all eight categories. We have already started gathering data for Employee Commuting, requesting employees to disclose the distance that they travel to get to the workplace, and will work progressively to develop a comprehensive accounting framework for all the identified categories.

As with our 2021 report, our GHG emissions data have been assured by Carbon Check (I) Pvt. Ltd. using AA1000 Assurance Standard (AA1000AS v3).

JOURNEY TO NET ZERO

On 30 March 2022, the Board made a defining announcement regarding Duopharma Biotech's stand on climate change. In conjunction with the launch of our ESG Roadmap, we pledged to achieve carbon neutrality by 2030, net zero carbon emissions by 2050, and to replace 50% of single-use plastics with biodegradable plastics within our operations by 2026.

These targets are in line with the government's environmental agenda as well as the UN SDGs. We recognise that the journey to net zero emissions in 28 years will not be easy, but we are determined to succeed. Unlike carbon neutrality, which means monitoring CO_2 emissions from our operations and offsetting these with carbon credits, becoming a net-zero organisation requires us to measure all greenhouse gas emissions across our entire supply chain, and offsetting these.

A key step in achieving the net zero ambition is to evaluate our Scope 3 GHG emissions, namely emissions by our suppliers, employees and customers in relation to our business. We have made a start in this regard by engaging a sustainability consultant to identify Scope 3 areas that are most relevant to Duopharma Biotech. Eight areas have been identified, including employees' commute to work, business travel and waste generated in our operations. We have already embarked on evaluating emissions from our employees' commute and will do the same for business travel as well as waste generated in 2023. With time, we will expand our data gathering to encompass all six areas that are relevant for us to report on, and two areas that were identified as 'optional to report'.

In terms of emissions reduction, we seek to improve our energy efficiency continuously while stepping up circular economy initiatives. At the same time, we will develop more channels in which we can offset our emissions, e.g. through carbon credits, investments in forestation and carbon sequestration. As new developments emerge in climate science, we will implement these into our net-zero strategy.

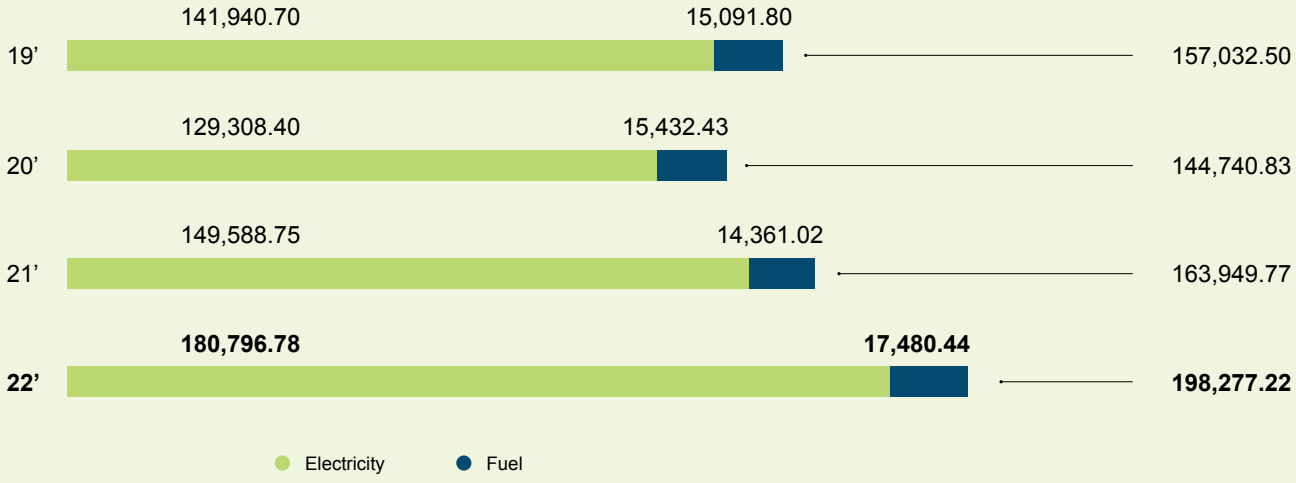
CLIMATE PERFORMANCE

ENERGY CONSUMPTION

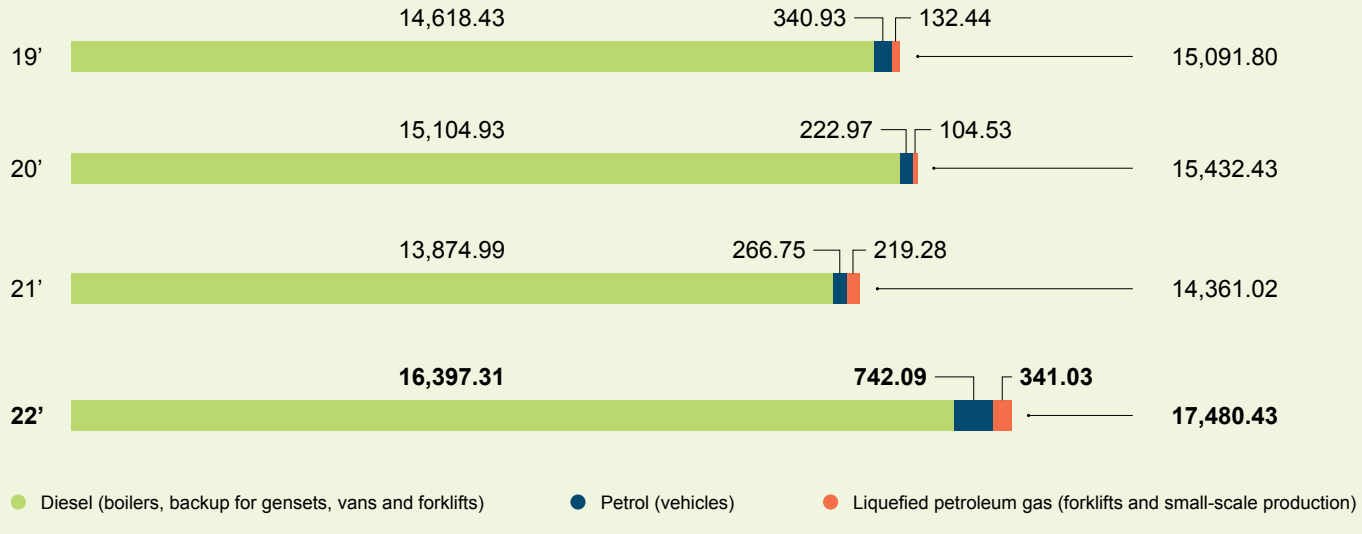
We consume two main types of energy across our operations – electricity, to power all electrical systems including heating, ventilation & air-conditioning ("HVAC"), machinery, equipment and lights; and fuel (diesel, petrol, liquefied petroleum gas), mainly to power certain machinery and vehicles. We started measuring and monitoring our energy consumption across our operations in Malaysia, Indonesia and the Philippines in 2019, including Singapore in 2020. Our consumption calculations refer to the GHG Protocol Calculation Tools-Emission factors from cross sector tools (March 2017); 2006 IPCC Guidelines for National Greenhouse Gas Inventories as well as 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

In 2022, consumption of both electricity and fuel increased compared to the previous three years as a result of enhanced production to meet the surge in demand for medicines.

TYPE OF ENERGY CONSUMED (GIGAJOULES)



TYPE OF NON-RENEWABLE FUEL (GIGAJOULES)



CLIMATE PERFORMANCE

ENERGY CONSUMPTION AND GHG EMISSIONS REDUCTION

Duopharma Biotech has set the target of reducing our Scope 2 emissions by 10% annually, using the year 2019 as our baseline. 2019 was chosen as we have a complete set of fuel and electricity consumption data for the year (save for Singapore, where in any case consumption is negligible as we only have a sales representative office here), and operations had not yet been impacted by the pandemic. In the long term, we will continuously improve our performance data and baseline, and aim to achieve carbon neutrality by 2030 and net zero carbon emissions by 2050.

The Climate Performance roadmap developed under our 5-Year ESG Strategy outlines various energy reduction initiatives which include exploring renewable and alternative clean energy such as solar and cooling, heat and power ("CHP") at all sites. In the short term, we are looking to reduce our energy consumption, improve the efficiency of our current equipment as well as retrofit all aging equipment with new/ high-efficient equipment.

Our energy and GHG emissions reduction programme includes both active and passive components. Actively, we have been implementing energy reduction initiatives to drive the efficient use of fuel and electricity. From January to April 2022, we conducted a Level 1 Energy Audit at all our main manufacturing plants in Bangi and Klang, to understand our current energy consumption patterns as well as to identify effective improvement opportunities. The audit revealed that a key area where we could improve our energy efficiency was in our air-conditioning ("AC") systems. Accordingly, we have installed split AC systems as well as dual condensing units, while shutting down the air handling unit ("AHU") and dehumidifier at night when they are not in use. In addition, we successfully replaced all old fluorescent tubes to light emitting diodes ("LED").

Operational Excellence ("OE") projects also contribute to carbon and energy reduction at all sites, as indicated in the table below:

	SAVINGS ACHIEVED IN 2022			
CARBON AND ENERGY INITIATIVE	ELECTRICITY SAVED (kWh)	CARBON EMISSIONS REDUCED (tCO_2-e)	ENERGY SAVED (GJ)	COST SAVED (RM)
Removal of AHU heater	521,280.00	304.95	1,876.61	145,944.64
Reduced air-conditioning usage at Engineering office	299,557.92	175.24	1,078.41	37,894.15
Reduced electricity consumption for HVAC (Dry Packing area)	210,816.00	123.33	758.94	62,893.44
Reduced electricity consumption for HVAC (Packaging Material Store 2)	64,416.00	37.68	231.90	8,148.62
Reduced electricity consumption for HVAC (Encapsulation, Melter & Store area)	651,801.60	381.30	2,346.49	194,454.14
Optimisation of compressed air operation	289,128.50	169.14	1,040.86	65,337.17
Replacement of fluorescent lights with LED	22,956.00	13.43	82.64	43,124.91
Total Saving Achieved in 2022	**1,538,676.02**	**900.13**	**5,539.23**	**557,797.07**

Meanwhile, in 2022 we laid the foundations to reduce our Scope 3 emissions with the installation of electric vehicle ("EV") chargers for employees at all our main operation sites in Klang, Bangi and Glenmarie. To offset our emissions, we purchased a total of 6,200 Renewable Energy Certificate ("REC") units, equivalent to 6,200 MWh of electricity generated from renewable sources. Moving forward, we plan to install solar panels at our manufacturing sites to reduce our dependence on purchased electricity.

CLIMATE PERFORMANCE

WATER MANAGEMENT

Although none of our operations are located in water-stressed areas, we recognise the need to use water responsibly given that water is critical to life and its supply is compromised in many parts of the world. Importantly, we are vigilant about the discharge of effluents, as this could potentially contaminate surrounding water bodies. In this regard, we are guided by the Environmental Quality (Industrial Effluent) Regulations 2009.

Efficient water management is one of the key areas in our 5-Year ESG Strategy. Accordingly, we have established water management plans at all three manufacturing sites in Klang, Bangi and Glenmarie. These include guidelines and procedures to monitor water consumption and recycling, while ensuring proper management of effluents and wastewater, and the implementation of water efficiency initiatives.

Reports on water usage and the quality of effluents are presented to the GMC on a monthly basis, and to the HSC and Board every quarter. At the same time, reports on effluent characteristics are presented to the Environmental Performance Monitoring Committee ("EPMC") every quarter.

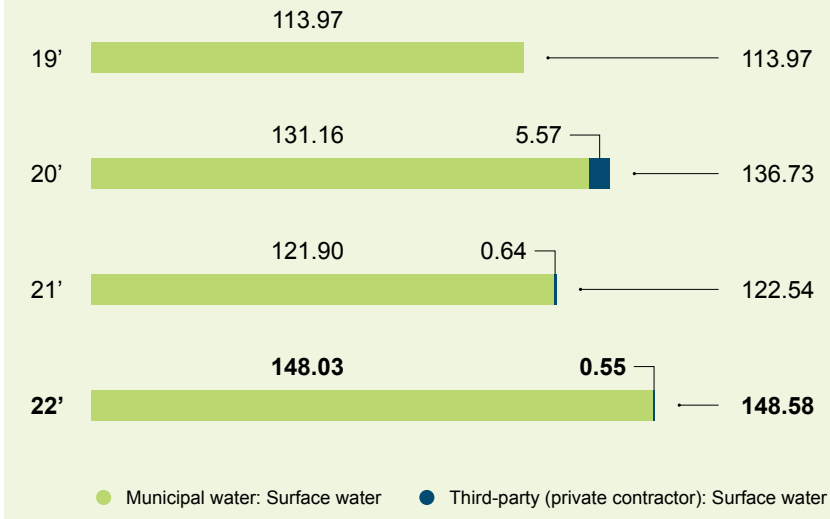
In FY2022, we did not have any incidents of non-compliance with water quality and quantity permits, standards or regulations, and will continuously ensure proper management of effluents and wastewater.

WATER CONSUMPTION AND MANAGEMENT

Our main water supply in Malaysia – i.e., Selangor and Kuala Lumpur, where our manufacturing sites and headquarters ("HQ") are located – comes from municipal water supplier Pengurusan Air Selangor Sdn Bhd ("Air Selangor"). Supply to our depot offices in the other parts of Malaysia i.e., Penang, Kelantan and Johor as well as our corporate offices in Singapore, Indonesia and the Philippines is provided by the respective local water suppliers and service providers. We rely on third-party water supply (in tankers) from private contractors when normal supply is disrupted, but do not have the relevant data prior to 2020. It is assumed that all water supply currently is from natural water sources as municipal and private contractors usually withdraw surface water.

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

WATER WITHDRAWAL BY SOURCE (ML)



We continuously seek to improve water efficiency throughout our operations. We conducted our first water audit from August to September 2021 to understand our consumption patterns and identify ways to use water more efficiently. As a result of this audit, we have been implementing water saving initiatives as recommended such as fixing leakages, reducing the toilet flush tank water level and increasing the cycle of concentration ("COC") of our cooling tower.

NO	WATER EFFICIENCY INITIATIVE	ESTIMATED WATER SAVING PER YEAR (ML)	ESTIMATED COST SAVING PER YEAR (RM)
1	Disabled two urinal flushes which connected to one tank, and installed individual flushing	3.984	9,083
2	Reduced toilet flush tank water level by 10%	0.197	449 for each toilet flush tank
3	Fixed leakage in K1 washroom urinal flush pipe	0.262	599
4	Fixed leakage in water pipe from portable chiller room 3	0.788	1,796
5	Replaced leaking taps near Engineering office	0.262	599
6	Increased the cycle of concentration of cooling towers by adjusting the drain flow	1.129	2,574

Other water saving initiatives implemented include:

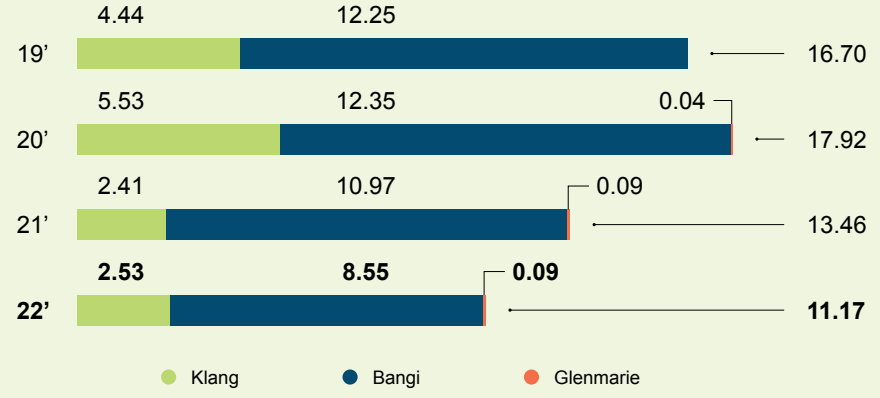
- **Water recycling:** We re-use treated waste from purified water system for housekeeping and gardening, as well as to cool down certain machines such as autoclaves.
- **Rainwater harvesting:** We have installed two tanks that are able to store about 5,000 litres of rainwater each, and use the rainwater for flushing and plant-watering

WATER EFFLUENTS

Effluents from our manufacturing processes are treated at waste water treatment plants ("WWTP") within the facilities before being discharged into surrounding water bodies. To ensure our effluents meet the Department of Environment ("DOE")'s safety and environmental rules and regulations, we monitor our effluents discharge internally every month, engaging qualified external labs to perform tests in terms of Chemical Oxygen Demand ("COD"), Biochemical Oxygen Demand ("BOD"), Suspended Solids ("SS"), and other key indicators which are subsequently submitted to DOE via their website every month. In addition, inspectors from DOE make site visits to conduct inspections. In 2022, all our plants met the relevant regulatory limits for effluent discharge.

Initiatives to manage our effluents include the replacement of chemical cleaning agents for cleaning of heating, ventilation and air-conditioning with bio-enzymes, which are more environmentally-friendly and will not pollute water sources. Through efforts to improve our water efficiency processes, we have also reduced the volume of total treated effluents discharged.

TOTAL TREATED EFFLUENTS DISCHARGED (ML)



POST-CONSUMPTION WASTE

To protect the country's water resources, in 2022, we partnered with the Alpro and Caring group of pharmacies to ensure the safe disposal of unused products by consumers. Through the programme, the public is educated and reminded not to discard any medications along with household waste as the chemicals would eventually end up in the water system, potentially contaminating our water supply. The public educational programme, called 'Do It Right', is also supported by Universiti Malaya's Faculty of Pharmacy.

CLIMATE PERFORMANCE

WASTE & MATERIAL MANAGEMENT

Due to the nature of our operations, some of the waste we generate may be hazardous. Recognising the risk, we are committed to complying with all the relevant environmental laws and regulations as stipulated by the DOE. Going a step further, we seek to minimise our environmental footprint by using materials responsibly and efficiently, adopting best practices in waste disposal, and enhancing our recycling efforts.

Waste management at Duopharma Biotech is part of our 5-Year ESG Strategy, under which we have committed to replacing 50% of single-use plastics with biodegradable plastics by 2026. We track and monitor all relevant waste and material management parameters at our key manufacturing sites in Malaysia (Klang, Bangi and Glenmarie), producing monthly reports on the volume of scheduled and non-scheduled waste disposed. Based on these reports, any potential waste-related impacts will be addressed. We also submit monthly updates on progress of waste management initiatives to the GMC as well as quarterly reports to the HSC and the Board.

SCHEDULED WASTE MANAGEMENT

Our plants produce six types of scheduled waste, which are collected by licensed operators and disposed of according to regulations. Most of our scheduled waste comprise pharmaceutical waste, gelatinous waste and sludge. Duopharma Biotech's scheduled waste management adheres to Environmental Quality (Scheduled Wastes) Regulations 2005 as well as the DOE's Guided Self-Regulation ("GSR"), with every step from waste generation till disposal tracked and updated online. We appoint only government approved scheduled waste contractors, and target to reduce scheduled waste generation by 3% annually. In FY2022, we received three environmental non-compliances related to scheduled waste storage and labeling. Improvement actions have been implemented to ensure such cases will not occur in the future.

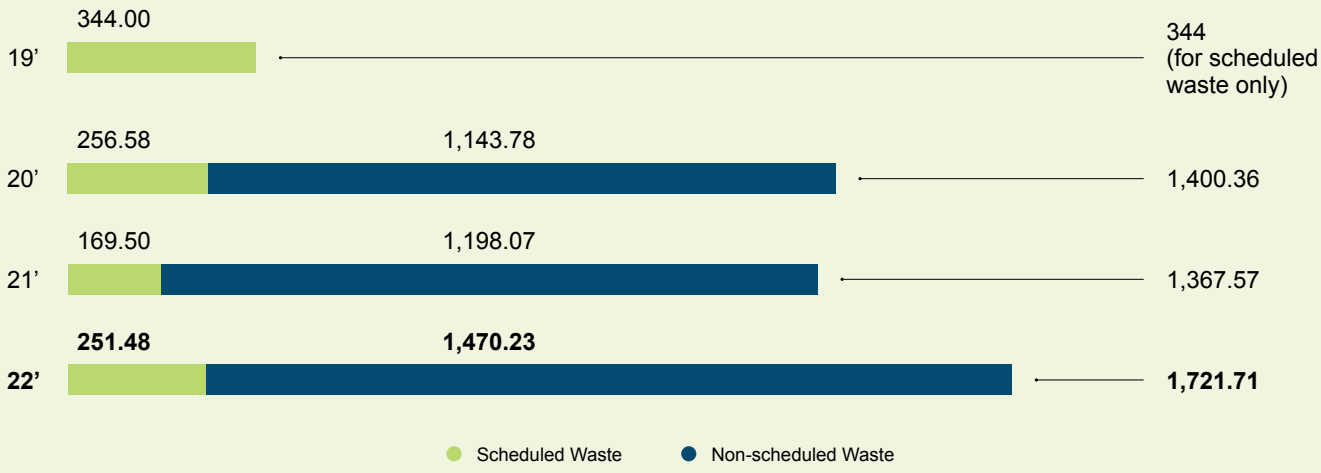
NON-SCHEDULED WASTE MANAGEMENT

Non-scheduled (or non-hazardous) waste includes waste from our corporate offices and sites such as paper, plastics and aluminium. We have set the target of reducing such waste by 10% every year, and to increase our recycling rate. Employees are encouraged to contribute towards minimising our material consumption as well as to enhance our recycling and other responsible disposable methods. This year, we installed a waste thermal reduction system, Asher, at one of our manufacturing sites in Bangi to reduce the amount of scheduled and non-scheduled waste sent to the landfills. The system facilitates on-site themal decomposition through pyrolysis. The machine is still on a pilot run, with usage focused on scheduled waste. By reducing the volume of waste sent to landfills, the initiative also helps us reduce our Scope 3 carbon emissions (from the transport of waste to landfills and emissions from decomposition).

Currently, waste data is collected only from our Malaysian manufacturing sites, where scheduled waste generated has to be disposed of according to DOE specifications. Monitoring of scheduled waste began in 2019, and was followed by non-scheduled waste in 2020. Data for our HAPI facility in Glenmarie was included only in 2022.

CLIMATE PERFORMANCE

TYPE OF WASTE GENERATED (TONNES)



Note: *Total non-scheduled waste generated is calculated as the sum of non-scheduled waste disposed and non-scheduled waste recycled.*

Waste disposed in 2022, according to disposal method

DISPOSAL METHOD	SCHEDULED WASTE (TONNES)	NON-HAZARDOUS WASTE (TONNES)	TOTAL
Preparation for Reuse	-	-	-
Recycling	-	221.39	221.386
Composting	-	-	-
Recovery	8.195	-	8.195
Incineration	219.122	-	219.122
Landfill	24.167	1,248.84	1,273.007
Others	-	-	-
Total	**251.48**	**1,470.23**	**1,721.71**

Scheduled waste ("SW") generated at our manufacturing sites in 2022, and the disposal methods used

TYPE	DESCRIPTION	TOTAL SCHEDULED WASTE GENERATED IN 2022 (TONNES)				DISPOSAL METHOD
		KLANG	BANGI	GLENMARIE	TOTAL	
SW109	Fluorescent lamps	0	0.227	0	0.227	Chemical treatment and landfill
SW110	Electrical waste	0	0.145	0	0.145	Recovery
SW204	Sludge	0	6.04	0.4	6.44	Landfill
SW322	Non-halogenated solvents	0	1.31	5.75	7.06	Recovery
SW405	Gelatinous waste	0	17.5	0	17.5	Landfill
	Pharmaceutical waste	69.64	106.68	3.337	179.657	Incineration
SW430	Obsolete lab chemicals	0	0.99	0	0.99	Recovery
SW409	Contaminated containers	0	36.03	0.844	36.874	Incineration

Note: *Scheduled waste generated in Klang is currently categorised under SW405 only.*

CLIMATE PERFORMANCE

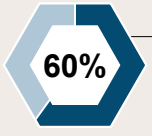
RECYCLING

Recycling initiatives are currently focused on non-scheduled waste in our main manufacturing sites in Klang and Bangi, where we have established a baseline and Standard Operating Procedures ("SOPs"), and completed relevant trainings for all cleaning attendants. Moving forward, we will look into strategies to recycle non-scheduled waste at the other sites, and to reduce our overall waste generation.

	TOTAL NON-SCHEDULED WASTE RECYCLED					
	2020		2021		2022	
SITES	TONNES	%	TONNES	%	TONNES	%
Klang	n/a	n/a	143.86	25.2%	183.96	25.5%
Bangi	47.06	7.5%	41.68	6.7%	37.43	5.7%
Overall Duopharma Biotech	**47.06**	**4.1%**	**185.54**	**15.5%**	**221.39**	**15.1%**

In addition to the recycling of non-scheduled waste, in July 2022, we embarked on an initiative to recycle some of our scheduled waste generated at the Glenmarie manufacturing site via a newly appointed vendor that is registered under DOE's online system for reporting scheduled waste, eSwis. The vendor assisted us to recover and recycle certain components of our scheduled waste while disposing of waste that currently cannot be recycled. A total of 4.52 tonnes of scheduled waste was recycled in Glenmarie through our appointed vendor by the end of 2022. Moving forward, we will look to expand the initiative to the Klang and Bangi sites.

TYPE OF SCHEDULED WASTE RECYCLED IN GLENMARIE



SW322 Non-halogenated solvents

60% of the SW was recycled to create a solvent, while the residue was further treated to create an alternative fuel.

SW409 Contaminated containers

90% of the SW was recycled and reused as containers. The balance 10% was sent to scrap metal recyclers.

SW405 Gelatinous waste, pharmaceutical waste, denatured alcohol

70% of the SW was recycled to create a solvent, while the residue was further treated to create an alternative fuel.

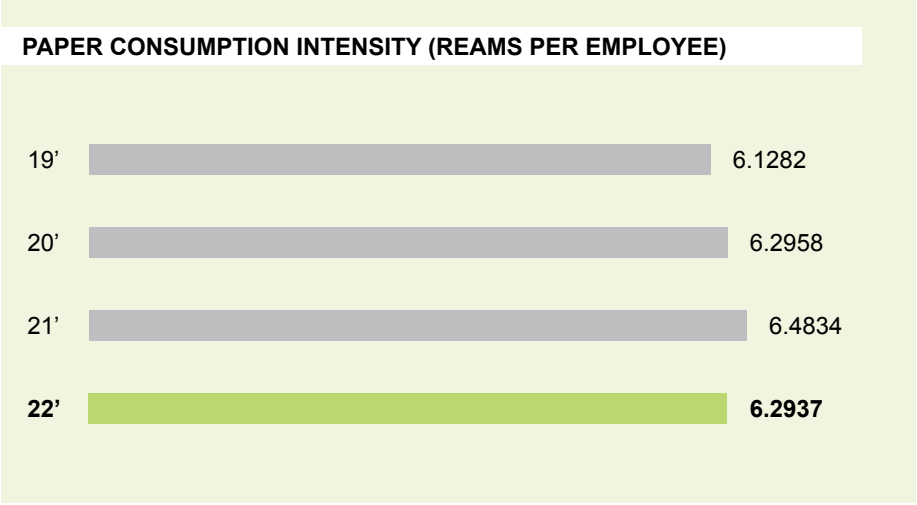
SW410 Contaminated rags

90% of the SW was recycled into spill absorbents. The balance was sent to Kualiti Alam Sdn Bhd, an approved contractor to manage scheduled waste.

CLIMATE PERFORMANCE

MATERIAL MANAGEMENT

As part of efforts to reduce waste, we have been focused on reducing paper consumption in our offices as well as in our packaging. This is reflected in our consumption intensity, which has remained stable since 2019. The decrease in intensity from 2021 to 2022 was encouraging as it demonstrated the efficacy of initiatives carried out throughout our operations. Various Operational Excellence ("OE") projects in 2022 also targeted paper consumption reduction and recycling.



NO	INITIATIVES	TYPE OF INITIATIVE	COST SAVING ACHIEVED IN 2022 (RM)
1	Reduction of paper usage in return procedure	Paper Saving	197.34
2	Files for Purchase Order ("PO")	Paper Saving	1,107.80
3	Removal of Poison Sign Order ("PSO") from medical devices	Paper Saving	841.62
4	Minimise write-off quantity for packaging material	Material Management	263,976.21
5	Recyling of plastic bottles to reduce waste disposal	Recycling	3,284.00
6	Reuse of wooden pallets at Packing (Production) department	Recycling	7,115.00
	Total		**276,521.97**

In 2022, our Planning and Purchasing departments collaborated to reduce polyvinyl chloride ("PVC") waste from our operations. Every year, a certain volume of PVC is discarded due to batch expiry. To reduce such write-offs, the team introduced a system in which the PVC inventory is tracked and an analysis is done to identify if PVC that is about to expire can be re-sized (slit) to suit the needs of smaller items requiring packaging. The vendor is then requested to slit the PVC according to the new size. In this manner, we have been able to prevent PVC from going to waste, saving RM263,976.21 for Duopharma Biotech.

Digitalisation of our Quality Management System ("QMS") is set to further enhance our paper reduction efforts. The process is being undertaken in phases, with the first module going live in March 2021, followed by the second module in July 2022. Another five modules are to be completed by the end of 2023. The migration online of each module has been accompanied by reduced paper consumption. By 2024, we expect zero consumption for our QMS in Duopharma Marketing Sdn Bhd ("DMktg") and our manufacturing site in Bangi.

SUSTAINABLE SUPPLY CHAIN

GRI: 403

The supply chain forms the core of any manufacturing organisation, and is a key determinant of its overall business performance. In order to achieve sustainable growth, it is imperative that we have the right processes and systems in place to manage our supply chain efficiently and safely.

MATERIAL MATTERS

- Supply Chain Management
- Health and Safety

SUSTAINABLE SUPPLY CHAIN

SUPPLY CHAIN MANAGEMENT

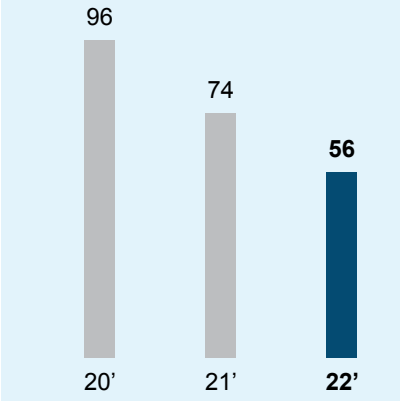
Our supply chain encompasses the entire process of sourcing and obtaining raw ingredients and packaging materials, to manufacturing our products, storing them and then distributing them to our customers. It is important to manage our supply chain effectively as it forms the core of our business. At the supply end, we need to ensure a steady source of raw materials; on our manufacturing floors, we look into optimising efficiencies for enhanced productivity; and at the distribution end, we seek to meet our commitments to customers. By managing all these aspects efficiently, we are able to support our suppliers and customers while ensuring Duopharma Biotech's own financial growth.

PROCUREMENT

We need to purchase various goods for our operations - the most significant items being raw materials and packaging materials with more than 80% of which are from overseas.We recognise the importance of managing our suppliers in order to avoid supply disruptions while obtaining items at the most competitive rates. Supply chain disruptions have become frequent since the pandemic, making it more important than ever to have systems in place to manage the situation.

At Duopharma Biotech, we have always developed alternative approved sources for important items to avoid dependence on a single supplier. Raw materials from new suppliers are required to go through the New Source Evaluation process which is a multidisciplinary and complex process undertaken to ensure alternative materials and/or vendors are continuously assessed to minimise supply chain disruptions. Despite the meticulous process, we managed to obtain approvals for a total of 56 new raw material sources in 2022.

NO. OF ALTERNATE SOURCES APPROVED



VENDOR MANAGEMENT & EVALUATION

Vendors play a key role in the success and sustainability of our operations. Before a vendor is onboarded, our Group Internal Audit ("GIA") will engage a third party to conduct a background check on integrity. Once the vendor satisfies this check, it has to sign Duopharma Biotech's Integrity Pact.

Existing vendors, meanwhile, are evaluated annually on key parameters including timely supply, product quality and after-sales support. Outcomes of the Vendor Performance Evaluation ("VPE") are shared with the vendors, who are required to acknowledge our report. Subsequent to the evaluation, we meet with and try to support underperforming vendors. We are pleased with our VPE scores for 2022, which met our target of 98%.

VPE scores, 2020-2022

	2020	2021	2022
Bangi	98.72	98.96	**99.02**
Klang	99.04	98.77	**99.59**

Disclaimer: *In last year's Sustainability Report, the 2021 data for Bangi and Klang operations were reversed. This has been rectified in the table above.*

In addition, we conduct GMP audits on our vendors to ensure quality across our supply chain. In 2022, we audited 35 vendors that supply raw and packaging materials to our main manufacturing plants in Bangi and Klang. Vendors that do not meet GMP criteria are given the opportunity to rectify existing gaps, failing which their contracts are terminated.

PROCUREMENT EFFICIENCIES

To manage procurement efficiently, we have established SOPs on purchasing control procedures that cover the entire Group. Our System Applications and Products ("SAP") system, meanwhile, 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. Higher value purchases require the approval of more senior management. For purchases over the approved limit, or for capital investments, users/buyers are required to obtain the Board's approval.

To secure the best possible prices, our Purchasing department leverages e-auction/bidding. In 2022, we derived about RM716,000 in savings from the purchase of items with a pre-auction value totalling RM7.48 million.

MANUFACTURING EFFICIENCIES

Our reputation as a pharmaceutical manufacturer depends on maintaining consistently efficient and sustainable shop floor operations. Our OE department plays a key role in this regard, tasked with leading CI activities in the supply chain using Lean methodology as the main tool to manage process improvement projects.

In 2022, we completed 43 CI projects, which contributed to RM5.95 million in savings, exceeding our target of RM4.0 million. Of the 43 projects, 28% were related to enhancing our environmental performance while the rest improved our productivity/cost. To further strengthen our CI culture, we initiated a Lean Six Sigma ("LSS") programme in August 2022, involving 11 participants from various departments. Their goal is to achieve RM1.3 million in savings each over the next three years.

Further enhancing our efficiencies, we continued to adopt digital technologies in our manufacturing plants. New initiatives in 2022 included:

- Manufacturing dashboards in all our facilities enabling the teams to make real-time, data-driven decisions.
- Track and Trace system for the tracking of finished products to the point of sale, which will be able to cater to future mandatory serialisation requirements.
- A Proof of Delivery system to enhance security and track the whereabouts of products being delivered to customers.

SUSTAINABLE SUPPLY CHAIN

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 85% of orders within 24 hours of the orders being placed. To achieve this, we ensure all orders are processed on a first-in, first-out ("FIFO") basis. Our picklist and open orders are monitored thrice daily; and we engage transport service providers who guarantee same-day delivery for central and bulk orders. Undelivered shipments are also monitored continuously.

Monthly OTIF reports are shared with commercial and production teams to discuss issues such as credit hold, stock unavailability and the allocation of items for partial delivery to customers when full delivery cannot be made due to stock unavailability.

OTIF performance for the company and warehouse, 2020-2022

	2020	2021	2022	TARGET
Company	88.9%	85.9%	**91.6%**	85%
Warehouse	98.4%	98.8%	**99.5%**	97%

As a result of concerted efforts to meet our delivery commitments, we have consistently met our company and warehouse targets. Nevertheless, our 2022 scores are among the highest for the Group. Not resting on our laurels, we aim to achieve 100% OTIF so as to gain a reputation of being the company that always delivers.

VOICE OF CUSTOMER ("VOC")

We conduct an annual VOC survey on our Consumer Healthcare, Ethical Classic and Ethical Speciality customers in the government, private and export sectors. The survey is carried out by way of the Survey Monkey platform, with questions reviewed every year to be relevant to the operating environment. In 2022, they focused on:

- Our communication platform, and the clarity as well as accuracy of our communication
- Product availability and quality
- Compliance with halal and other standards
- The use of digital marketing

No. of participants in the VOC survey

	2020		2021		2022	
CHANNEL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Ethical	1,350	1,630	1,875	2,157	2,000	2,074
CHC	400	463	530	580	160	163
Government	245	264	300	315	530	556
Speciality	150	165	190	203	350	378
Private hospital	110	123	140	200	225	244
Export	18	19	20	20	20	20
TOTAL	**2,273**	**2,664**	**3,055**	**3,475**	**3,285**	**3,435**

Although the number of participants decreased slightly year on year, our customer satisfaction index ("CSI") increased from an already high 98% in 2021 to 98.4%. This was extremely encouraging, especially in a year marked by industry-wide shortages.

CUSTOMER RETURNS

Customers sometimes return products because of quality issues, nearness to or crossing the expiry date, the delivery of more products than requested, or the customer having made the wrong order, among others. Returns are a waste of resources, hence we seek to minimise them. All returns are analysed and the results shared with the relevant sales teams during the bi-monthly Sales and Operational meetings. In 2022, our customer returns metrics for CHC and the Ethical business continued to be well within our target.

Return value against sales

	2020	2021	2022	TARGET
CHC	2.2%	1.4%	**2.3%**	<5%
Ethical Business	0.4%	0.3%	**0.3%**	<1%

HEALTH & SAFETY

The focus that we place on the health and well-being of consumers and patients is extended to those who work for us and with us, namely our employees, contractors and indeed all visitors to our premises and plants. Safety is one of our top priorities, and is guided by a Safety & Health Policy which ensures that all the safety nets are in place to enable our employees to carry out their functions safely.

In developing our Safety & Health Policy, we have been guided by relevant regulatory requirements such as the Occupational Safety and Health Act ("OSHA") 1994, and Factories and Machinery Act ("FMA") 1967. The Safety & Health Policy is available on our corporate website for easy reference of employees and other stakeholders. It is also shared with all new recruits during induction and placed prominently on notice boards. The ultimate objective of our Safety & Health Policy is to minimise identified Occupational Health and Safety ("OH&S") hazards across our sites and to maintain as far as practicable zero reportable accidents at the workplace.

Our Board of Directors have ultimate responsibility for the Group's OH&S performance. Safety matters are reported to the HSC and the Board every quarter, while monthly updates are provided to the GMC. The Management and Board Committees review our OH&S performance and advise on areas for improvement.

On a day-to-day basis our SHE department is entrusted with the identification, assessment, review and monitoring of all potential OH&S hazards while ensuring relevant controls are in place. The SHE department, together with other designated departments such as Engineering and Administration, oversee existing controls, review their effectiveness, make recommendations, and implement any additional controls if needed.

SUSTAINABLE SUPPLY CHAIN

ELIMINATION OF HEALTH HAZARDS

As per regulatory requirements, our SHE department conducts regular OH&S Health Assessments on noise levels at our plants, the risk posed by handling chemicals, as well as ergonomic-related risks, among others. In addition, the team assesses the effectiveness of exhaust ventilation to ensure healthy indoor air quality. Such assessments are carried out by personnel who have been registered with the Malaysian Department of Safety and Health ("DOSH"). Results of all hazard assessments are communicated to employees, while any rectification needed is discussed with the relevant managers.

SAFETY, EVERYONE'S RESPONSIBILITY

We believe that, to create a safe work environment at Duopharma Biotech, all our employees need to take responsibility for their own safety as well as that of others. While each operational site has its own Safety and Health Committee, we encourage all employees to be vigilant about safety hazards and to highlight OH&S concerns via an existing suggestion system or by notifying their Safety and Health Committee members about any safety issue that comes to their attention. Safety matters are highlighted at our annual Halal, Integrity & Safety ("HIS") event through talks and interactive activities.

The Safety and Health Committees, comprising representatives from operations and management, meet every quarter. Among their key roles and responsibilities are to:

- Review existing OH&S-related policies
- Conduct workplace inspections and propose ways to improve workplace safety
- Get involved in OH&S awareness programmes
- Be part of site Emergency Response Teams in any emergency
- Assist in reviewing existing workplace tasks and suggest safer ways of doing them
- Participate in investigations conducted on OH&S-related incidents

SAFETY REPORTING

Anyone who observes an unsafe incident or condition can report it using the Unsafe Condition, Unsafe Act ("UCUACT") forms. In addition, employees need to notify their Safety and Health Committee members should they have any OHS concerns.

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

OCCUPATIONAL HEALTH AND SAFETY ("OH&S") TRAINING

The SHE department conducts regular briefing sessions for all operations staff, during which they reinforce the need to work safely, ask staff about their safety concerns, and share OH&S updates. In addition, SHE organises first aid training for everyone, and targeted training programmes for employees based on their functions. For example, niche training is organised for forklift operators and personnel designated to manage our fire-fighting response.

All contractors undergo SHE induction before starting work at our sites. Frequent checks and inspections are conducted to ensure compliance with our Safety & Health Policy at all times.

SAFETY TRAINING PROGRAMMES	NO. OF EMPLOYEES ATTENDED
Fire Fighting Training (in-house and external)	**Total trained: 1,810 staff from all sites**
First Aider Training	
Forklift Driver Training	
Monthly Safety Briefing (for all staff)	
Safety Induction (for all new staff)	

SAFETY PERFORMANCE

	2018	2019	2020	2021	2022
Fatality	0	0	0	0	**0**
Lost Time Incident ("LTI")*	5	6	4	9	**9**
Total Recordable Cumulative Frequency ("TRCF")**	1.14	1.58	1.17	1.92	**2.10**
Recordable incidents	5	8	5	9	**9**
Penalty by authorities	0	1	1	0	**1**
Employees trained on SHE	na	na	na	na	**1,810**

Notes:

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

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

All OH&S recordable incidents are investigated, following which a report is produced with recommendations to prevent recurrence. All incidents and corrective actions taken are also presented to Management and our Board Committees.

In 2022, we saw an increase in our TRCF, which was mainly due to work-related hand injuries. This makes it the second consecutive year in which our TRCF has exceeded our goal of 1.28. Management is intensifying efforts and focus into our safety protocols, and new initiatives will be introduced in 2023 to enhance safety practices and behaviours on our shop floor. We are further strengthening the overall safety improvement plan, where by first half of 2023 we will be establishing and including consequence management initiatives throughout the Group.

BUSINESS CONTINUITY MANAGEMENT

We have in place a Business Continuity Management ("BCM") framework to manage and minimise any disruptions to our prioritised activities, maintaining an acceptable level of products and services so as to safeguard the interests of our key stakeholders, reinforcing our customers' trust and confidence. Should a crisis unfold, the Crisis Management Team will be mobilised to manage the situation. This team includes Emergency Response Teams ("ERTs") at each site who have been trained to act as first responders. The ERT will escalate the situation to the Crisis Management Team if required. Post-crisis, our Damage Assessment Team and Recovery Teams will take over as per our BCM plan. This plan helps to ensure the capability to execute rapid recovery and to follow through with appropriate remedial actions. Our BCM framework is tested annually.

ACCESS TO MEDICINE

GRI:	416, 417
SASB:	HC-BP-240b.1 - 3, HC-BP-240a.1 - 2

Access to quality medicines is a critical issue in low and middle-income countries for two main reasons: originator drugs are very expensive, and there are various restrictions on the manufacture as well as sale of generics. Duopharma Biotech is a firm advocate of the universal right to healthcare, and are working towards filling the gap by making drugs available to people at affordable prices.

MATERIAL MATTERS

- Affordability and Pricing
- Product Quality, Safety and Responsibility
- Accessibility of Medicines


GRANULATION ISO.-5KG
OPERATING PANEL
HOOTER

ACCESS TO MEDICINE

AFFORDABILITY AND PRICING

Because originator drugs carry very high price tags, the Malaysian Government very early on adopted a pro-generics stance to reduce the cost of medication, and make treatment affordable for everyone. Generics are recognised to have the same efficacy and safety as originators, but cost much less.

Fully supporting the government's agenda, Duopharma Biotech has evolved from a drug trading company into one of the leading generics manufacturers in Malaysia. The Ethical Speciality generics that we offer are on average 30%-60% cheaper than their innovator versions. More generally, the availability of generics has prompted innovator drug manufacturers to lower their prices to remain competitive. Since Trevive (Imatinib) and other generics were launched in the Malaysian market, the innovator has reduced its price by about 80% of the original. Similarly, since the first entry of an erythropoietin biosimilar in Malaysia in September 2011, the innovator of Epoetin Alfa gradually reduced its price to 40% of its initial Ministry of Health ("MoH") tender pricing. In 2020, Duopharma Biotech was granted an MoH tender for our erythropoietin biosimilar ERYSAA® worth RM37.7 million, which provides RM10 million in savings to the government annually.

We are currently working with MOPI on a Local Generics-First Policy to further reduce the cost of healthcare in the country.

Our success as a generics manufacturer rests on three key strategies:

- Adopting new innovative raw materials or processes to circumvent patents, bringing generics to market earlier
- Reducing costs by finding alternative, more cost-effective raw material sources
- Increasing R&D speed through outsourcing/collaboration

Since the pandemic, manufacturing costs have increased globally due to supply chain disruptions and raw materials shortage increasing their prices, and reduced availability of cargo ships elevating freight charges. Although we have had to increase the price of impacted products, we have continued to remain competitive, winning a Malaysian Government contract to supply MoH facilities with Insugen (human insulin) for a period of three years from April 2022 to April 2025; and being awarded two substantial government contracts in Singapore.

[2] *Source: IQVIA MAT Q4 2015*

PRODUCT QUALITY, SAFETY AND RESPONSIBILITY

The quality of our products is one of our top priorities. We are driven to ensure that our products are not just safe to consume but are also effective in managing patient ailments. To guide us in this regard, we comply fully with various regulations, most pertinently:

- Poisons Act 1952 and Regulations
- Dangerous Drugs Act 1952
- Sale of Drugs Act 1952
- Medicines Advertisements and Sales Act 1956
- Patent Act 1983
- Control of Drugs and Cosmetics Regulations 1984
- Medical Device Act 2012 (Act 737)

Compliance with these legal requirements is critical to maintaining our licence to manufacture and market our products. We have therefore put in place a stringent Quality Management System which integrates the MS IS0 9000:2015 requirements, cGMP for Medicinal Products ("PIC/S PE 009"), ISO 13485:2016, Good Distribution Practice ("GDP"), and International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use ("ICH") guideline Q9 on quality risk management.

ACCESS TO MEDICINE

All our operations have been certified with the relevant ISO standards, as indicated:

COMPANY	CERTIFICATION	DATE OF LATEST RE-CERTIFICATION	VALIDITY
Duopharma Innovation Sdn Bhd	MS ISO/IEC 17025 General Requirements for the competence of testing and calibration laboratories	28 Jan 2022	18 Jan 2025
Duopharma (M) Sendirian Berhad	Good Manufacturing Practice for pharmaceutical manufacturer	12-15 April 2021	31 Dec 2023
	Good Distribution Practice for Pharmaceutical Product	19-20 Oct 2022	31 Dec 2023
	ISO 9001:2015 Quality Management System	24 Jun 2020	1 May 2023
	ISO 13485:2016 Quality Management System for the Manufacture of Medical Devices	10 July 2020	9 July 2023
	Good Distribution Practice for Medical Devices	06 Oct 2020	5 Oct 2023
	MS ISO/IEC 17025 General Requirements for the competence of testing and calibration laboratories	15 Sep 2020	15 Sep 2023
Duopharma Manufacturing (Bangi) Sdn Bhd	Good Manufacturing Practice for pharmaceutical manufacturer	25-27 Apr 2022	31 Dec 2023
	ISO 9001:2015 Quality Management System	21 Feb 2022	21 April 2024
Duopharma Marketing Sdn Bhd	Good Distribution Practice for Medical Devices	16 Feb 2022	28 April 2024
Duopharma Consumer Healthcare Sdn Bhd	Good Distribution Practice for Medical Devices	15 Feb 2022	15 June 2024
	Good Distribution Practice for Pharmaceutical Product	28 Dec 2022	31 Dec 2023
Duopharma HAPI Sdn Bhd	Certificate of Good Manufacturing Practice Compliance of a Manufacturer	25-27 May 2022	26 May 2025

Our Quality Management System is supported by a Quality Policy, which is aligned with Duopharma Biotech's purpose, mission and our strategic direction. It provides a framework for quality objectives which are monitored and measured via KPIs. At the same time, internal audits are conducted on various functions within the Group to ensure compliance with the Quality Management System.

DUOPHARMA BIOTECH'S QUALITY POLICY

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

All products manufactured by Duopharma Biotech undergo periodic product quality reviews. This allows the team to identify any areas that could be improved for continuous product enhancement.

ACCESS TO MEDICINE

NEW EYEDROP MECHANISM

Our R&D team does not focus only on product portfolio expansion, but also innovative packaging. In 2022, the team introduced a new glaucoma eyedrop which comes in a new bottle design that ensures dose consistency with every application. This prevents wastage, and reduces the risk of patients running out of the drops before their next scheduled appointment with their ophthalmologist.

HALAL CERTIFICATION

Duopharma Biotech prides ourselves on being a leader in halal pharmaceuticals. Our pledge is for all products manufactured at our facilities to be halal-compliant. Accordingly, we adhere to the MS2424:2019, Halal pharmaceuticals – General requirements (First revision) and have adopted the Malaysian Halal Management System issued by JAKIM as well as *Lembaga Pengkajian Pangan Obat-obatan dan Kosmetika Majelis Ulama Indonesia* ("LPPOM MUI"). The Halal Management System covers halal policy, internal halal committees, internal halal audits, halal risk control, raw materials control, training, traceability, halal assurance system review, laboratory analysis and sertu (or purification).

A total of 335 out of 339 (or 98.8%) of our active products (97.8% in Bangi, 100% in Klang and 100% in Glenmarie) were halal certified as at 31 December 2022. A key achievement was certification by JAKIM of the first cancer molecule to be produced by Duopharma Biotech, LEBRETA. We will be submitting an application for certification of Trevive 100mg and Trevive 400mg, the second cancer molecules to be manufactured at HAPI, once these are commercialised in 2023.

The certification process for the remaining 1.2% products is ongoing.

CLINICAL STUDIES & PHARMACOVIGILANCE

Clinical studies are conducted before pharmaceutical products are released into the market, while pharmacovigilance monitors any adverse reactions among consumers/patients. Both contribute towards the safety and efficacy of therapeutics. Duopharma Biotech partners with Contract Research Organisations ("CROs") to conduct bioequivalence ("BE") studies on generics, while carrying out our own pharmacovigilance through a dedicated in-house team.

Clinical Studies

We identify CROs to conduct BE studies through our Bioequivalence Centre Partnership Programme. It is the responsibility of our Clinical Affairs department to ensure all clinical studies carried out adhere to Good Clinical Practice ("GCP") and the ASEAN Guideline for the Conduct of Bioequivalence Studies. During the pandemic and its immediate aftermath, the Clinical Affairs team has been working closely with the CROs to prioritise the safety of subjects taking part in the studies as well as the personnel in charge.

In 2022, five BE studies were conducted, of which two were successfully completed and the results submitted to the NPRA for evaluation in order to support product registration. The remaining studies will be carried over to 2023. Meanwhile, a retrospective study on 'The effect of iron (III) hydroxide sucrose complex (Ranofer) and other iron preparations on body iron store in long term hemodialysis patients' initiated in 2021 was completed, proving Ranofer is as effective as other intravenous iron sucrose solutions for patients undergoing long-term haemodialysis. The paper has been submitted to a scientific journal for publication.

There were no legal or regulatory fines or settlements associated with any of our clinical trials conducted in 2022.

Pharmacovigilance

Our Pharmacovigilance Department is responsible for monitoring the safety of all our medicinal products and medical devices. Its focus is specifically on adverse drug reactions ("ADR") experienced by customers, pharmacists or healthcare practitioners, assessed, investigated and reported to the regulatory authority or partner companies. In carrying out its function, the department complies with the Malaysian Good Pharmacovigilance Practices ("GVP") while establishing Safety Data Exchange Agreements with partner companies.

Internally, the department has continued to enhance awareness of the importance of pharmacovigilance among employees. At the same time, it continues to build the capabilities of our Pharmacovigilance ("PV") team through external training. It also carries out audits on our business partners' pharmacovigilance activities.

In 2022, Duopharma Biotech was selected to participate in a Good Pharmacovigilance Practice Inspection carried out by the National Pharmaceutical Regulatory Agency ("NPRA"). This voluntary participation will enable us to ensure compliance with the GVP and continuously embark on best practices.

RESPONSIBLE MARKETING

As a pharmaceuticals manufacturer, we are required to adhere to various marketing regulations, including advertising guidelines provided by the MoH's Medicine Advertisements Board as well as by MOPI. We have a very close working relationship with MOPI, with its current President and an Exco member being representatives from Duopharma Biotech.

As for labelling, we refer to guidelines issued by NPRA, with close monitoring by our Regulatory team. As per requirements, all our products carry labels indicating the name and strength of active ingredients, preservatives and alcohol content (if any), the origins of any animal-derived ingredients, dosage/usage instructions, warnings (if applicable), storage conditions and expiry date, among others.

To strengthen our compliance, regular training sessions are held on MOPI's Code of Ethics and our own SOPs.

ACCESSIBILITY OF MEDICINES

Access to medicines is fundamental to the right to health, and is especially pertinent in low- and middle-income countries ("LMICs") that depend on affordable generics. Various issues surrounding drug patents pose a challenge to medicine accessibility and specifically generics availability in these countries, including Malaysia.

Duopharma Biotech is committed to making available efficacious and safe medicines to treat various types of ailments. Having already developed the largest portfolio of generics in Malaysia, we continuously enhance our portfolio in order to keep meeting evolving patient needs.

ACCESS TO MEDICINE

Recognising the prevalence and high fatality rates linked with non-communicable diseases ("NCDs"), we have made these a focus area. We have developed three franchises under our Ethical Speciality business to manage kidney diseases as well as cancer and diabetes. To date, we have developed six generics and biosimilars targeted at these NCDs categories. While most of the generics/biosimilars in our portfolio are imported, we continue to develop many products in-house and partner with leading biotech companies to expand our own manufacturing capabilities.

In 2020, we created a breakthrough by being the first pharmaceutical company in Malaysia to fill and finish a biosimilar - ERYSAA® - in partnership with our Korean partner PanGen. The erythropoietin is now being distributed not only in Malaysia but also the Philippines. Subsequently, we started local production of cancer generics with technology transfer from our Indian biotech partner, Natco Pharma Limited, starting with Letrozole (brand name, LEBRETA) and Imatinib (brand name, Trevive). LEBRETA is an aromatase inhibitor used in the treatment of breast cancer mainly in postmenopausal women, while Trevive is used to treat certain acute lymphoblastic leukaemia, chronic myeloid leukaemia, gastrointestinal stromal tumours, and myelodysplastic/myeloproliferative diseases.

In October 2022, we obtained Change of Site approval from NPRA to manufacture Trevive 100mg and Trevive 400mg tablets at HAPI. In December 2022, Process Validation for the first batch of the two tablets was completed. Subsequent Process Validation batches are to be completed by Q1 2023.

Duopharma Biotech is also working with a US-based technology provider company on distributing a screening device for breast cancer that offers a painless, non-invasive scan to detect abnormal breast tissue with high accuracy and at an affordable cost. This initiative is in line with the National Strategic Plan for Cancer Control 2021-2025 to downstage breast cancer at the time of diagnosis.

We have also begun the process to manufacture more Natco cancer drugs at HAPI. In October 2022, trials on Natco's Gefitinib (Trexa) were conducted successfully, and the method transfer was completed in Q4 2022. Meanwhile, in Q3 2022, the dossier review and method transfer for Abiraterone were launched. The methodology transfer is scheduled to be completed by August 2023.

The value of our generics is reflected in their take-up by both the government and private sectors. Throughout 2022, a total of 62 commercial batches of LEBRETA were produced and supplied to government and private hospitals, with sales growing by more than 20% year-on-year. Meanwhile, sales of Trevive and ERYSAA® increased by 19% and 18% year-on-year, respectively. We also received new tenders awarded by the MoH for our products under the Therapeutics Class, Multivitamin Tablet, Sensory Organ, Eye Drops, Sex Hormone, Cardiovascular and Nervous System. The tenders were awarded for three years from 2022 until 2025.

Supporting our commitment to inclusivity in drugs, we are collaborating with a consortium of non-profit organisations, international universities and speciality pharmaceutical companies to establish sustainable and affordable development pathways for diagnostics and therapeutics for infectious diseases and cancer, with a special focus on equitable access for LMICs.

In addition, having identified stunting as a serious problem in Malaysia, we are working towards improving nutritional standards across of levels of society, particularly among Bottom 40% ("B40") communities, so that Malaysia achieves the Global Nutrition Target in 2030. Currently, one in five children suffers from stunting due to calcium deficiency. Catering to these children, we plan to develop plant-based and highly nutritious functional foods that are affordable and accessible.

ACCESS TO MEDICINE

SUPPLY NETWORK

We have an extensive network of customers in the public and private sectors. Currently, we distribute our products directly to:

PUBLIC SECTOR

- 145 Public hospitals
- 89 District health offices
- 205 Health clinics
- 14 Maternal & child health clinics
- 284 Institutions

PRIVATE SECTOR

- 6,001 General practitioners
- 22 NGOs
- 252 Private hospitals
- 1,684 Pharmacies
- 35 Others

VACCINES & ORPHAN DRUGS

In 2021, Duopharma Biotech was one of the local companies to bring in COVID-19 vaccines, introducing Sinopharm's Covilo to the private market.

Recognising the importance of being pandemic-prepared, we are a member and stakeholder of the Vaccine Collaboration Network ("VCN") in Malaysia, and are engaging actively with the Ministry of Science, Technology and Innovation ("MOSTI") and MoH on building the country's capacity to develop vaccines. VCN is a sub-committee of the Malaysia Vaccine Sectoral Working Group ("MVSWG") in charge of executing the National Vaccine Development Plan.

In a similar vein, we are evaluating the potential of developing orphan drugs, i.e., drugs that are not viable commercially because they treat rare diseases.

R&D SUPPORT

We are supported in generics development by our strong R&D team, which strives to achieve first-generic-to-market for a wide range of therapeutic groups and formulation formats. The 48-strong team of scientists at Duopharma Innovation has entered into multiple strategic initiatives with industrial/government research organisations and tertiary institutions to accelerate in-house research and incubate new research, tapping synergies and creating sustainable research within a research ecosystem.

R&D has to date obtained multiple patents, including one from Intellectual Property Corporation of Malaysia ("MyIPO") for a new drug delivery in 2022 which allowed the company to circumvent the innovator's patent and bring an affordable generic to the market earlier. This is in line with the company's direction of making critical drugs accessible to all. It has also published numerous articles in European and US peer-reviewed journals.

INCLUSIVE HEALTHCARE

Duopharma Biotech seeks to provide quality healthcare to as many people as possible, firm in the belief that good health is a universal right. This has seen us bridge existing gaps to reach communities whose social or cultural beliefs are not catered to by mainstream pharmaceutical products.

We are, for example, a pioneer in halal pharmaceuticals, being the first in the world to obtain halal certification for CHC brands, then prescription medicines, and now, a cancer drug. In September 2022, JAKIM granted halal status for LEBRETA, our pioneering product at HAPI, which is used in the treatment of postmenopausal women with breast cancer. Today, over 95% of our product portfolio are halal-certified, meaning they can be consumed by Muslims with no fear of contravening their religious convictions.

Given our success with halal, we have begun to look at fulfilling the needs of other communities with different dietary needs. This led us to signing a collaboration agreement with US-based foodtech company The Live Green Co. ("Live Green"). Under our agreement, Duopharma Biotech and Live Green will explore the use of plant ingredients to replace animal, synthetic and ultra-processed ingredients in pharmaceuticals and wellness foods. We are already working on two reformulated products which will hit the market in 2024, and intend to keep expanding our plant-based portfolio to cater to consumers who are vegan or vegetarian or who simply prefer to avoid meat-based foods for environmental reasons.

ACCESS TO MEDICINE

HALAL PHARMACEUTICALS

Based in a predominantly Muslim country, Duopharma Biotech recognises the importance of access to drugs and therapies that are Shariah compliant. Driven to make available products that can be consumed by everyone with ease of mind, we have been a pioneer in the halal CHC as well as generics segments.

Key milestones achieved:

YEAR	KEY MILESTONES
1998	Integrated halal principles with GMP requirements in all our product lines and manufacturing processes.
1999	Became the first in the world to obtain halal certification for CHC products under the brands CHAMPS®, Flavettes®, Proviton® and Naturelle. Soon, 100% of our CHC portfolio was halal certified by JAKIM.
2017	Became the first to attain Halal Malaysia Certification for prescription medicines.
2020	Became the first to obtain halal certification for a biosimilar. This was for ERYSAA®, manufactured at HAPI. The erythropoietin was certified by the Korea Muslim Federation, which is recognised by JAKIM.
2022	Became the first in the world to obtain halal certification for a cancer drug, when JAKIM certified LEBRETA, produced at HAPI.

Research & Innovation

As the halal pharmaceutical sector is still in its infancy, there is a need for more research to realise its full potential. Towards this end, Duopharma Biotech collaborates with various academic and research institutions on areas of interest. In 2022, we collaborated with the Faculty of Pharmacy, Universiti Kebangsaan Malaysia ("UKM"), on a study titled 'Factors Influencing Consumers in Purchasing the Halal-Certified Pharmaceutical Products in Malaysia'. The study indicates there is significant demand for halal-certified pharmaceuticals as well as a high level of trust in products that display the halal logo.

Industry Involvement

Our commitment to developing a robust halal sector sees Duopharma Biotech participate actively in local and international halal platforms. Within Malaysia, we are a permanent member of the Sectoral Working Group Halal Pharmaceuticals established and managed by the HDC, under the Ministry of Investment, Trade and Industry; the Technical Committee and Working Group on Halal Pharmaceuticals as well as the Working Group on Halal Medical Devices managed by the Department of Standards, Malaysia ("DSM").

Duopharma Biotech Halal Pharmaceutical Symposium

We have developed the Group as a thought leader in the sector through our flagship industry event, DBHP Symposium, which brings together academia, government agencies, institutions, industry players, and business and professional associations to discuss key issues related to halal pharmaceuticals. The latest symposium was held on 15 June 2022 at Double Tree Hotel, Kuala Lumpur, attracting 218 participants (live and via webinar) from 15 countries.

It was a joint collaboration with DSM, JAKIM, HDC and the Standards and Metrology Institute for Islamic Countries ("SMIIC") under the Organisation of Islamic Cooperation ("OIC").

Duopharma Biotech Halal Pharmapreneur

Under the programme, introduced in 2017, we provide community pharmacists with financial and human resources development support while enhancing their digital marketing and other soft skills to grow their business. Participants are also introduced to the Kaizen-5S methodology during the six-month training. The programme was initially funded by the 'Skim Peningkatan Produktiviti Enterprise' grant offered by Malaysia Productivity Corporation ("MPC"). When the funding ended in 2020, Duopharma Biotech in collaboration with UKM, Malaysian Pharmacists Society ("MPS") and DBHP participants developed a Professional Certificate on Halal Pharmapreneur. This course was launched during the symposium, with the first cohort of nine participants from local pharmacies starting in August 2022.

Continuing Medical Education

We also include halal topics in our CME programme organised for pharmacists.

Halal Culture @Duopharma

As a leading halal pharmaceutical player, we keep our employees updated on the state of affairs of Malaysia's halal eco-system, relevant governance structures and industry developments. In 2022, the following events were organised:

- Board of Directors & Senior Management Hybrid Training
- Three Celik Halal Train-the-Trainer Online Trainings
- Annual HIS Programme

Duopharma Biotech's Halal Diary in 2022:

The following are some of the key workshops/meetings/dialogues/programmes we participated in actively during the year.

DATE	KEY WORKSHOPS/ MEETINGS/ DIALOGUES/ PROGRAMMES
20-22 March	Department of Islamic Development Malaysia's 'Dialog Intelektual Fiqh Kontemporari'
15 & 22 June	Speaker at the Malaysian Technical Cooperation Program ("MTCP") 2022 – Halal and Industrial Good Practices in Manufacturing of Healthcare Products
9 August	Speaker at the MTCP 2022 - The Administration of National Halal Certification Body
18 August	Invited guest to HIP! Live Talk Show at the World Halal Business Conference Circuit ("WHBCC")
1 & 2 September	Speaker at the Main Session 2 entitled 'Cultivating A Dynamic Halal Ingredients Ecosystem' and Parallel Session 3 entitled 'Beyond Covid-19: Opportunities for start-ups to reshape the future of Halal healthcare industry' at the WHBCC
19 - 22 October	Part of Malaysia's delegation to the Task Force & Working Group of The Standards and Metrology Institute for Islamic Countries ("SMIIC") Technical Committee ("TC") 16 on Halal Pharmaceuticals Standards Meeting in Istanbul, Turkiye
28 April & 9 August	Halal and Food Hub workshops and meetings organised by Unit Peneraju Agenda Bumiputera ("TERAJU"), an agency under the Prime Minister's Office, supporting the Tindakan Pembangunan Bumiputera 2030 ("TPB2030").

DIVERSITY & INCLUSION

GRI: 401, 402, 404, 405

We seek to create an engaging, inclusive and safe work environment in which all employees are motivated to achieve their full potential, and to share our values as well as corporate culture. At the same time, we believe in contributing to society in ways that are meaningful and that help to create better quality of life for everyone.

MATERIAL MATTERS

Labour Practices and Standards

DIVERSITY & INCLUSION

LABOUR PRACTICES AND STANDARDS

We have always highly valued our employees, recognising that they drive our growth and long-term sustainability. In 2022, when the country faced an acute labour shortage, our dependence on workers became more evident. Without the optimal number of employees on our shop floors, we were unable to meet the increase in demand for products nationwide.

To attract and retain employees, Duopharma Biotech does not only adhere to all labour-related laws in the countries where we operate, we go a step further to establish the Group as a preferred employer that looks into the well-being of our employees. We provide competitive benefits and remuneration packages; we offer training and personal development opportunities; and we engage regularly with our employees to ensure a connectedness with the organisation.

Our objective is to attract a diverse employee profile to enjoy the benefits of an enriched perspective to stay relevant and innovative; and to optimise this diversity through inclusive principles that bring our people together. In 2022, we launched our Corporate Culture to further strengthen a sense of identity among employees with our culture and values.

EMPLOYEE RECRUITMENT

The year was challenging for the recruitment team mainly as a result of a persisting labour shortage, which made it difficult to recruit sufficient numbers quickly to ramp up production in order to meet the surge in demand. The recruitment team thus resorted to posting our vacancies on social media, online job portals and WhatsApp groups, and put up banners at the Company's entrance. Staff were reminded of our referral programme while we also engaged a few new manpower supply agents. As a result of these efforts we managed to recruit 375 shop floor staff on a temporary basis.

For administrative and executive staff, we place advertisements on job portals and social media. We also welcome write-in applications and employee referrals. In 2022, both virtual and face-to-face interviews were conducted, depending on the hiring manager's preference. Duopharma Biotech is fortunate as we are one of the most sought-after employers. Our reputation as an employer of choice facilitated the recruitment of 109 employees during the year.

We did not employ any expatriates or new foreign labour in 2022. Our priority is to always give employment opportunities to locals. For all vacancies that arise within the company, we will proceed with advertisement and sourcing with local talents.

Total No. of Employee Hires

By Employee Category

CATEGORY	2022 NO. OF NEW HIRES
Blue Book	22
Red Book	64
Green Book	23

Contract Workers (shop floor)

COMPANY	TOTAL SUPPLIED
Duopharma Manufacturing (Bangi) Sdn Bhd	204
Duopharma (M) Sendirian Berhad	171

By Age Group

AGE GROUP	2020 NO. OF NEW HIRES	2020 RATE	2021 NO. OF NEW HIRES	2021 RATE	2022 NO. OF NEW HIRES	2022 RATE
<30	53	53%	59	63%	**53**	**62%**
30-50	47	47%	35	37%	**31**	**36%**
>50	0	-	0	-	**2**	**2%**

By Gender

GENDER	2020 NO. OF NEW HIRES	2020 RATE	2021 NO. OF NEW HIRES	2021 RATE	2022 NO. OF NEW HIRES	2022 RATE
Male	37	37%	37	40%	**39**	**45%**
Female	63	63%	57	60%	**47**	**55%**

Employee Turnover Rate

By Age Group

AGE GROUP	2020 NO. OF TURNOVER	2020 RATE	2021 NO. OF TURNOVER	2021 RATE	2022 NO. OF TURNOVER	2022 RATE
<30	50	11.17%	57	12.39%	**83**	**17.51%**
30-50	24	3.18%	44	5.55%	**47**	**5.80%**
>50	17	9.16%	26	13.87%	**13**	**7.18%**

By Gender

GENDER	2020 NO. OF TURNOVER	2020 RATE	2021 NO. OF TURNOVER	2021 RATE	2022 NO. OF TURNOVER	2022 RATE
Male	50	7.00%	60	7.99%	**71**	**9.14%**
Female	41	6.08%	67	9.72%	**72**	**10.47%**

For the year as a whole, 140 full-time staff left the Group leading to a turnover rate of 9.4%. This marked a moderation from a turnover of 13.02% in 2021, which was mainly due to the reopening of various sectors, leading to increased employment choice. We also had 84 contractors/temporary staff, making up 5.12% of our total workforce.

DIVERSITY & INCLUSION

FAIR LABOUR PRACTICES

Our labour practices are in line with international labour guidelines which ensure people's rights are respected in the workplace. We do not engage in forced labour or child labour. In Malaysia, our HR policies are guided by the Employment Act, 1955 ("Employment Act") which encompasses regulations on working hours, overtime, breaks, rest days and public holidays, annual leave, minimum wages and special leave (e.g., sick leave, maternity leave). We meet, and often exceed, all the requirements as stipulated through our own policies and procedures which are standardised Group-wide. Employees engaged at our plants are further covered by Collective Agreements ("CAs") reached with their respective unions.

BENEFITS PROVIDED TO NON-UNIONISED FULL-TIME EMPLOYEES

- Casual Leave
- Insurance coverage for life, accidents, hospitalisation & surgery
- Health benefits including outpatient treatment, dental and optical treatment
- Maternity assistance (stipend for delivery)
- Annual medical check-ups
- Car & housing loan subsidies
- Electronic devices & mobile phone bills
- Computer loans
- Annual increments
- Annual bonus

Parental Leave for 2022

	MEN	WOMEN
No. of employees entitled to parental leave	789	723
No. of employees who took parental leave	73	54
No. of employees who returned to work after parental leave ended	73	54
No. of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	73	54
Return to work rate	100%	100%
Retention rate	100%	100%

Our current working hours are below the maximum as stated in the Employment Act 1955. When employees of a certain grade (earning less than RM4,000 a month) are required to work beyond their normal working hours, they are paid overtime. We also fully comply with the minimum wage requirement, which has been set at RM1,500 per month. Salaries for our Green Book employees (general workers to supervisors) are increased every year and adjusted every three years to cater for escalating living costs.

FREEDOM OF ASSOCIATION

As per the Industrial Act 1967, our employees have the right to be represented by a union. Accordingly, all Green Book employees are represented by the National Union of Petroleum & Chemical Industry Workers Peninsular Malaysia ("NUPCIW"). Duopharma Manufacturing (Bangi) Sdn Bhd has been under the NUPCIW since 1998 while Duopharma (M) Sendirian Berhad joined the union in 2013. Management engages with the union leaders on CAs every three years, the last CA being valid from 2020 to 2022. The 2023-2025 CA was signed in December 2022 for our Klang Union and in January 2023 for the Bangi Union. The latter was concluded ahead of schedule with all the terms and conditions mutually agreed by the Union and Management.

Our workers' handbook and Collective Agreement are available on Duopharma Biotech's intranet in English and Bahasa Melayu. We enjoy a good working relationship with the NUPCIW, and discuss any operational change with union representatives for mutual agreement before the change is announced to employees.

TRAINING & 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 covering On-Boarding, Core Learning, Professional Learning, Leadership Learning and Talent Development. Soft skills and technical training are organised based on Training Need Analysis ("TNA"), ensuring employees have the competencies required to perform their tasks optimally.

During year-end performance appraisals, employees and their supervisors identify the employees' immediate training and development needs. HR personnel subsequently extract the proposed development plan from the HR system to prepare a TNA report. They will also work with the line managers to identify suitable training providers for the proposed training.

Following the launch of our new online learning platform MDL on 1 July 2022, general induction sessions under our On-Boarding have been transferred online. We also share content catering to soft and technical skills and conduct live knowledge-sharing sessions on MDL. To assess learners' understanding of the topics covered, most modules are accompanied by quizzes.

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

We promote mentoring 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.

LEARNING MADE EASY

To help our employees realise their full potential, we provide continuous learning and development opportunities suited to their professional and personal needs. In 2022, we made it even easier for our employees to upskill in areas that are relevant or of interest to them with the launch of our online learning platform, MyDuopharma Learning ("MDL").

Rolled out on 1 July 2022, MDL offers a range of soft skills and technical training modules catering to all levels of staff. This includes training modules that are part of our On-Boarding programme, which new recruits are required to complete. Accessible from both web and mobile, MDL has attracted a total of 1,648 registrations by employees and Professional Training and Education for Growing Entrepreneurs ("PROTÉGÉ") participants, with approximately 800 users a month. To encourage employees to use the platform, a Leadership Board has been created to highlight the top learners.

The contents available present a mix of those that have been developed in-house (by various departments) as well as those made available by service providers. Among others, it includes an ESG Module as well as Integrity Module which are updated by the Sustainability and the Internal Audit & Integrity teams, respectively.

The platform is managed by our L&D unit, which submits progress reports on its use to Management on a monthly basis. Employees who have enrolled into modules also receive weekly email notifications from the team on their training progress.

DIVERSITY & INCLUSION

BUDGET FOR TRAINING

The total budget allocated for training in 2022 was RM890,000 (2021: RM900,000) while our total expenditure on training amounted to RM1,079,132 (2021: RM982,402.46), averaging RM743.20 per employee (2021: RM680.81 per employee).

Once again, we achieved our target of at least 32 hours of training per Blue Book employee; 16 hours per Red Book employee; and eight hours per Green Book employee. We also met the target of at least 95% of employees undergoing a minimum of one day's training during the year.

Total Training Hours

By Gender

	2020		2021		2022	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Total No. of Employees	NA	NA	782	661	**779**	**673**
Total No. of Training Hours	NA	NA	16,339.9	18,497.35	**16,371**	**19,073**
Average Training Hours Per Employee	NA	NA	20.9	28	**21**	**28**
Average Training Days Per Employee	NA	NA	2.6	3.5	**2.6**	**3.5**

By Employee Category

	2020		2021		2022	
	TOTAL NO. OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NO. OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE	TOTAL NO. OF TRAINING HOURS	AVERAGE TRAINING HOURS PER EMPLOYEE
Green Book	6,867.25	10.04	6,244.2	9.01	**6,854**	**9.9**
Red Book	8,124.5	18.09	14,860.75	31.89	**15,467**	**32.2**
Blue Book	9,229.25	34.06	13,732.3	48.35	**13,123**	**46.9**

	2020	2021	2022
Total Training Hours	24,221	34,837	**35,444**
Average Training Hours Per Employee	17	24	**24**

No. of employees who received a regular performance and career development review during the reporting period

By Gender

	2020		2021		2022	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
No. of employees	768	757	778	789	**865**	**785**
No. employees who received performance and career development reviews	713	673	750	665	**769**	**681**
% of employees who received performance and career development reviews	92.3%	88.9%	96.4%	84.3%	**88.9%**	**86.8%**

By Employee Category

	2020			2021			2022		
	NO. OF EMPLOYEES	NO. EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	% EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	NO. OF EMPLOYEES	NO. EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	% EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	NO. OF EMPLOYEES	NO. EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	% EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEWS
Green Book	795	672	84.5%	802	676	84.3%	**731**	**679**	**92.9%**
Red Book	456	444	97.4%	473	452	95.6%	**497**	**412**	**82.90%**
Blue Book	274	270	98.5%	292	287	98.3%	**290**	**275**	**94.83%**

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.

Succession Planning is undertaken for all critical positions in the Group, and for other identified managerial roles. Talents enrolled into this programme are nominated during an annual talent nomination exercise, following which they undergo targeted development. Currently, we have 46 talents in the programme.

We retain our talents by providing them with ample opportunities for professional development while also engaging with them to fully integrate our people with our Vision, Mission and Core Values.

GRADUATE TRAINING PROGRAMME

In 2022, we revived our Graduate Trainee Programme ("Prograd") and recruited six young talents from the January and July intakes. These young talents are recruited with the aim of being groomed for bigger roles in the future.

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

We have been fully supportive of the Malaysian Government's initiative to upskill graduates and enhance their employability since 2018, when PROTÉGÉ was known as the Skim Latihan 1Malaysia ("SL1M") programme. Under this year-long programme, we take in a number of trainees and assign them to various departments, where they 'work' like any other employee.

Part of the training is for the trainees to gain project management experience, such as Recycling Campaign that were organised by the trainees to promote recycling awareness. At the end of the programme, we were able to offer permanent employment to 36 participants out of a total of 65, based on their performance and the availability of vacancies within the Group.

DIVERSITY & INCLUSION

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 communicate with our employees regularly and 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:

CHANNELS	COMMUNICATION
Townhalls	At these quarterly events, our GMD provides updates on the Group's performance, and recognises outstanding performance. GMD also announces key updates of Kelab PETIRR (Passion, Excellence, Teamwork, Integrity, Responsible and Respect). 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 and 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.

With relaxation of pandemic SOPs, we were once again able to organise physical events to encourage relationship building among employees. These included festival decoration contests, various poster-making contests, a Corporate Culture Survey, Chit Chat sessions with the GMD for new recruits, and the Long Service Appreciation Night.

TO PROMOTE EMPLOYEES' FINANCIAL WELL-BEING, WE ORGANISED:

- Two talks on retiring comfortably: 'Is your Employee Provident Fund ("EPF") Enough for Retirement?', by a financial consultant; and 'Voluntary Contributions', by EPF
- A virtual talk by Lunix Health company titled 'Kaya: Who Moved My Raya Money?'
- Amanah Saham Nasional Berhad ("ASNB") booths at our Klang and Bangi sites to enable employees to register with the unit trust fund

Promoting employees' physical and mental well-being was another focus area, the latter becoming an increasing concern since the pandemic. During the year we:

- Partnered with Naluri Hidup Sdn Bhd ("Naluri") to try out a new wellness app for all our employees.
- Collaborated with Naluri on blood test screening for all employees. The screening was held from 3-19 August 2022.
- Conducted a Burnout Survey among all levels of employees from 22 to 31 August to determine stress levels, so we can work towards improvement.
- Launched HR Cares Wellness Helpline on 18 February 2022 to empower employees to raise mental health issues, ensuring the Company provides not only a physically safe working environment but also a mentally healthy workplace.
- Collaborated with the Lunix Health company to present a virtual talk 'Sihat: Festive Eating Done Right' on 28 April 2022.

CORPORATE CULTURE

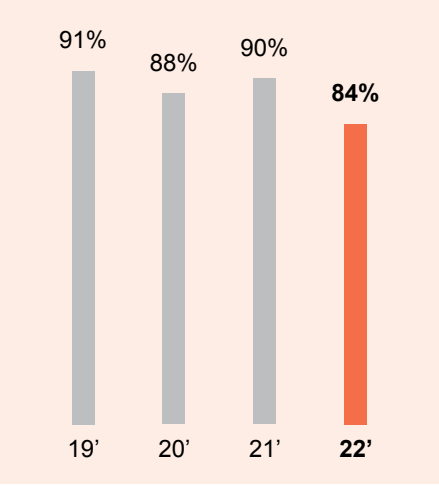
On 27 July 2022, we launched our new Corporate Culture, namely a collection of practices that make up the work environment in the Company that supports our business strategy. It encapsulates four practices that we would like to nurture in the Group: Performance Driven culture, ESG Compliance culture, Innovation culture and Global Mindset culture. Through numerous engagement sessions, we hope to develop a sense of ownership of the Culture among all employees, resulting in a workforce that is proud of being a part of the Duopharma Biotech family.

EMPLOYEE RELIEF FUND ("ERF")

The ERF was established in 2021 with the motto 'a fund by employees for employees'. The programme provides a platform for our employees to be involved in charitable activities. As at 2022 nearly RM66,000 donated by our employees has been distributed to 65 other employees in their time of need.

EMPLOYEE ENGAGEMENT SURVEY

We undertake an annual Employee Engagement Index Survey ("EEI") 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 2022, our EEI score decreased by six percentage points to 84%. We are organising focus group sessions for the five lowest-scoring departments to identify issues they face and find ways to resolve these while building our employees' trust and confidence.

DIVERSITY & INCLUSIVITY

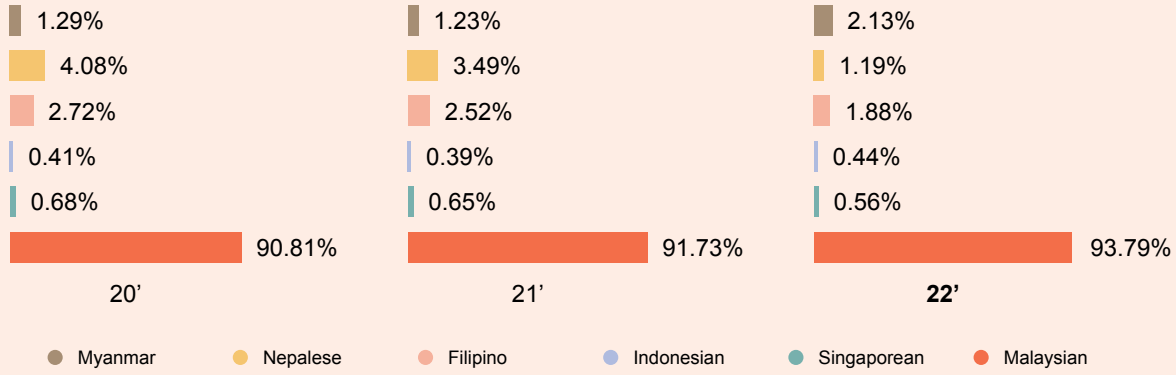
Duopharma Biotech holds strongly to the principle of meritocracy. This starts from the point of hiring whereby talents are assessed and selected solely on merit. All candidates go through the same recruitment process, following which all employees enjoy the same opportunities for career progression as well as benefits, compensation and training, depending on their performance. We do not discriminate based on gender, race, age, nationality, religion, marital status or any other social attributes. We also do not tolerate any form of discrimination among employees, and have a Code of Conduct which clearly states that "Duopharma Biotech Berhad supports and respects the protection of internationally proclaimed human rights". This Code is shared with all new recruits, and is available for easy reference on our intranet.

Employees are reminded to report any instances of bullying or harassment at work through our Grievance Procedure, through which complaints are brought to the attention of immediate superiors who will work towards clearing up any misunderstanding. If an employee is found to have deviated from Duopharma Biotech's rules, regulations or standards of conduct, appropriate disciplinary actions can be taken, ranging from counselling to warning letters, suspension, domestic inquiries and even dismissal. Incidents involving corruption or unethical behaviour are channelled via our Whistleblowing platforms to GIA.

We currently have two foreign nationalities working on our shop floors. They are paid in accordance with the minimum wages gazetted by law, and are provided with accommodation as well as transport to and from work. As per local regulations, they work 48 hours per week – anything more is compensated for with overtime.

DIVERSITY & INCLUSION

EMPLOYEE DEMOGRAPHIC BY NATIONALITY

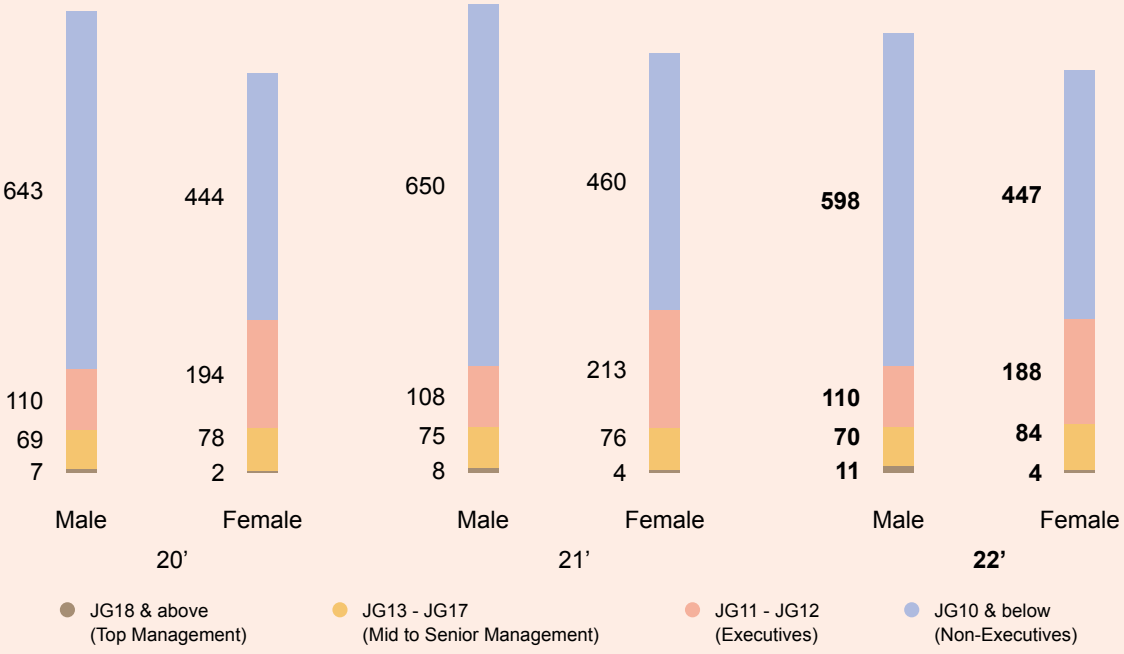


As a measure of our commitment to the principle of inclusivity, our manufacturing sites in Klang and Bangi provide employment opportunities to under-privileged groups from surrounding communities.

GENDER EQUITY

We believe in offering equal job opportunities to men and women, and are pleased to see our gender gap slowly narrow. From women making up 47.2% of our total workforce in 2021, by end 2022 they made up 47.6%, and we hope to get closer to the 50% ideal in the near future. At the same time, women representation at the middle to top management levels continues to be high. Women make up 60.7% of middle level management and 26% of the top management. We have been able to retain women at senior levels because of gender equality policies. For example, women receive the same salary as men doing the same job, their pay being determined by their job grade. At the same time, women are provided support to balance their family responsibilities with that of work. Expecting mothers are provided designated parking spaces, time off for maternity check-ups, 90 days paid maternity leave and a maternity stipend.

EMPLOYEE BREAKDOWN BY GENDER



SOCIAL INCLUSIVITY

The principle of inclusivity applied within our workplace is extended to the community, where we seek to ensure that everyone has equal access to fundamental services in order to enjoy quality of life. This is achieved through our community outreach programmes targeting the underprivileged and underserved. We provide financial and non-financial aid to marginalised communities focusing on three main areas:

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

Our work with the underprivileged extends to areas directly related to health. We have established strong relationships with not-for-profit organisations such as the National Cancer Society Malaysia ("NCSM") and National Autism Society of Malaysia ("NASOM"), providing them with both monetary and non-monetary support.

During the year, we raised RM50,000 for NASOM, which was channelled towards public awareness campaigns. We also contributed close to RM70,000 to NCSM, which was used for a bond-building and motivational event with cancer survivors and caretakers.

Sponsorships

We have a tradition of supporting non-governmental organisations and other entities that focus on the same sustainability concerns and interests that Duopharma Biotech takes seriously – including better and more equitable access to healthcare and education, enhancing our environment, and helping those in need. During the year, we channelled a total of RM221,638 in cash to worthy causes in Malaysia, our key recipients including the International Society for Pharmaceutical Engineering ("ISPE"), the International Generic and Biosimilar Medicines Association ("IGBA")-MOPI Conference, Malaysia AIDS Foundation, GO ESG ASEAN Summit and HDC. In addition, we sponsored 33,300,000 Rupiah (about RM10,000) to Ikatan Apoteker Indonesia, an association of pharmacists in Indonesia.

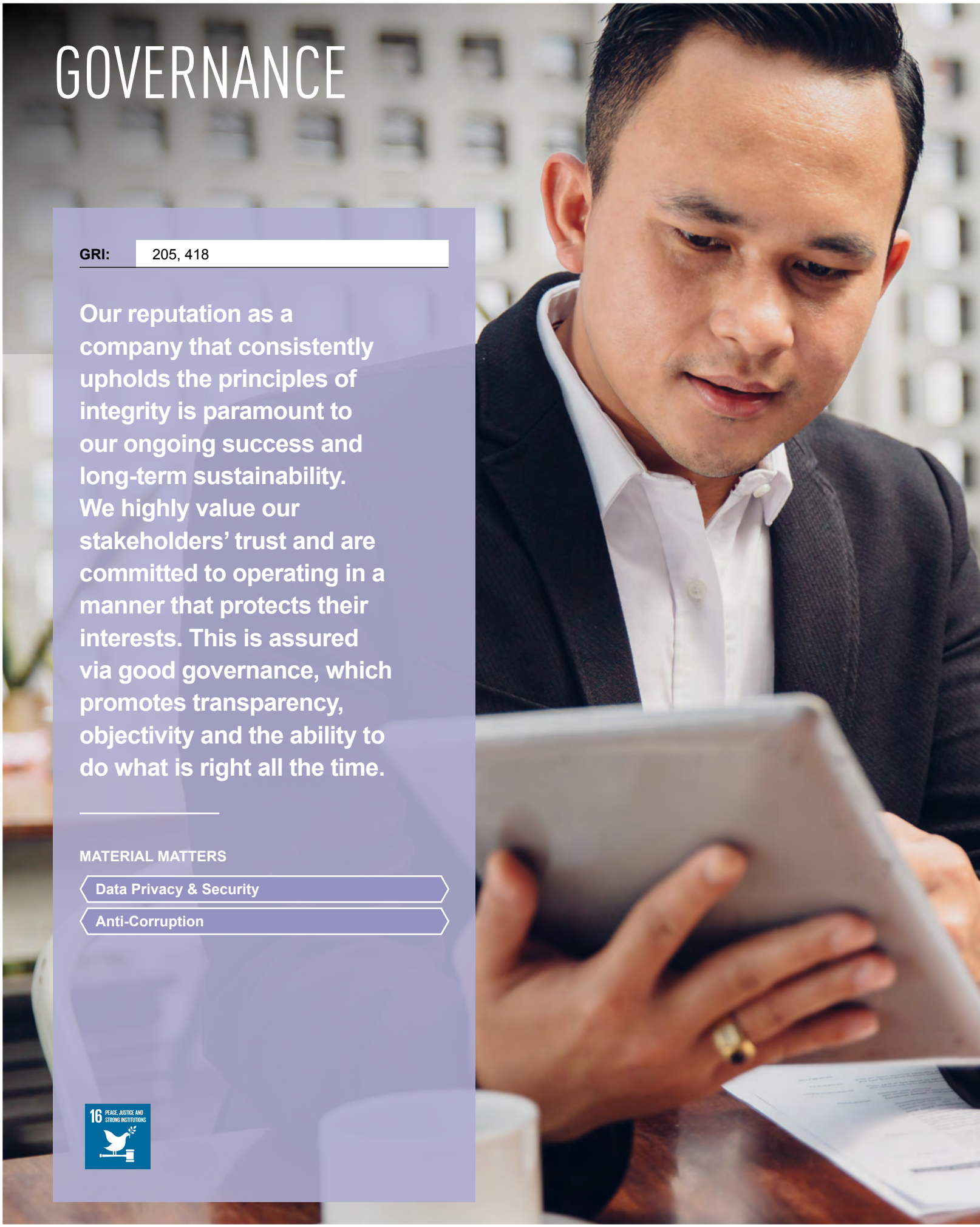
GOVERNANCE

GRI: 205, 418

Our reputation as a company that consistently upholds the principles of integrity is paramount to our ongoing success and long-term sustainability. We highly value our stakeholders' trust and are committed to operating in a manner that protects their interests. This is assured via good governance, which promotes transparency, objectivity and the ability to do what is right all the time.

MATERIAL MATTERS

- Data Privacy & Security
- Anti-Corruption



GOVERNANCE

DATA PRIVACY & SECURITY

Along with greater digitalisation of our systems and processes, it has become imperative to protect our data as well as data belonging to our customers, partners, suppliers and other stakeholders. There are two aspects to this – protecting our data privacy to prevent loss of data due to leaks; and protecting our data integrity to prevent data from being modified or destroyed. To strengthen both our privacy and security protocols, Duopharma Biotech has been investing into the most effective cybersecurity programmes that guard against hacking, phishing, identity theft and other fraudulent activity.

Efforts to protect data privacy and security are guided by IT General Policy which defines the rules, regulations and guidelines for the proper usage, security and maintenance of our computers, mobile devices, servers, internet and applications. This policy refers to IT Infrastructure Library ITIL, a practical framework that is widely accepted as the gold standard in IT service management.

CYBERSECURITY

Our entire IT enterprise architecture is on a dedicated private cloud, which is not only more cost effective but also affords greater control over security measures to the Company. All network connections Group-wide are protected by SSL 256bit security encryption. In addition, we use a two-layered firewall to minimise cybersecurity threats from external and internal networks. Our first line of defence comprises Fsecure antivirus and Endpoint Detect and Response for end users to detect and contain any security threats. Our IT enterprise architecture network is further strengthened by Virtual Private Network ("VPN") and Active Directory protection.

We have 24/7 cybersecurity monitoring to cover the Intrusion Protection System ("IPS") and Intrusion Detection System ("IDS") for our private cloud platform; as well as to protect and back up our Enterprise Resource Planning ("ERP") system. To prevent private and confidential data from being leaked, we undertake the following steps, as per our IT General Policy:

1. Implement end-to-end encryption
2. Adopt strong passwords
3. Password-protect files
4. Set sharing time limits
5. Monitor file access with authentication
6. Ensure use of VPN on public WiFi

CYBERSECURITY PENETRATION TEST

Cybersecurity Penetration Testing is a security exercise where a third-party cybersecurity expert attempts to find and exploit vulnerabilities in our network platform and systems. The purpose of this simulated attack is to identify weak spots in our system defences which attackers could exploit. The test is conducted annually, covering the following:

1. External and Internal Testing (Black Box, White Box & Gray Box)
2. Applications Vulnerability Testing
3. Networks Vulnerability Testing
4. Devices, Users, Authorisation Roles Testing
5. Testing Reporting and Remedies Action Plan

DISASTER RECOVERY EXERCISE

To ensure that our infrastructure is able to protect data in the event of a system shutdown, we conducted our first disaster recovery ("DR") exercise in 2022 which will be an annual event going forward. This involves shutting down our SAP primary server, starting a DR server, and performing functional tests to prove that the data in the DR site is similar to that in the primary site. The last DR exercise was conducted in October 2022, with successful outcomes.

ANNUAL IT AUDITS

Internal/external IT audits are carried out annually, following which risks and gaps identified are updated onto our risk system. We also monitor our KPIs against goals and targets. Quarterly IT department meetings are held to improve the management of all IT services.

ANTI-CORRUPTION

Corruption has become a global issue, with loss of public funds eroding confidence in the management of companies. At Duopharma Biotech, we have zero tolerance for any form of corruption and ensure employees are aware of our corporate values as well as their responsibility to behave ethically in relation to stakeholders. Our efforts are overseen by the Board of Directors, which is ultimately responsible for the effective implementation of systems and processes that have been established to create a climate of integrity within the Group.

COMMITMENT TO INTEGRITY

Integrity is one of Duopharma Biotech's core values. To eliminate bribery, fraud and corruption in the conduct of our business activities, we have established policies and guidelines echoing the tone at the top and setting appropriate standards in managing corruption risks.

Our commitment to achieving the highest standards of ethical conduct has seen Duopharma Biotech continuously strengthen our governance of integrity. In December 2019, the Board approved our Anti-Bribery and Anti-Corruption ("ABAC") Policy, which serves as the foundation of our integrity platform.

This was followed by approval of the ABMS Policy and Business Ethics Policy as subsets of the ABAC Policy in 2020.

In March 2021, the Board approved the Duopharma Biotech OIACP. The plan outlines our integrity objectives, strategies and recommended programmes, in line with the Malaysian National Anti-Corruption Plan, Guidelines on Adequate Procedures ("GAP") to prevent corruption, and the ISO 37001 ABMS.

In total, we have 13 policies to strengthen integrity across the Group:

	POLICY	APPROVAL DATE
1	ABAC Policy	December 2019
2	Whistleblowing Policy	17 August 2021 (revised and approved on 9 November 2022)
3	Investigation Procedure	12 August 2021
4	Declaration of Interest Policy	17 August 2021
5	Integrity Pact Policy	17 August 2021
6	Grants, Charitable Donations and External Sponsorship Policy	17 August 2021
7	Gift & Hospitality Policy	May 2019
8	Sponsorship Policy	August 2019
9	Anti-Money Laundering and Counter Financing Terrorism Policy	December 2019
10	ABMS Policy (a subset of ABAC Policy)	December 2019
11	Business Ethics Policy (a subset of ABAC Policy)	December 2019
12	Directors Code of Best Practice	December 2019
13	Code of Conduct	September 2020

These policies have been communicated to employees through on-site briefings and email, while copies have been uploaded in the intranet for easy reference. The Business Ethics Policy and ABMS Policy are also displayed in strategic locations at all sites. We also conduct refresher courses and make use of reminder cards, buntings, posters, computer screen savers and glass door stickers among others to reinforce our messages. To ensure their continued efficacy, these policies are evaluated by internal and external ISO37001-certified auditors annually. In 2016, we also introduced Integrity Champions who are tasked with spreading and supporting our culture of integrity.

GOVERNANCE

BOARD OVERSIGHT OF INTEGRITY

Integrity and anti-corruption matters concerning the Group are reported to our RMC. The RMC is responsible for ensuring that there is a sound system of risk management and effective oversight of investment, integrity and whistleblowing practices within Duopharma Biotech and its subsidiaries.

Integrity is discussed at RMC meetings when issues arise. Further, as part of ISO 37001 requirements, the Board and top management review all integrity and anti-corruption matters annually.

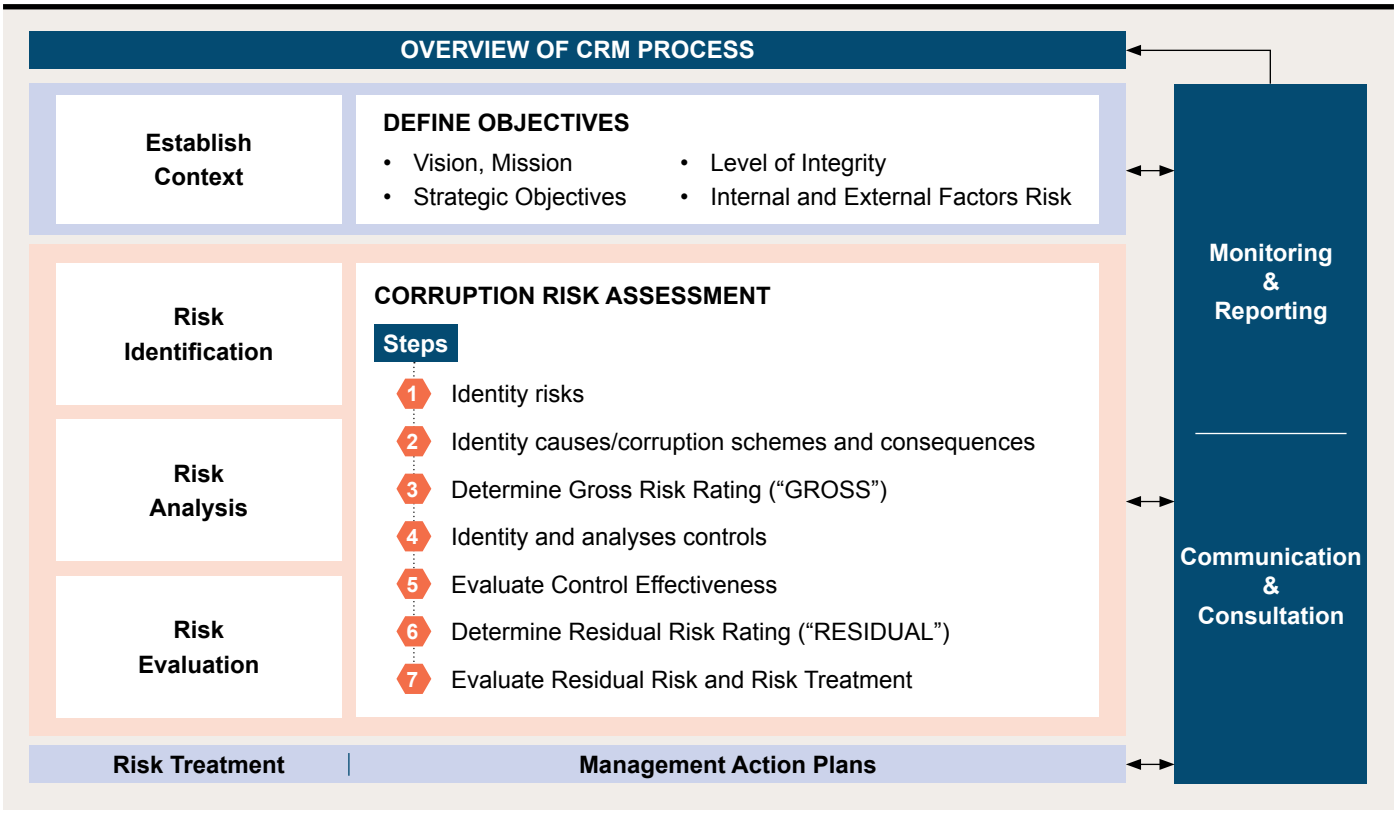
INTEGRITY PERFORMANCE IN 2022

In 2022, 34 initiatives were rolled out under the OIACP, and 31 from the 34 initiatives were completed. We continuously monitor the initiatives implemented, and share these with employees at the quarterly Group Townhalls. The effectiveness of our ABMS and OIACP has been proven by Duopharma Biotech achieving zero Non-Conformance Reports over the last three years. Further, the ISO 37001 ABMS Surveillance Audit 2022 noted there were no Opportunities For Improvement ("OFI") for any of the subsidiary companies under the Group.

CORRUPTION RISK MANAGEMENT

The Company adopts ISO 31000:2009 Risk Management Principles and Guidelines to manage risks arising from fraud, bribery and corruption. Our Corruption Risk Management entails risk identification, analysis, evaluation and treatment, with continuous monitoring, review, communication and consultation. Risk events are analysed in terms of their likelihood and impact. Through our Corruption Risk Management, we are able to identify structural weaknesses that may facilitate corruption, and empower all staff to take part in identifying risk factors and treatments, embedding corruption prevention within our governance framework.

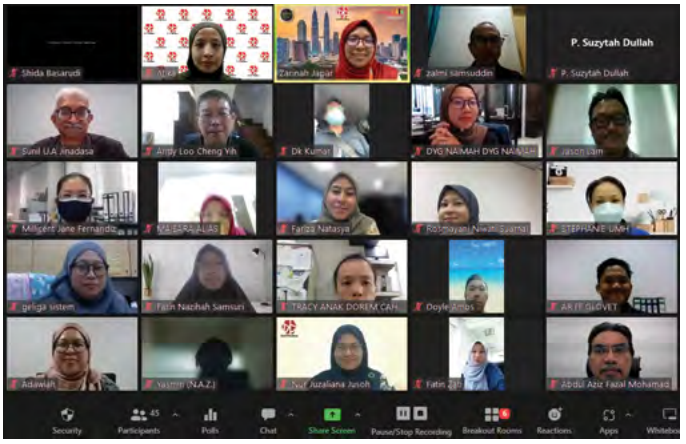
Our Corruption Risk Management methodology



Corruption/bribery risks have been integrated into the Company's ERM Framework which includes a profile of our historical, current as well as anticipated risks. During the year, 116 corruption risks were identified across the business units, 40 of which were categorised as 'High'. All risks will be reviewed every quarter and updated to the RMC. The effectiveness of interventions for the identified risks will also be included in the report.

TRAINING ON ANTI-CORRUPTION

Refresher training on all the policies were conducted for the different categories of employees at all sites throughout 2022. Ethics, Integrity and Anti-Corruption are modules of integrity training provided to all new recruits. For new joiners at the managerial level, in-person training will be conducted by the Head of Group Internal Audit & Integrity.



Anti-corruption talks and events were organised during the Halal, Integrity & Sustainability Programme 2022. Weekly anti-corruption news is uploaded onto the intranet and MDL portal and also shared in the Kelab PETIRR WhatsApp group. Additionally, weekly values are shared as screensavers on employees' laptops and desktops.

WHISTLEBLOWING

Whistleblowing provides an avenue for employees and stakeholders to report concerns regarding unlawful conduct, financial fraud/ malpractice or unethical acts. Reports can be submitted via any of five Speak-Up-Pharma channels, i.e., email, webform (accessible on our corporate website), designated phone numbers, short messaging service ("SMS") or a written complaint lodged confidentially to the Head of Group Internal Audit & Integrity.

In 2022, we received three reports through Speak-Up-Pharma of which one was categorised as a whistleblowing case and two were grievances. Upon investigation, the whistleblowing case was found not to involve any serious corruption. On the grievances, the reporters were advised to seek assistance from their respective departments in-charge.

MODE	NO. OF REPORTS RECEIVED	CLASSIFICATION		INVESTIGATED STAFF CATEGORY	
		WHISTLEBLOWING	GRIEVANCE		
Written (To the Head of GIA)	1	1	-	Senior Management	-
E-Mail	-	-	-	Blue Book	1
Hotline (Call / Messaging)	2	-	2	Red Book	-
Webform	-	-	-	Green Book	-
Others	-	-	-	Unknown	2
TOTAL	**3**	**1**	**2**		**3**

In November 2022, Duopharma Biotech revised our Whistleblowing Policy pursuant to a change in the oversight function of integrity from the Audit and Integrity Committee to RMC, following which the Audit and Integrity Committee has been renamed the Audit Committee ("AC"). The revised Whistleblowing Policy was benchmarked against the requirements and recommendations of the ISO 37002:2021 Whistleblowing Management Systems – Guidelines.

The changes were communicated to all employees by way of briefings and the renewed policy is now available on our corporate website and intranet in English and Bahasa Malaysia.

In 2022, no staff, Management or Board member was subject to disciplinary action or dismissed due to corruption, bribery or fraud. There were no instances of termination or non-renewal of business contracts due to corruption; and no public legal case regarding corruption was brought against Duopharma Biotech or our employees.

GOVERNANCE

DUE DILIGENCE ON STAKEHOLDERS

Duopharma Biotech has engaged a third party to conduct due diligence on all business associates registered with the Company. The assessment covers anti-money laundering, anti-corruption and any offences against regulatory requirements, e.g. those of Bursa Malaysia Securities Berhad, the Malaysian Anti-Corruption Commission ("MACC"), Securities Commission Malaysia, Singapore's Corrupt Practices Investigation Bureau ("CPIB"), Hong Kong's Monetary Authority, etc. In 2022, due diligence on 323 new business associates was completed, with five associates found having an indirect red list. Meanwhile, background checks are done with the MACC on new employees and directors, regardless of their position.

We have also established due diligence procedures for new customers to be registered in the SAP system. Customer risk profiling considers: 1) the size and nature of business; 2) products and services provided; and 3) the geographical location where the customer operates. We are in the process of establishing similar procedures for new vendors. Currently, we procure goods and services only from an Approved Registered Vendor List. The end-user/buyer is responsible for sourcing and reviewing the vendor's background and qualifications, and obtaining the Head of Department's approval before registration. Subsequently, the Procurement Department and Finance Department are responsible for reviewing and verifying such requests before a vendor code is created in the SAP system.

INTEGRITY AND ANTI-CORRUPTION PROGRAMME FOR BUSINESS ASSOCIATES

Under Duopharma Biotech's OIACP, there are plans to implement an Integrity and Anti-Corruption programme for external business associates. A pilot project, guided by the requirements of the MACC Act 2009 and comprising 14 modules to be completed within 12 months, was kicked off in January 2023. Prior to that, in December 2022, an inaugural batch of 27 agents participating in the Integrity & Anti-Corruption programme had pledged to integrity, ethics and anti-corruption by signing the Ikrar Bebas Rasuah ("IBR"), also known as Anti-Corruption Pledge.

The Duopharma Biotech Integrity and Anti-Corruption Series for Business Associates assists business associates to identify gaps, assess the corruption and ethical risks faced, and implement the control measures to overcome identified corruption risks.

We believe that integrating a high-integrity and anti-corruption culture into the corporate responsibility agenda sends a strong message that all organisations seeking to associate themselves with Duopharma Biotech are responsible for addressing and managing their integrity and anti-corruption exposure. Other than the Integrity Pact, Know Your Customer ("KYC") due diligence is conducted on each party that is to be associated with Duopharma Biotech.

INTEGRITY ALONG THE SUPPLY CHAIN

On 12 December 2022, a total of 31 agents that supply to Duopharma Biotech signed the *Ikrar Bebas Rasuah* ("IBR" or Anti-Corruption Pledge) with the MACC at a hybrid ceremony held at the Group's corporate office in Kuala Lumpur – 30 of them virtually, represented by a designated representative who was there in person. The event, witnessed by Ab Muneim Bin Ibrahim, Deputy Director (Outreach), Community Education Division of MACC, was significant as it marked the first step in Duopharma Biotech's journey to instil integrity along our entire supply chain.

The Group seeks to do business only with partners who share the same values and ethical principles as we do. After the 31 agents made their integrity pledge, they were enrolled as the pioneering batch of participants in our 12-month Integrity and Anti-Corruption Series for Business Associates. Developed under our OIACP, the 14-module programme is based on the Guidelines on Adequate Procedures pursuant to subsection (5) of Section 17A MACC Act 2009. Through the Series, our business associates will be guided to identify integrity gaps, assess the corruption/ethical risks they face, and implement effective control measures to overcome them.

Upon the successful completion of this pilot training programme in January 2024, we intend to roll it out for all our business associates. The objective is to create a cocoon of integrity around Duopharma Biotech such that there is practically zero risk of corruption surrounding our operations. We have already made significant strides in our integrity journey – recording zero non-conformance in the first term of our three-year ABMS ISO37001 certification; and having zero OFI in the ISO 37001 Anti-Bribery Management System Surveillance Audit 2022. Our aim now is to use our experience to help create a culture of integrity industry-wide.

INTEGRITY PACT

The Integrity Pact ("IP") was developed by Transparency International ("TI") in the 1990s to assist the government, business institutions and the public to curb corruption. The main objective is to commit vendors and suppliers to ethical behaviour and to create a business environment that is free from corruption in tandem with the Anti-Corruption Principles for Corporations.

The Group implemented the IP in 2015, involving suppliers on a voluntary basis. Since the new IP Policy was approved by the Board in August 2019, all Duopharma Biotech suppliers are required to sign it. In 2021, the IP Policy and the IP Agreement were reassessed and refined to ensure the Agreement is truly bilateral, with both parties governing the requirements, obligations and sanctions in the event of non-compliance.

By signing the IP, the Group and our suppliers agree to uphold anti-corruption principles in the conduct of business and interactions while working towards creating a business environment that is free from corruption.

In 2022, a total of 37 new business associates attended virtual briefing sessions held for overseas suppliers, international distributors and business agents. The sessions included topics on Section 17A requirements and sanctions, the Company's policies including the ABAC Policy, Whistleblowing, Gift & Hospitality and Sponsorship Policies.

CORPORATE GOVERNANCE

We protect the interest of all our stakeholders by adhering to the highest standards of integrity and accountability. We have in place a robust corporate governance framework which has been developed in accordance with the recommendations of the Malaysian Code on Corporate Governance ("MCCG") issued by Securities Commission Malaysia. Corporate governance at Duopharma Biotech is overseen by our Board which has ultimate responsibility for stakeholder value creation.

There is a clear demarcation of the roles and responsibilities between the Non-Executive Chairman and our Group Managing Director, as outlined in the Board Charter of the Company. Meanwhile, the composition of our Board and the Board Committees is in line with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia in addition to the MCCG. The Board consists of 10 members, a majority being Independent Directors. There are also four women directors on the Board including the Chairman of the Board.

To comply with the latest revisions to MCCG and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, we reviewed the oversight functions of our Board Committees, resulting in revisions being made to our Board Charter, Board Committees, Board Committees' Terms of Reference ("TORs"), and the Remuneration Policy and Procedures for the Board of Directors and Senior Management, and adoption of the Fit and Proper Policy for the Board of Directors and Senior Management. In line with the revised TORs, the Board also approved several name changes to our Board Committees with effect from 1 July 2022, as follows:

- Risk Management and Sustainability Committee was renamed as Risk Management Committee ("RMC") in view of the transfer of sustainability oversight to the Halal and Sustainability Committee.
- Audit and Integrity Committee was renamed as Audit Committee ("AC"), with the Integrity scope transferred to the Risk Management Committee.
- Halal Committee is now known as Halal and Sustainability Committee ("HSC") as it now includes oversight of sustainability matters.

The Board Charter and TORs are available on our corporate website. All other relevant and updated information on Duopharma Biotech's corporate governance is available in our Corporate Governance Report 2022 and our Integrated Annual Report 2022, both of which are available on our corporate website.

GRI CONTENT INDEX

This Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) standards. In this index, we indicate where the relevant GRI topics are disclosed in the 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	Integrated Annual Report: Inside Front Cover • Corporate Information • Group Corporate Structure	 page 242 page 11
102-8	Information on employees and other workers	Sustainability Report: • Labour Practices and Standards	 page 63
102-9	A description of the organisation's supply chain, including its main elements as they relate to the organisation's activities, primary brands, products, and services	Sustainability Report: • Sustainable Supply Chain	 pages 44 to 49
102-10	Significant changes to the organisation and its supply chain	Integrated Annual Report: • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Sustainable Supply Chain	 pages 18-23 pages 44 to 49
102-12	External initiatives	Integrated Annual Report: • Statement on Risk Management and Internal Control	 pages 126 to 140
102-13	Membership of associations	Sustainability Report: • Our Sustainability Approach • Responsible Marketing	 pages 11 pages 55
STRATEGY			
102-14	Statement from senior decision-maker	Integrated Annual Report: • Chairman's Statement • Group Managing Director's Management Discussion and Analysis Sustainability Report: • Message from Chairman and Group Managing Director	 pages 14 to 17 pages 18 to 23 pages 4 to 7
102-15	Description of key impacts, risks and opportunities	Integrated Annual Report: • Our Strategic View • Group Managing Director's Management Discussion and Analysis • Statement on Risk Management and Internal Control Sustainability Report: • Our Material Issues	 pages 24 to 47 pages 18 to 23 pages 126 to 140 pages 18 to 27

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	Integrated Annual Report: • Vision/Mission • Core Values • Corporate Governance Overview Statement Sustainability Report: • Message from Our Chairman and Group Managing Director • Governance	 page 6 page 6 pages 93 to 112 pages 4 to 7 pages 74 to 79
102-17	Mechanisms for advice and concerns about ethics	Integrated Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Governance	 pages 93 to 112 pages 74 to 79
GOVERNANCE			
102-18 to 102-25	Governance structure of the organisation, including any committees responsible for decisions on economic, environmental and social impacts; process for delegating authority for economic, environmental and social topics; executive-level person responsible for economic, environmental and social topics; process for consultation between stakeholders and highest governing body on economic, environmental and social topics; composition of highest governance body and its committees; Chairman of the highest governance body; nomination and selection process for highest governance body; processes of highest governance body for management of conflicts of interest	Integrated Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Sustainability Governance	 pages 93 to 112 pages 10 to 11
102-26	Highest governance body's and senior executives' role in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social topics	Integrated Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Sustainability Governance	 page 93 to 112 pages 10 to 11
102-27 to 102-28	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics; processes for evaluating highest governance body's own performance, particularly with regard to economic, environmental and social topics	Integrated Annual Report: • Corporate Governance Overview Statement Sustainability Report: • Sustainability Governance	 pages 93 to 112 pages 10 to 11
102-29, 102-30, 102-31	Highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities; review of the effectiveness of the organisation's risk management processes; frequency of review of impacts, risks and opportunities	Integrated Annual Report: • Report of the Risk Management Committee	 pages 120 to 122

GRI CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
GRI 102: GENERAL DISCLOSURES (CONTINUED)			
GOVERNANCE (CONTINUED)			
102-32	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material topics are covered	Integrated Annual Report: • Report of the Risk Management Committee	pages 120 to 122
102-33, 102-34	Process for communicating critical concerns and nature and total number of critical concerns communicated to the highest governing body	Integrated Annual Report: • Statement of Risk Management and Internal Control Sustainability Report: • Governance	pages 126 to 140 pages 74 to 79
102-35 to 102-39	Remuneration policies and linkage between performance criteria in remuneration policies and highest governance body's and senior executives' economic, environmental and social topics; process for determining remuneration; how stakeholders' views are sought and taken into account regarding remuneration, including the results on the voting on remuneration policies; ratio of annual total compensation of highest paid individual to the median annual total compensation for all employees per country	Integrated Annual Report: • Corporate Governance Overview Statement	pages 93 to 112
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	pages 14 to 17
102-41	Collective bargaining agreements	Sustainability Report: • Fair Labour Practices	page 64
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: • Basis of this Report • Our Material Issues	page 1 pages 18 to 27
CLIMATE PERFORMANCE			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Our Climate Risk Pledge • Board Oversight • Senior Management KPIs	pages 30 to 31
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

GRI CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
CLIMATE PERFORMANCE (CONTINUED)			
MATERIALS			
301-1	Materials used by weight or volume	Sustainability Report: • Recycling • Waste & Material Management • Scheduled Waste Management • Non-Scheduled Waste Management • PVC Slitting	pages 38 to 41
301-2	Recycled input materials used		
ENERGY			
302-1	Energy consumption within the organization	Sustainability Report: • Energy Consumption • Energy Consumption and GHG Emissions Reduction • GHG Emissions	pages 31 to 35
302-2	Energy consumption outside of the organization		
302-4	Reduction of energy consumption		
WATER			
303-1	Interactions with water as a shared resource	Sustainability Report: • Water Management • Water Consumption and Management • Water Effluents	pages 36 to 37
303-2	Management of water discharge-related impacts		
303-3	Water withdrawal		
303-4	Water discharge		
303-5	Water consumption		
EMISSIONS			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report: • Energy Consumption • Energy Consumption and GHG Emissions Reduction • GHG Emissions	pages 31 to 35
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-5	Reduction of GHG emissions		
WASTE			
306-1	Waste generation and significant waste-related impacts	Sustainability Report: • Waste & Material Management • Scheduled Waste Management • Non-Scheduled Waste Management • Recycling	pages 38 to 41
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-5	Waste directed to disposal		
SUSTAINABLE SUPPLY CHAIN			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Supply Chain Management • Procurement • Vendor Manage and Evaluation • Procurement Efficiencies Sustainability Report	pages 44 to 45
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

GRI CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
SUSTAINABLE SUPPLY CHAIN (CONTINUED)			
OCCUPATIONAL HEALTH & SAFETY			
403-1	Occupational health and safety management system	Sustainability Report: • Health & Safety • Elimination of Health Hazards • Safety, Everyone's Responsibility • Safety Reporting • Business Continuity Management • Occupational Health and Safety Training	pages 47 to 49
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system	Sustainability Report: • Health & Safety • Safety, Everyone's Responsibility • Safety Reporting	pages 47 to 78
403-9	Work-related injuries	Sustainability Report: • Occupational Health and Safety Training • Safety Performance	page 49
403-10	Work-related ill health		
ACCESS TO MEDICINE			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Affordability and Pricing • Product Quality, Safety and Responsibility	page 52
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
CUSTOMER HEALTH AND SAFETY			
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report: • Product Quality, Safety and Responsibility • Responsible Marketing	pages 52 to 56
MARKETING AND LABELING			
417-1	Requirements for product and service information and labeling	Sustainability Report: • Product Quality, Safety and Responsibility • Responsible Marketing	pages 52 to 56
DIVERSITY & INCLUSION			
103-1	Explanation of the material topic and its boundary	Sustainability Report: • Labour Practices and Standards	page 62
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
EMPLOYMENT			
401-1	New employee hires and employee turnover	Sustainability Report: • Labour Practices and Standards • Employee Recruitment • Fair Labour Practices • Freedom of Association	pages 62 to 64
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees		
401-3	Parental leave		

GRI CONTENT INDEX

GRI STANDARD DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
DIVERSITY & INCLUSION (CONTINUED)			
LABOR/MANAGEMENT RELATIONS			
402-1	Minimum notice periods regarding operational changes	Sustainability Report: • Labour Practices and Standards • Employee Recruitment • Fair Labour Practices • Freedom of Association	pages 62 to 64
TRAINING AND EDUCATION			
404-1	Average hours of training per year per employee	Sustainability Report: • Training and development • Budget for Training • Talent Management and Succession Planning • Graduate Training Programme	pages 65 to 67
404-2	Programs for upgrading employee skills and transition assistance programs		
404-3	Percentage of employees receiving regular performance and career development reviews		
DIVERSITY AND EQUAL OPPORTUNITY			
405-1	Diversity of governance bodies and employees	Sustainability Report: • Diversity and Inclusion • Gender Equity • Social Inclusivity	pages 69 to 71
GOVERNANCE			
103-1	Explanation of the material topic and its boundary	Integrated Annual Report: • Corporate Governance Overview Statement	pages 94 to 112
103-2	The management approach and its components		
103-3	Evaluation of the management approach	Sustainability Report: • Corporate Governance	page 79
ANTI-CORRUPTION			
205-1	Operations assessed for risks related to corruption	Sustainability Report: • Anti-Corruption • Commitment to Integrity • Board Oversight of Integrity • Integrity Performance in 2022 • Corruption Risk Management • Training on Anti-Corruption • Whistleblowing • Due Diligence on Stakeholders • Integrity Along the Supply Chain • Integrity and Anti-Corruption Programme for Business Associates • Integrity Pact	pages 75 to 79
205-2	Communication and training about anticorruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
CUSTOMER PRIVACY			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report: • Data Privacy & Security • Cybersecurity • Cybersecurity Penetration Test • Disaster Recovery Exercise • Annual IT Audits	page 74

SDG CONTENT INDEX

		SUSTAINABLE DEVELOPMENT GOAL	PAGE REFERENCE
GOAL 1 - End poverty in all its forms everywhere			
	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	**page 52 Affordability and Pricing** Offer Ethical Speciality generics that is more affordable than innovator version **pages 55 to 56 Accessibility of Medicines** Enhance our portfolio to cater patient needs through affordable generics **page 71 Social Inclusivity** Our community outreach programmes targeting the underprivileged and underserved through financial and non-financial aid
GOAL 3 - Ensure healthy lives and promote well-being for all at all ages			
	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	**pages 55 to 56 Accessibility of Medicines** Develop six generics and biosimilars targeted at NCD categories **page 68 Employee Engagement** Provide a platform for employees to raise and receive support related to Mental Health
	3.8	Achieve universal health coverage,including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all	**page 52 Product Quality, Safety and Responsibility** Complied to stringent regulations in the effort of producing quality and safety product
	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	**page 57 R&D Support** Support R&D of vaccines and medicines by having R&D team to do in-house research
GOAL 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all			
	4.3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	**page 65 Training & Development** Providing internal and external training and develop individual skills to all employees regardless of their gender
	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	**page 67 Graduate Training Programme** Recruited young talents with the aim of being groomed for bigger roles in the future **page 71 Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ)** Upskill graduates and enhance their employability

SDG CONTENT INDEX

	SUSTAINABLE DEVELOPMENT GOAL	PAGE REFERENCE
GOAL 5 - Achieve gender equality and empower all women and girls		
5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	**page 70 Gender Equality** Women have equal opportunities for leadership as they make up 60.7% of middle level management and 25% of the top management
GOAL 6 - Ensure availability and sustainable management of water and sanitation for all		
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	**page 36 Water Management** Implement water recycling **page 37 Water Effluents** Making sure effluents meet the DOEs rules and regulations
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	**page 36 Water Management** Come up with water management plan in all three manufaturing sites include guidelines and procedures to monitor water consumption
GOAL 7 - Ensure access to affordable, reliable, sustainable and modern energy for all		
7.3	By 2030, double the global rate of improvement in energy efficiency	**page 35 Energy Consumption & GHG Emissions Reduction** Implementing energy reduction initiatives to drive the efficient use of fuel and electricity
GOAL 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
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	**page 57 R&D Support** R&D team obtained multiple patents which allowed company to circumvent innovator's patent and bring affordable generic to the market earlier
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	**page 67 Graduate Training Programme** Recruited young talents with the aim of being groomed for bigger roles in the future **page 71 Professional Training and Education for Growing** Entrepreneurs (PROTÉGÉ) Upskill graduates and enhance their employability
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	**page 64 Health & Safety** Ensures workplace safety are in place to enable our employees to carry out their functions safely **page 64 Fair Labour Practices** Employees at our plants are covered by "Collective Agreements" reached with their respective unions

SDG CONTENT INDEX

		SUSTAINABLE DEVELOPMENT GOAL	PAGE REFERENCE
GOAL 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation			
	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	**page 57 R&D Support** Enhance R&D by having strong R&D team to do in-house research
	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	**page 45 Manufacturing Efficiencies** We adopt several digital technologies in our manufacturing plants **page 57 R&D Support** Support R&D of vaccines and medicines by having R&D team to do in-house research
GOAL 10 - Reduce inequality within and among countries			
	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	**page 64 Fair Labour Practices** Our HR policy is guided by the Employment Act 1955
GOAL 12 - Ensure sustainable consumption and production patterns			
	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	**page 38 Waste and Material Management** All our waste and material management are guided by DOE regulations to ensure proper disposal
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	**page 39 Non Scheduled Waste** We adopt several waste disposal method including recycling and material recovery as effort to reduce our waste generation
	12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Throughout SR 2022 report
GOAL 13 - Take urgent action to combat climate change and its impacts*			
	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	**pages 30 to 31 Climate Risk** Our climate-related risk assessment, Board and management oversight and mitigation actions
	13.3	Improve education, awarenessraising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	**page 10 Sustainability Governance** Sustainability Department responsible for ESG awareness by providing ESG training for all levels of employees
GOAL 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development			
	14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	**page 37 Water Effluents** Water effluents monitoring and management to reduce impacts to surrounding water bodies

SDG CONTENT INDEX

	SUSTAINABLE DEVELOPMENT GOAL		PAGE REFERENCE
GOAL 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels			
	16.3	Promote the rule of law at the national and international levels and ensure equal access to justice for all	**page 75 Anti-Corruption** Implementation of 11 policies to strengthen integrity across the company
	16.5	Substantially reduce corruption and bribery in all their forms	**pages 75 to 79 Anti-Corruption** We committed in reducing corruption and bribery by established policies and guidelines in managing corruption risks
	16.6	Develop effective, accountable and transparent institutions at all levels	**page 8 Sustainability Governance** Develop clear governance structure to support the effort
	16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels	**page 8 Sustainability Governance** Board has oversight strategies in sustainability and climate risks along with HSC
GOAL 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development			
	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	**page 56 Accessibility to Medicine** DBB collaborated with Korean Partners on ERYSAA and US-Based Company technology company on distributing screening device for breast cancer
	17.16	Enhance the global partnership for sustainable development, complemented by multistakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	**page 11 Our Sustainability Approach** DBB as participatory member of UNGC

ASSURANCE STATEMENT

Carbon CHECK

Sustainability Assurance Report for DUOPHARMA BIOTECH BERHAD's -"CAPTURING EMERGING OPPORTUNITIES" - Sustainability Report 2022

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 13/03/2023 (the 'agreement') for providing independent assurance services on the performances to be reported in the DUOPHARMA BIOTECH's Sustainability Report for the year 2022 titled "CAPTURING EMERGING OPPORTUNITIES":

- √ 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 01/01/2022 – 31/12/2022.** √ **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).

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- √ Criteria 2: AA 1000 ACCOUNTABILITY principles 2018 for determination of materiality, responsiveness and inclusivity and reliability of the specified information with regards to the identified sustainability indicators.

Management's Responsibility

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

Inherent limitations

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

Our Responsibility

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

We have conducted our engagement is 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.

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

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

- √ Obtained a fundamental understanding of the application of the AA 1000 ACCOUNTABILITY principles 2018 by interviewing responsible employees for 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 of data/information.
- √ Our review covered the corporate office of DUOPHARMA BIOTECH and three sites i.e., Bangi, Klang and Glenmaire site. Performed limited substantive testing on a sample basis of the Selected Indicators at corporate head office, and in relation to the three 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 2022.
- √ 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 behavior.

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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 2022 are not prepared, in all material respects, in accordance with the Global Reporting Initiatives (GRI) Standards.
b) DUOPHARMA BIOTECH does not have systems and processes in place to comply with the AA 1000 ACCOUNTABILITY principles 2018 i.e., inclusivity, materiality, and responsiveness in the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

Restriction on Use

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

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000-213/V3-J65U2

Name: Amit Anand	**Name:** Vikash Kumar Singh
Designation: Chief Executive Officer	**Designation:** Executive Director
Place: New Delhi, India	**Place:** New Delhi, India
Date: 17th April 2023	**Date:** 17th April 2023

DUOPHARMA

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

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