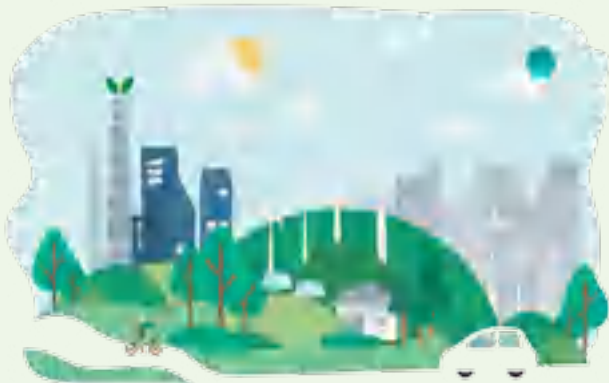


## SUSTAINABILITY REPORT

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## ABOUT THIS REPORT



We are pleased to present the fifth annual Sustainability Report of Hyphens Pharma International Limited (“**Hyphens**”, and together with its subsidiaries, the “**Group**”). It provides an overview of Hyphens’ performance related to material environmental, social, and governance (“**ESG**”) issues from January 1 to December 31, 2023 (“**FY2023**”), aligning with our financial reporting year.

### REPORTING STANDARDS

This report has been prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards. We use the GRI Standards for preparing our sustainability report due to their international recognition and acceptance by stakeholders. This year, we have started including disclosures recommended by the Task Force on Climate-related Disclosures (“**TCFD**”). The report aligns our activities with the United Nations (“**UN**”) Sustainable Development Goals (“**SDGs**”) and follows the SGX-ST Catalist Rules (711A and 711B), detailing our ESG strategies, targets and achievements.

### SGX PRIMARY COMPONENTS

The report comprises the six primary components, as required by the SGX-ST sustainability reporting rules, covering Material ESG factors, Climate-related disclosures, policies, practices and performance, targets, Sustainability reporting framework and Board statement.

### REPORTING PROCESS

We have followed GRI standards and guidance to identify, assess, prioritise, and validate material ESG topics. The report reflects our stakeholders’ expectations, our understanding of the sustainability context, ESG risks and opportunities, and sustainability trends. It also updates our alignment with TCFD disclosures.

In preparing the report, we have applied GRI’s principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability to ensure report quality. The data in this report is sourced directly from our primary official records to ensure both accuracy and consistency. For ease of comparison across different years, we have incorporated historical ESG performance data. All financial information is presented in Singapore dollars, except where indicated otherwise.

### Standards, Frameworks and Guidelines

- GRI Standards
- SGX-ST Catalist Rules (711A and 711B) – Sustainability Reporting
- TCFD Recommendations
- UN SDGs
- Greenhouse Gas (“**GHG**”) Protocol

### RESTATEMENTS

This report does not contain any restatements of previously reported information or data.

### ASSURANCE

An independent auditor has reviewed and audited our financial statements. We maintain an internal system to validate the accuracy and reliability of our ESG data. The possibility of obtaining external verification for our ESG data for future reports remains under consideration.

### AVAILABILITY

The report is part of our Annual Report, available in PDF on our website ([www.hyphensgroup.com](http://www.hyphensgroup.com)) and the SGX website ([www.sgx.com](http://www.sgx.com)).

### CONTACT

For comments or questions about this report, please contact us at [ir@hyphens.com.sg](mailto:ir@hyphens.com.sg).

### HEAD OFFICE

Hyphens Pharma International Limited  
Company Registration No. 201735688C  
16 Tai Seng Street, Level 4  
Singapore 534138  
[www.hyphensgroup.com](http://www.hyphensgroup.com)

## OUR GOVERNANCE



**Hyphens Pharma International Limited (the ‘Company’ or ‘Hyphens’) and its subsidiaries (the ‘Group’) are committed to maintaining a high standard of corporate governance within the Group. The Company believes that good corporate governance is essential for preserving the interests of all stakeholders and strengthening investors’ confidence in the Group, thereby enhancing long-term shareholders’ value.**

### CORPORATE GOVERNANCE

The Corporate Governance section of this Annual Report provides a detailed account of our corporate governance structure and measures, with reference to the principles and provisions of the Code of Corporate Governance 2018.

Please refer to the Corporate Governance section of this report for detailed information.

### SUSTAINABILITY GOVERNANCE

The Board has established a sustainability governance structure for effective oversight and management of material ESG issues, impacts, risks and opportunities.

The Board has the ultimate responsibility for the Group’s sustainability matters, sustainability strategy and risk management. The management is responsible for implementing the sustainability strategy, monitoring performance against targets and providing regular updates to the Board.

The Board is assisted by the Sustainability Committee (“SC” or the “Committee”), which comprises senior management executives from major functions and is chaired by the Chief Executive Officer. The Committee reports to the Board, which periodically reviews ESG impact, practices and performance, and engagement with stakeholders to understand their expectations and concerns.

The Board is also assisted by the Audit Committee in reviewing the effectiveness and adequacy of internal controls relating to sustainability data and compliance with the reporting requirements issued by the Singapore Exchange (“SGX”).



### BOARD STATEMENT

At Hyphens, the Board of Directors is committed to upholding the highest standards of corporate governance, ethics, and sustainability. Recognising that sustainability is key to both our business strategy and sustained success, the Board, working closely with the management, identifies the ESG impacts, risks and opportunities that are material to our business and stakeholders. These material issues are considered in developing the Group’s strategic direction in line with our commitment to responsible business practices.

The management is responsible for implementing ESG strategies, monitoring performance, achieving goals and targets, and providing regular updates to the Board, as well as preparing the sustainability report. The Board regularly reviews and oversees the Group’s sustainability performance. It also reviews and approves the Group’s sustainability reporting.

## OUR GOVERNANCE

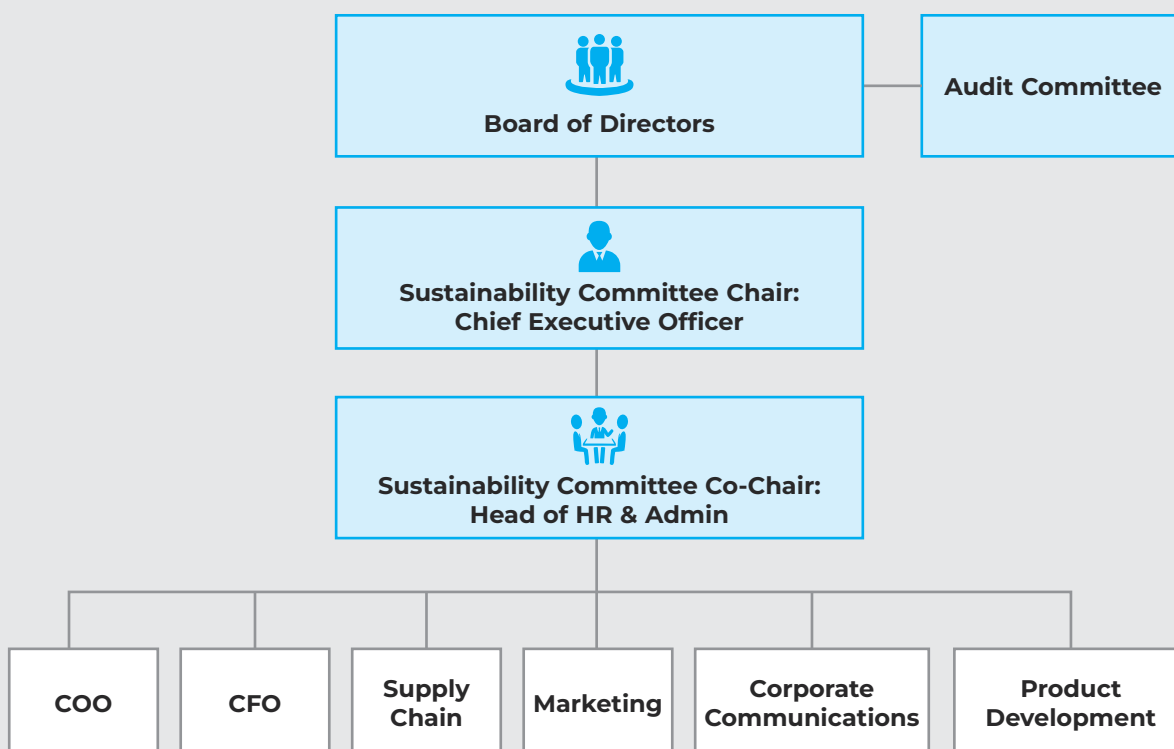
### SUSTAINABILITY COMMITTEE

The Sustainability Committee is responsible for assisting the Board in identifying and prioritising material ESG factors and climate-related risks and opportunities, managing and monitoring the implementation of material ESG factors, setting and achieving ESG targets over the short, medium, and long term, and preparing the annual sustainability report.

Led by Hyphens' Head of HR and Admin, the SC comprises Chief Operating Officer, Chief Financial Officer, Marketing Director, Corporate Communications, Supply Chain Manager, and the Head of the Product Development Department. The SC reports to the Chief Executive Officer who is also Chairman of the Board.

The Committee is tasked with overseeing and directing the Group's sustainability strategy, policies, and targets, ensuring these align with the Board's strategic direction. This involves regular engagement with stakeholders to integrate their perspectives into the sustainability strategy and business decisions. The Committee is also responsible for maintaining accurate and reliable data controls, regularly reviewing ESG performance, and updating the Board on sustainability achievements using key performance indicators. The Committee also oversees the preparation of sustainability reports as per SGX sustainability reporting guidelines and seeks the Board's approval.

#### SUSTAINABILITY GOVERNANCE ORGANISATION CHART



### DIRECTORS' TRAINING

The Board keeps itself updated on sustainability trends and developments through training, expert briefings, webinars and self-studies. Board Directors have also attended the sustainability training, as mandated by the SGX sustainability reporting rules.

## OUR GOVERNANCE

### BOARD DIVERSITY POLICY

Hyphens' Board Diversity Policy endorses the principle that its Board should be an appropriate balance and mix of skills, knowledge, and experience, thereby avoiding groupthink and fostering constructive debate so that the Group can benefit from their collective expertise.

An effective Board consists of individuals with a range of complementary professional qualifications, skills, regional and global business experiences, industry knowledge, and varying backgrounds in terms of gender, geography, nationality, tenure, seniority, and other unique characteristics. We take these attributes into account when determining the optimal composition of our Board, aiming for balanced representation whenever possible.

Acknowledging the significance of gender diversity, our goal is to maintain at least one female director on the Board. Presently, of the six directors on the Board, one is female. All six directors are above the age of 50 years.

To maintain gender diversity on our Board, we have implemented several key measures. External search consultants responsible for identifying Board candidates are mandated to incorporate female candidates in their search criteria. Simultaneously, our Nomination Committee ("NC") is instructed to consider female candidates when selecting new Directors, ensuring a consistent focus on gender representation in our Board's composition.

### SUSTAINABILITY POLICY

At Hyphens, we are committed to playing a role in improving global health while minimising our environmental and social impact. We have adopted a comprehensive sustainability policy which outlines our commitment to sustainable practices in the pharmaceutical industry and guides our employees, partners, and stakeholders towards a sustainable future. Please refer to our sustainability framework in the Sustainability Strategy section of this report to learn more about our policy commitments.

### REGULATORY COMPLIANCE

At Hyphens, we are committed to complying with applicable laws and regulations where we operate. We believe regulatory compliance is the essential foundation for sustainable growth of our business and delivering value to our shareholders and stakeholders. Our approach involves taking preventive measures to mitigate legal risks and continuously monitoring our performance.

The Group's regulatory policies and procedures are periodically reviewed to ensure that they are aligned with all applicable legislative and regulatory requirements. We also provide consolidated training programmes for all employees, alongside pre- and post-training quizzes, to familiarise them with the Group's policies.

For transparency, we publicly report significant instances of non-compliance. An incident is considered significant if it involves a fine exceeding S\$20,000 or results in the stoppage of business operations.

In the reporting period, there were no incidents of significant non-compliance involving significant fines or non-monetary sanctions.

### CODE OF CONDUCT

The Group's Code of Conduct, commonly referred to as the "Code", is readily available for review on our website at [www.hyphensgroup.com](http://www.hyphensgroup.com). The Code outlines the expected conduct for all employees, emphasising the necessity for high standards of personal and corporate integrity. This expectation extends to all interactions, whether with customers, suppliers, competitors, fellow employees, or the wider community. New employees undergo training as part of onboarding that covers the Group's Code of Conduct, corporate values, ethical principles and policies.



#### Our Code of Conduct covers the following issues:

- Compliance with the law
- Conflict of interest
- Prohibition on bribery and corruption
- Gifts, favours and concessionary offers
- Workplace harassment
- Workplace health and safety
- Company property and assets
- Confidential information
- Proprietary information & intellectual property
- Insider trading
- Enforcement & reporting violations of the Code of Conduct

## OUR GOVERNANCE

### WHISTLEBLOWING POLICY

In line with our commitment to transparency, accountability, and integrity, we have implemented a robust Whistleblowing Policy. This policy is a critical component of our governance framework, offering both employees and external parties a secure avenue to report concerns regarding financial reporting irregularities or other types of malpractice. These whistleblowing channels are designed to protect the confidentiality of the whistleblower and guarantee that there will be no retaliation for raising concerns. Our Whistleblowing Policy is accessible through the BIPO mobile application, and the integrated human resource management system ("HRMS").

### ANTI-CORRUPTION POLICY



Our anti-corruption policy has been communicated to **100%** of all employees.

The Group adopts a strict zero-tolerance policy against corruption, bribery, fraud and money-laundering, recognising that these practices can undermine stakeholder trust, damage our reputation, and lead to significant legal and financial risks. To protect our stakeholders' interests and ensure the smooth operation of our Group, we have implemented an anti-corruption policy. Our anti-corruption policy applies to all employees, directors, suppliers and business partners. Any unethical behavior or misconduct relating to corruption and fraud by employees may result in formal disciplinary action including dismissals. We periodically review our practices and performance to identify areas for continuous improvement.

Our anti-corruption policy has been communicated to 100% of all employees (440 employees) and 100% of the Board of Directors (six directors). All directors have also attended anti-corruption training.

There were no incidents of bribery, fraud and money-laundering in the reporting period.

#### MATERIAL TOPIC: ANTI-CORRUPTION

##### Our Ongoing Target

##### Performance in 2023

To have no incidents of bribery, fraud and money-laundering.

No incidents.

### ANTI-FRAUD POLICY

Hyphens is committed to maintaining integrity in its operations. We have established a Fraud Policy to deter fraudulent activities involving employees, shareholders, consultants, vendors, contractors, external agencies, and any entities in business with us. Suspected fraud must be reported to the Audit Committee Chairman immediately. The Audit Committee can appoint Internal Auditors or independent investigators, such as forensic accountants, for probes. Employees involved in fraud will undergo disciplinary measures, with potential criminal and civil actions.

There were no confirmed incidents of fraud in the reporting period.

### ANTI-COMPETITION

Hyphens is committed to fair competition and adheres strictly to all applicable anti-competition laws and regulations where we operate. We prohibit any form of collusion, price-fixing, market allocation, or any other activities that could restrict or distort competition.

There were no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation.

### DATA PROTECTION AND PRIVACY



Hyphens is committed to safeguarding personal data and privacy. Our Data Protection Policy, compliant with the Personal Data Protection Act 2012 ("PDPA"), governs the handling of personal information of employees, shareholders, partners, customers, and suppliers. It details the legitimate processing of personal data and is accessible at [www.hyphensgroup.com](http://www.hyphensgroup.com). A designated Data Protection Officer ("DPO") oversees the policy's implementation.

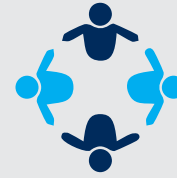
Further details on our data protection efforts are in the Our Customers section of this report.

## OUR GOVERNANCE

### HUMAN RIGHTS POLICY

Hyphens is committed to upholding internationally recognised human rights principles as outlined by the United Nations' Universal Declaration of Human Rights and the International Labour Organization's ("ILO") core labour standards in our operations and supply chains. We prohibit child labor, forced labor, and modern slavery. We are committed to maintaining fair and respectful workplaces, free from discrimination and harassment. We respect our employees' rights to join unions and engage in collective bargaining in accordance with national laws. Currently, our employees are not covered by a collective bargaining agreement. However, we strive to pay competitive wages and benefits to our employees. Our HR policies ensure equal opportunities for all employees, irrespective of their race, gender, religion, ethnicity, nationality, cultural background, sexual orientation, or any other characteristic.

There were no incidents of discrimination in the reporting period.



There were  
**no incidents**  
of discrimination in the  
reporting period.



## OUR SUSTAINABILITY STRATEGY







**At Hyphens, we recognise the vital role we play in improving global health while minimising our environmental and social impact. As a responsible member of the pharmaceutical industry, we are committed to adopting sustainable practices in our operations.**

Our sustainability strategy is to support sustainable business growth to create value for our shareholders and stakeholders by effectively managing ESG impacts, risks and opportunities across time horizons covering short term, medium term and long term.

Our strategic sustainability framework is informed by a comprehensive materiality assessment to identify the most significant ESG issues. An overview of our sustainability framework is presented in the infographic below.

### SUSTAINABILITY FRAMEWORK

 <b>Innovation and Access</b>	 <b>Environmental Responsibility</b>	 <b>Social and Ethical Conduct</b>	 <b>Accountability and Reporting</b>
<ul style="list-style-type: none"> <li>• Develop and provide innovative pharmaceutical solutions that contribute to improved global health and well-being.</li> <li>• Promote equitable access to healthcare, ensuring our products are available to those in need, regardless of their economic status.</li> <li>• Safeguard consumers' health by delivering products that meet the highest quality and safety standards.</li> <li>• Protecting customers' personal data from unauthorised or accidental leaks, modification, or disclosure.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce packaging waste in our operations.</li> <li>• Minimise our environmental footprint by reducing waste, conserving natural resources, and implementing sustainable practices throughout our operations.</li> <li>• Comply with all relevant environmental laws and regulations and actively seek ways to exceed compliance.</li> <li>• Continuously strive to improve our environmental performance and reduce the environmental impact of our products.</li> </ul>	<ul style="list-style-type: none"> <li>• Uphold the highest standards of ethics and transparency in all our business dealings, avoiding unethical practices such as bribery and corruption.</li> <li>• Attract and retain diverse talent to deliver our business goals.</li> <li>• Support the well-being of our employees, ensuring a safe and inclusive work environment.</li> <li>• Foster positive relationships with our local communities and contribute to their growth and development through philanthropic activities, volunteerism, and partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct regular sustainability assessments, measure performance, and set achievable goals.</li> <li>• Communicate our sustainability progress to our stakeholders through annual sustainability reports using globally recognised standards.</li> </ul>



## STAKEHOLDERS



**We acknowledge the significance of establishing a solid foundation of trust and respect with all our stakeholders. We have identified key stakeholders as those who hold an interest in our Group and can influence or be affected by our business activities and operations. Our primary stakeholders encompass our customers, employees, suppliers, investors, regulators, and the broader community.**

We are committed to frequent, continuous, and constructive dialogue with our stakeholders. Our primary aim in engaging with our stakeholders is to understand and address their legitimate concerns and expectations. Gaining insights into their viewpoints is crucial for informing our materiality assessment and for validating and prioritising sustainability topics in our reporting. In 2023, we invited internal stakeholders to participate in a survey to seek their opinion on sustainability topics for reporting. The management team also gathers views of external stakeholders as part of their ongoing, informal interactions throughout the year.

A summary of our stakeholder engagement is provided in the table below.

Stakeholders	Engagement Activities	Key Concerns
<b>Customers</b>	<ul style="list-style-type: none"> <li>Regular interactions</li> <li>Enquiry and feedback channels</li> <li>Ad-hoc customer survey</li> </ul>	<ul style="list-style-type: none"> <li>Cost-competitiveness</li> <li>Excellent customer service</li> <li>Digital adaptation and experience</li> <li>Product responsibility</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Annual employee performance appraisal</li> <li>Regular team/town hall meetings</li> <li>Regular staff communication sessions</li> </ul>	<ul style="list-style-type: none"> <li>Professional development</li> <li>Employee engagement</li> <li>Workplace health and safety</li> <li>Staff rights and welfare</li> </ul>
<b>Management Team</b>	<ul style="list-style-type: none"> <li>Annual management meeting</li> <li>Regular team meeting and communication sessions</li> <li>Ad-hoc surveys</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity and strategy</li> <li>Data governance and risk and management</li> <li>Employee engagement and talent alignment</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Regular results briefings and participation in investment events</li> <li>Annual and interim reports</li> <li>Ad-hoc circulars to shareholders/announcements on group website</li> </ul>	<ul style="list-style-type: none"> <li>Growth strategy and economic performance</li> <li>Business ethics and transparency</li> <li>Corporate governance and sustainability</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>Frequent discussions and meetings</li> <li>Regular corporate presentations</li> </ul>	<ul style="list-style-type: none"> <li>Partnership for opportunities and growth</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Periodic supplier evaluations</li> <li>Periodic on-site inspections</li> <li>Regular discussions/meetings</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with terms and conditions of purchasing policies and procedures</li> <li>Ethical standards as well as social and environmental responsibility</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Periodic discussions with government agencies and departments</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Timely reporting and resolution of issues</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>CSR programmes</li> </ul>	<ul style="list-style-type: none"> <li>Responsible corporate citizenship</li> </ul>

## MATERIALITY



**We believe regular materiality assessment is essential for identifying significant ESG impacts, risks and opportunities to guide sustainable business practices, and ensuring long-term value creation. We review our material ESG topics every year and conduct an in-depth materiality assessment every three years.**

Our most recent comprehensive materiality assessment was in 2021 where the management participated to understand Hyphens' impact on the economy, the environment and society. Subsequently, we have reviewed our material topics for reporting annually. In 2023, we evaluated the material topics reported in our 2022 Sustainability Report and made some adjustments to the list of topics for reporting in our 2023 Sustainability Report.

Following the latest review, we have removed Socioeconomic Compliance and Environmental Compliance from the list of material topics to align with the GRI Standards 2021. Instead, we have reported on regulatory compliance as a general disclosure as required by the GRI Standards. Our updated list of material topics is presented in the table below. Considering the growing stakeholder expectations from businesses to reduce packaging impact on the environment, we have included Packaging Waste as a material topic. We have relabeled the previously reported topic Employment as Talent Management to reflect our focus on building our human capital to support business growth.

Our materiality assessment follows GRI's four-step guidance to identify, assess, prioritise and validate the topics that represent the most significant negative as well as positive impacts of our operations. In the 2023 review, we engaged all internal stakeholders—including the Executive Team, Sustainability Committee, and company employees—in our Materiality Assessment by inviting them to rate the significance of our material topics through an online survey.

### BOARD APPROVAL

Assisted by the management and the Sustainability Committee, the Board reviewed and approved the material ESG topics for reporting.

### SUSTAINABLE DEVELOPMENT GOALS


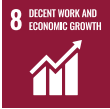





The United Nations Sustainable Development Goals are a universal call to action, comprising 17 interconnected Goals, aimed at eradicating poverty, protecting the planet, and ensuring prosperity and peace for all by 2030. By aligning with the SDGs, businesses can contribute to global efforts towards sustainability, while also enhancing their own resilience, innovation, and stakeholder trust, ultimately driving long-term growth and success.

At Hyphens, we are committed to supporting sustainable development goals by embedding sustainability into our business strategy and operations. We have aligned our material topics with the relevant SDGs where we have the opportunity to make a positive contribution.

# MATERIALITY

## MATERIAL TOPICS

An overview of our material topics and the related SDGs are presented in the table below.

MATERIAL ESG TOPICS			
Material Topics	Materiality Description	Our Management Approach	Relevant SDGs
ENVIRONMENT			
Packaging Waste	A range of packaging materials are used for our pharmaceutical and consumer healthcare products.	We are committed to reducing packaging waste in our operations.	
SOCIAL			
Talent Management	It is critical for us to attract and retain diverse talent to deliver our business goals.	We invest in the development of our employees to attract and retain diverse talent to deliver our business goals.	 
GOVERNANCE			
Anti-corruption	It is critical to manage corruption and fraud risks to protect our reputation.	We are committed to adhering to the highest business ethics and conduct standards.	
Customer Health and Safety	Pharmaceutical and consumer healthcare products require compliance with health and safety regulations and standards.	It is critical to safeguard consumers' health and safety by delivering products that meet the highest quality and safety standards.	 
Customer Privacy	It is critical to comply with personal data protection regulations to protect our reputation and build stakeholder trust.	We are committed to protecting customers' personal data from unauthorised or accidental leaks, modification, or disclosure.	

## OUR PEOPLE



**At Hyphens, our people are crucial for our long-term success and growth. Our goal is to be a company that our employees are proud to work for.**

### OUR EMPLOYEES

At the close of FY2023, Hyphens had 440 employees on its payroll. Full-time employees made up 96% of this total workforce. Among our employees, 94% were permanent employees. In addition, there were 11 temporary employees and 16 fixed-term contract employees. The Group engaged 27 freelance workers for roles such as sales promoters, merchandisers, delivery drivers, and office cleaners, who were not our employees. Singapore accounted for 52% of our total number of employees.



**96%**

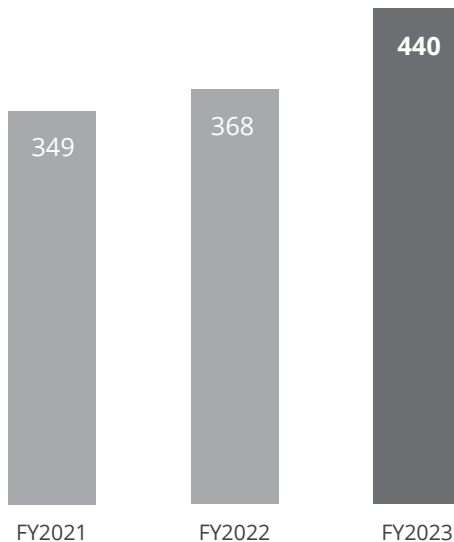
Full-time employees



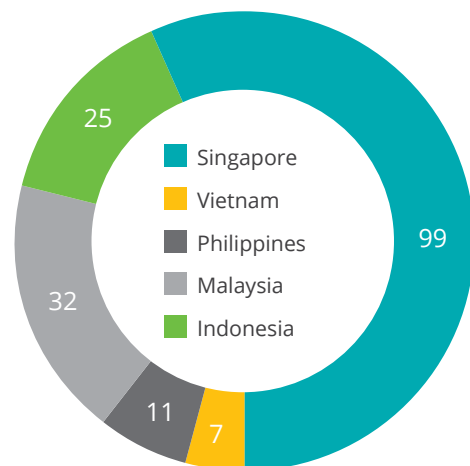
**94%**

Permanent employees

### Number of Employees



### Number of New Employees by Country



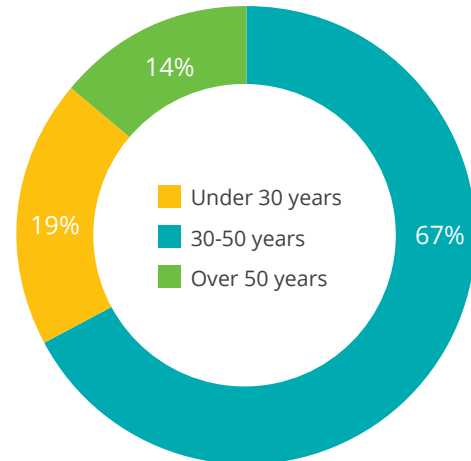
## OUR PEOPLE

### DIVERSITY

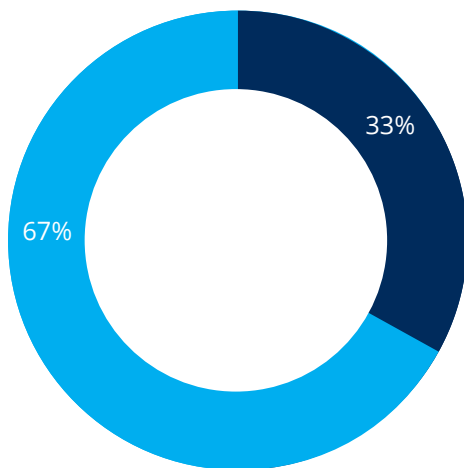
At Hyphens, we are committed to building a diverse and inclusive environment where all employees, regardless of their race, gender, age, sexual orientation, disability, religion, or ethnic background, are respected, valued, and given equal opportunity to realise their full potential. Our policies promote diversity, equality, and inclusion in the workplace and support a dynamic, innovative, and respectful environment.

In FY2023, 67% of our employees fall within the age range of 30-50 years, with 19% under 30 years of age and 14% aged over 50. Additionally, women constituted 67% of our workforce, held 65% of middle management and 45% of senior management positions. This figure surpassed the 2022 statistic reported in the World Bank's Gender Data Portal, reflecting women's representation in senior and middle management at 40.6%.<sup>1</sup>

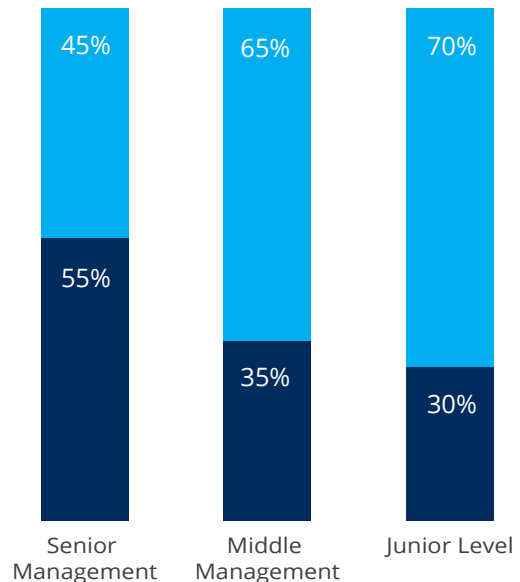
### Employee By Age Group



### Number of Employees By Gender



### Employment Category by Gender



 Male
  Female

<sup>1</sup> WorldBank, Singapore. World Bank Gender Data Portal. <https://genderdata.worldbank.org>

## OUR PEOPLE

### PARENTAL LEAVE

We are committed to promoting a supportive, family friendly workplace culture. Our employees are eligible for parental leave. We believe that offering parental leave is vital as it supports employees' work-life balance and contributes to their overall well-being and job satisfaction. This is evidenced by a retention rate of 98% for those who returned from parental leave and remained with the company for more than 1 year.

Our parental leave-related disclosures are presented in the table below.

Parental Leave	FY2022			FY2023		
	Male	Female	Total	Male	Female	Total
Total no. of employees that were entitled to parental leave, by gender	16	39	55	17	49	66
Total no. of employees that took parental leave, by gender	16	39	55	17	49	66
Total no. of employees due to return to work after taking parental leave, by gender	16	39	55	17	49	66
Total no. of employees that did return to work after parental leave ended, by gender	16	39	55	17	49	66
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	16	38	54	16	38	54
Return to work rate	100%	100%	100%	100%	100%	100%
Retention rate	NA	NA	NA	100%	97%	98%

### EMPLOYEE BENEFITS

We are committed to ensuring the welfare of our employees. We offer our full-time employees a range of benefits including life insurance, disability and invalidity coverage, healthcare, retirement plans, and parental leave, all in compliance with local laws and statutory regulations.

### EMPLOYEE DEVELOPMENT

We invest in developing our people by providing regular training opportunities. In FY2023, we provided a total of 1,625 hours of training. Average hours of training per employee amounted to 3.7 hours. The hours of training for male and female employees were 2.4 and 4.3.

### PERFORMANCE MANAGEMENT

We have implemented performance management measures to support our employees' personal and professional development. We conduct annual performance appraisals for all employees to assess their performance in a fair and objective manner. In FY2023, all 100% of the employees participated in the performance appraisal process.



# 1,625

Total hours of training



# 3.7

Average hours of training per employee



Male

# 2.4

hours



Female

# 4.3

hours



# 114

employees attended training

## OUR PEOPLE

### NEW HIRES

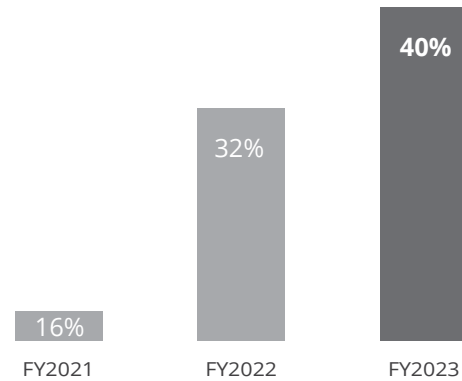
Our goal is to attract diverse talent to support our business growth. In FY2023, we hired 174 new employees. The total hiring rate in FY2023 was 40%. Women accounted for 67% of the new hires. The number and percentage of new hires by age group were as follows: 76 were under 30 years old (44%), 90 were aged between 30-50 years (51%) and 8 were over 50 years old (5%).

### TURNOVER

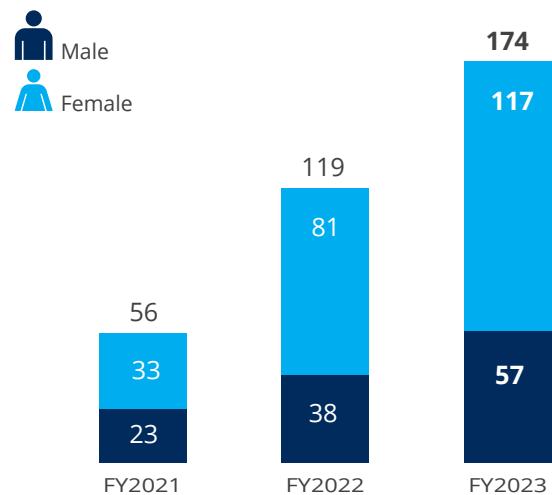
Our goal is to minimise employee turnover by implementing retention strategies, including competitive compensation, career development opportunities, positive workplace culture, and employee recognition programs. We track employee turnover to evaluate our performance.

In FY2023, the overall employee turnover rate was 25%. The turnover percentage by gender was as follows: male (35%) and female (65%). By age group, the turnover for the same period was as follows: Under 30 years (34%), 30- 50 years (55%) and Over 50 years (11%). The total number of employees leaving the organisation in FY2023 was 110, comprising 39 male employees and 71 female employees. Our Group's attrition rate, standing at 25%, exceeds the average of 16% for ASEAN countries in 2023, indicating a need for focused retention strategies and a closer examination of factors contributing to higher turnover within our organisation.

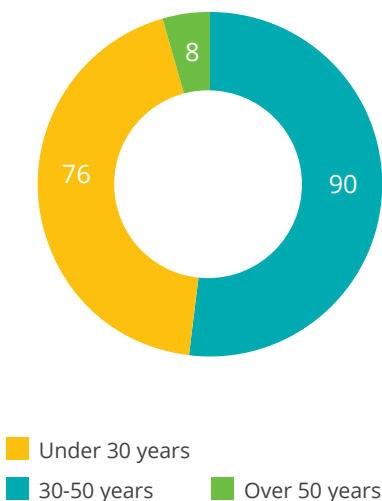
### Hiring Rate



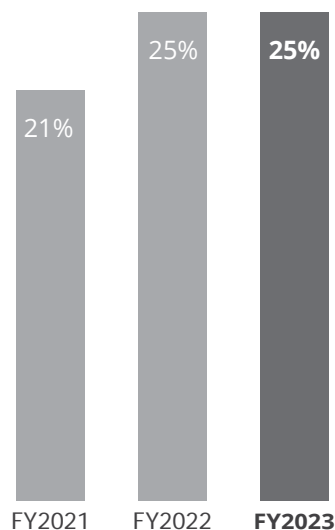
### New Hires By Gender



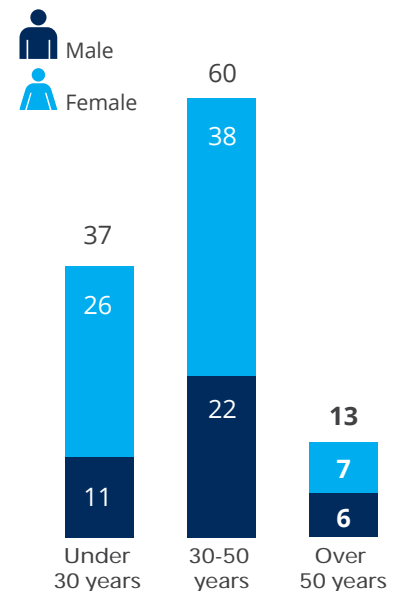
### Number of New Hires by Age Group



### Total Turnover Rate



### Number of Turnover by Age Group





## OUR PEOPLE

### EMPLOYEE ENGAGEMENT

We engage our employees in a variety of ways throughout the year. Some of the engagement initiatives are described below.

#### Festive celebrations and team bonding activities

To nurture a lively and cohesive workplace environment, employee engagement at Hyphens comprises a diverse range of festive celebrations and team bonding activities across our regional offices. From observing national and cultural festivities like Mid-Autumn, Independence Day and Christmas celebrations, to a unique DIY Eggshell Coaster Upcycling workshop and recreational activities like archery and overseas trips, our subsidiaries and team members actively participate in various activities to foster camaraderie while promoting a healthy work-life balance.



## OUR PEOPLE

### Hyphens Day

A standout tradition is the annual Hyphens Day in October, celebrated company-wide throughout our regional offices. This day marks the growth of the organisation and provides employees with an opportunity to come together for recreational activities. Each office crafts their own celebration, putting their own spin on the event. This year, we saw superhero costume contests and friendly sports matches, to DIY challenges, escape rooms, and team meals. In Hyphens Vietnam, the day was enhanced with an Employee Appreciation segment to celebrate the birthdays of team members in neighbouring months.



This day marks the growth of the organisation and provides employees with **an opportunity to come together** for recreational activities.



### Hyphens Song

Beyond company celebrations and team activities, our approach to employee engagement includes the incorporation of a company song. Sung at company events and celebrations, this fosters a sense of inclusion and belonging among all employees as it effectively reinforces our shared identity through music, a medium that transcends language barriers.

### Health and Wellbeing

Prioritising the health and wellbeing of our employees, Hyphens Vietnam organised complimentary health check-ups for all employees stationed in both Ho Chi Minh and Hanoi offices during June and July. Beyond basic monitoring of height and weight, these check-ups included comprehensive assessments of blood pressure, glucose and cholesterol profiles.

Similarly, Hyphens Singapore organised an in-office complimentary health screening for all employees in October. The health screening encompassed measurements of blood pressure, height and weight, along with assessments of blood glucose, BMI and cholesterol profiles.



Organised an in-office  
**Complimentary Health Screening**  
 for all employees

## OUR ENVIRONMENT



**Hyphens is committed to environmental stewardship, recognising its importance to our business sustainability and the wider community. Our environmental approach is anchored in the precautionary principle, ensuring that we proactively address environmental risks and potential negative impacts.**

Our environmental policy focuses on reducing packaging waste through the use of eco-friendly materials and minimising packaging size, conserving natural resources, and implementing sustainable practices across all operations. We adhere to all relevant environmental laws and regulations.

Our ongoing goal is to continuously enhance our environmental performance, reduce the impact of our products, and maintain transparency in our initiatives. We engage our employees and the community in our environmental efforts, regularly review our practices, and adapt to emerging environmental challenges, ensuring our operations contribute positively to environmental sustainability.

### PACKAGING WASTE

In the pharmaceutical and consumer healthcare sectors, packaging serves as a protective barrier, shielding products from environmental elements like moisture, light, and temperature changes, which are crucial for maintaining the quality, safety and efficacy of pharmaceuticals. Packaging also facilitates tamper-evident features, providing clear indications of any tampering, which is critical for maintaining product integrity and user safety.

Packaging also plays a significant role in dosage control, patient compliance, and information dissemination. Packaging offers critical information about usage, ingredients, and expiration dates, aiding in patient compliance and safe consumption.

We use a variety of packaging materials for our pharmaceutical and consumer healthcare products to ensure their quality, safety, efficacy and compliance. Commonly used packaging materials for our products include glass, plastic (PET, PVC, Polyethylene), metal (Aluminum), paper and composites.

### PLASTIC-LITE REFILL PACK

Over the years, we have actively advanced towards more sustainable packaging practices. This has included transitioning to recyclable bottles, eliminating superfluous plastic wrapping from individual bottles, and introducing an environmentally conscious, 'plastic-lite' refill pack for our flagship product, Ocean Health® Omega-3 fish oil. Our goal is to develop eco-friendly packaging solutions for the entire Ocean Health® product range by 2030, aligning with our commitment to environmental responsibility and sustainable development.

#### MATERIAL TOPIC: PACKAGING WASTE

Target (FY2023)	Performance in FY2023	Target (FY2024)	Medium to Long Term Target
Establish a packaging waste data collection system	We implemented a system to collect packaging waste data which has enabled us to disclose packaging waste data in this report.	To achieve 5% increase in sales units of Ocean Health® products in refill packs	Extend the refill pack packaging format to 100% of Ocean Health® supplements by 2030.

## OUR ENVIRONMENT

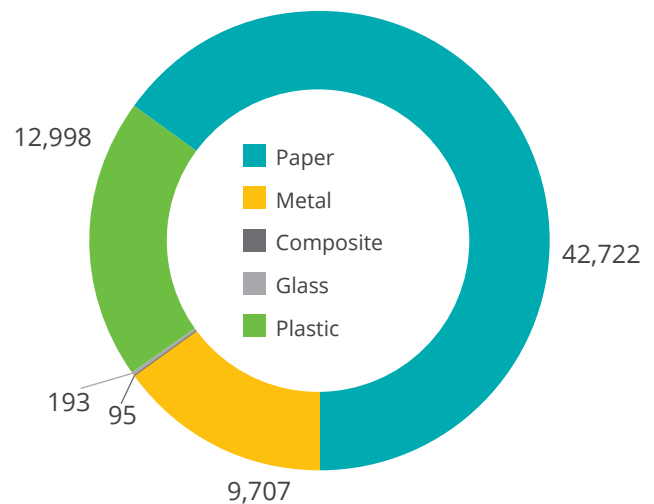
### MANDATORY PACKAGING REPORTING

Singapore has initiated a Mandatory Packaging Reporting (MPR) scheme, under the Resource Sustainability Act, aimed at addressing packaging waste and promoting sustainable practices. Introduced by the National Environment Agency (NEA), the MPR scheme mandates that producers of packaged products, including brand owners, manufacturers, and importers, as well as retailers like supermarkets, submit detailed reports annually. These reports must include the amount of packaging introduced into the Singapore market and outline their plans to reduce, reuse, or recycle packaging materials.

At Hyphens, we have implemented necessary measures to collect packaging data from FY2023 onwards. As part of the measures, we are also developing a 3R plan which will include our plans to reduce, reuse or recycle packaging.

In FY2023, we generated 65,715 kg of packaging waste. Paper constituted 42,722 kg (65.0%) of total packaging waste followed by 12,998 kg of plastic (19.8%), 9,707 kg of metal (14.8%), 193 kg of glass (0.3%) and 95 kg (0.1%) of composite.

### Packaging Waste (kg): FY2023



## OUR ENVIRONMENT

### ENERGY

Our energy consumption is comparatively low, primarily utilised for essential operations such as lighting, powering assembly line equipment, and transport for product distribution. Despite this relatively small footprint, we track and monitor our energy usage, consistently striving for greater energy efficiency in all aspects of our operations.

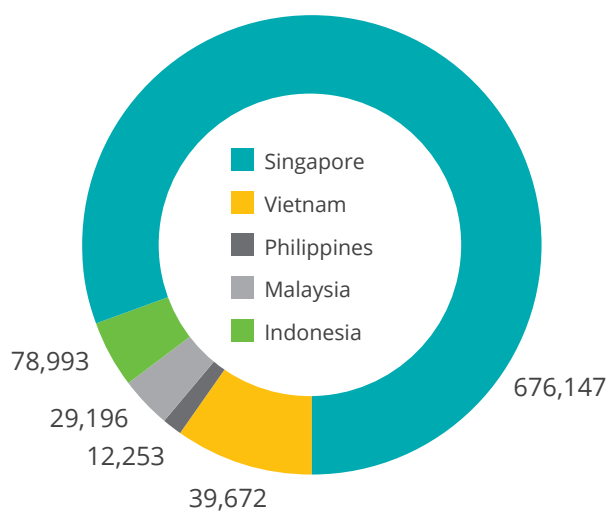
In FY2023, our total electricity purchase amounted to 836,261 kWh. Singapore operations accounted for 81% of the total electricity consumption. Energy consumption from electricity (Indirect Energy) amounted to 3,010 Gigajoules (GJ).



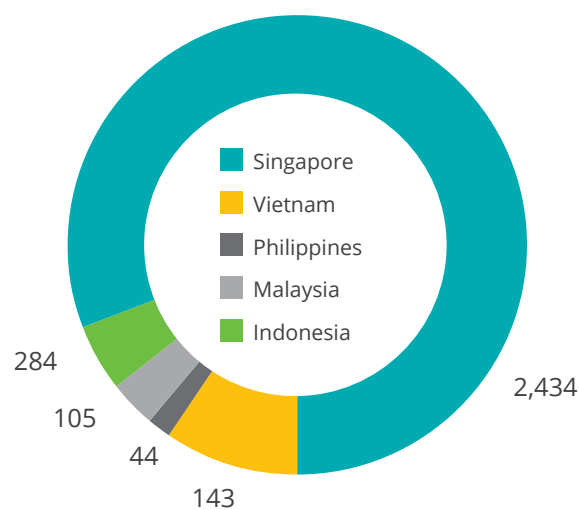
## 836,261 kWh

Total electricity purchase

#### Electricity Consumption By Country (kWh) - FY2023



#### Indirect Energy Consumption (GJ) - FY2023



### SUSTAINABILITY AWARENESS MONTH

In November 2023, we organised a month-long sustainability awareness campaign. Our primary objective was to educate employees about the multifaceted nature of sustainability, which includes not only environmental concerns but also social and governance dimensions. Our goal was also to encourage employees to integrate sustainability into their daily routines. We curated a theme for each day of the week:

Meatless Monday (focusing on environmental issues), Teamwork Tuesday (highlighting social aspects), Waste-Free Wednesday (emphasising environmental concerns), Transparency Thursday (concentrating on governance), and Fulfilling Friday (addressing both social and environmental issues). Through various channels such as informative emails and a hands-on sustainability workshop on upcycling used eggshells into coasters, we conducted sustainability engagement and outreach across the entire company.



## TCFD REPORT

As a Group primarily focused on the marketing, wholesale and distribution of specialty and branded pharmaceutical products, we recognise that our operational carbon footprint is comparatively modest. Nevertheless, we are committed to contributing to the national and global endeavours of climate change mitigation. With this spirit, we have adopted a climate policy, which encompasses commitments to reducing greenhouse gas emissions and embracing responsible packaging practices.

In alignment with our climate commitment, we are committed to progressively implementing the Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") to assess, manage and report climate-related risks and opportunities for Hyphens. This report adheres to the TCFD's structured framework, which is categorised into four core areas: governance, strategy, risk management, and metrics and targets. The details of each category are elucidated in the sections that follow.



### GOVERNANCE

At Hyphens, the Board oversees climate-related issues, while the management is responsible for implementing climate strategies and monitoring performance. The specific roles of the Board and the management are detailed below.

#### Board Responsibility

The Board is ultimately responsible for ensuring the effective management of ESG risks, including climate-related risks and opportunities within the Group, as an integral part of its overall risk management strategy. The Board has established a sustainability governance structure for effective oversight and management of material ESG issues, impacts, risks and opportunities, also covering climate-related issues.

The Board is assisted by the Sustainability Committee, which comprises senior management executives from major functions. The Sustainability Committee assists the Board in identifying and prioritising material ESG factors and climate-related risks and opportunities, managing and monitoring the implementation of material ESG factors, setting and achieving ESG targets over the short, medium, and long term, and preparing the annual sustainability report. The Board receives periodic updates from the management on sustainability issues, and reviews and approves the Group's TCFD Report.

The Board is also assisted by the Audit Committee in reviewing the efficacy of internal controls to ensure the reliability and accuracy of sustainability data and compliance with the reporting requirements issued by the Singapore Exchange ("SGX").

#### Management Responsibility

The management team is charged with the implementation, management, and monitoring of the climate-related strategy, risk management, and the establishment of metrics and targets. The management is also responsible for the preparation of sustainability reports that include climate reporting based on the TCFD framework.

The Sustainability Committee, chaired by the Group CEO, oversees and tracks the management of ESG impacts, including climate-related risks and opportunities. The Committee's responsibilities include evaluating and managing climate-related physical risks and transition risks and their financial impact on business in the short, medium and long term. The SC reports to the Board and provides regular updates, at least once a year, about the sustainability performance.



### STRATEGY

Our greenhouse gas emissions mainly arise from electricity consumption in our offices, warehouses and assembly lines, and fuel used in our transport vehicles. Overall, our scope 1 and scope 2 emissions footprint is relatively small and not considered a material ESG factor.

Our strategic options to reduce our carbon footprint include improving energy efficiency, using renewable electricity where possible and switching to electric vehicles for logistics operations. In addition, we are committed to minimising the environmental impact of our product packaging. Our strategy prioritises addressing potential climate-related risks and opportunities in the short term, while also monitoring medium- and long-term risks and opportunities to develop appropriate strategic responses. The short-term issues we are addressing include mandatory climate-related reporting referring to the TCFD Recommendations, packaging waste and regulatory compliance.

## TCFD REPORT

For planning purposes, we consider 0-5 years to be short-term, 6-10 years as mid-term and more than 10 years to be a long-term horizon. Our strategic approach over these time horizons to address climate-related risks and opportunities identified through scenario analysis is described below.

### Short Term

We expect an increase in regulatory demands and a heightened expectation from stakeholders for comprehensive reporting of GHG emissions, as well as detailed disclosure regarding climate-related risks and opportunities and their potential financial impact on our business in the short, medium, and long term. Our short-term strategic plan involves measuring and reporting a comprehensive inventory of our GHG emissions. Additionally, we are implementing a plan to track, monitor and reduce the impact of packaging on the environment. This inventory will include scope 1, scope 2, and scope 3 emissions across all our business segments, and will be aligned with the standards set by the GHG Protocol. At present, our sustainability report already includes scope 1 and scope 2 emissions. In addition, we plan to establish emission reduction goals along with a defined timeline for achieving these reductions. The environmental section of this report also provides information about our progress toward reducing packaging waste.

### Medium Term

We will explore potential roadmaps for the decarbonisation of our operations. Scope 2 emissions, arising from purchased electricity, account for about 30% of our combined scope 1 and scope 2 emissions. We would explore options for switching to renewable electricity to reduce our scope 2 emissions. Scope 1 emissions, about 70% of the total, originate from the use of diesel in our service vehicles and from refrigerant gases used for cooling. We will examine the feasibility of transitioning to electric or hybrid vehicles to minimise the scope 1 emissions.

We will also continue to enhance our understanding of anticipated new diseases born out of climate change to source supplies from our brand partners to meet demands for medication.

### Long Term

Our long-term strategy would be to achieve net-zero emissions for our direct operations and establish Hyphens as a low-emissions, climate-resilient Group.

### Climate Change and Healthcare

At Hyphens, we are keenly aware of climate change as a major 21st-century challenge with significant health impacts. As part of our commitment towards improving the quality of life for patients and community, we are dedicated to aiding in climate change mitigation, ensuring our business is sustainable and resilient, while caring for the health of patients and communities who may be affected by illnesses and diseases caused by extreme climatic shifts.

Climate change can have a profound impact on healthcare and wellbeing of societies. Rising global temperatures may cause a surge in the incidence of mosquito-borne diseases, including dengue, malaria, chikungunya and Zika, necessitating the development and distribution of more effective vaccines and medicines. Climate change is expected to cause heavy rains, storms and cyclones and flooding, and subsequent runoff contamination.

The Intergovernmental Panel on Climate Change ("IPCC") in its Assessment Report 6 ("AR6") states that cascading and compounding risks affecting health due to extreme weather events have been observed in all inhabited regions, and risks are expected to increase with further warming. The report says that the burdens of several climate-sensitive food-borne, water-borne, and vector-borne diseases are projected to increase under climate change, assuming no additional adaptation.

Moreover, we recognise the mental health impacts potentially stemming from exposure to extreme weather events, displacement, migration, famine, malnutrition, degradation or destruction of health and social care systems, and climate-related economic and social losses and anxiety and distress associated with worry about climate change.

To ensure a proactive and scalable response to meet the burgeoning market needs for medical supplies, it will be critical for Hyphens to strategically align and synergise with its brand partners.

Furthermore, we acknowledge the vulnerabilities within the pharmaceutical industry's global supply chains due to climate change. Volatile weather conditions can interfere with the flow of products and create supply bottlenecks, impacting everything from raw material sourcing to end-product distribution. This includes delays in raw material supply, unplanned production downtime, transportation delays, and cold chain storage breakdowns. Difficulty in diversifying our supply chain may result in the unavailability of stocks and affect our revenue.



## TCFD REPORT

### Scenario Analysis

As part of our commitment to understanding and mitigating the potential impact of climate change on our business over the short, medium, and long term, we have conducted a qualitative analysis based on two climate scenarios as recommended by TCFD, one of them aligned with a below 2°C warming future.

For this analysis, we have referred to the Shared Socioeconomic Pathways (“**SSP**”) based climate scenarios used in the IPCC’s AR6 focusing on SSP1-2.6 and SSP3-7.0 scenarios. SSP1-2.6, a low warming scenario, follows a very stringent pathway requiring severe carbon dioxide (“**CO<sub>2</sub>**”) emissions cuts to keep warming below 2°C compared with pre-industrial levels reaching net-zero in the second half of the century. SSP3-7.0, a medium to high warming scenario, doubling CO<sub>2</sub> emissions and temperatures from the current level by 2100, average temperature rising by 3.6°C.

SSPs depict shifts in factors such as population, economic growth, education, urbanisation, and technological advancement that could influence future greenhouse gas emissions, offering narratives of potential pathways to various levels of warming.

We have also considered the corresponding Representative Concentration Pathways (“**RCP**”) scenarios used in the IPCC’s fifth Assessment Report (“**AR5**”) which focus solely on atmospheric greenhouse gas concentrations. Together, SSPs and RCPs offer a more comprehensive understanding of plausible futures.

SSP1-2.6 corresponds to RCP 2.6 while SSP3-7.0 corresponds to somewhere between RCP 6.0 and RCP 8.5. We find SSP1-2.6/RCP 2.6 useful for assessing climate-related transition risks and SSP3-7.0/RCP 6.0 more appropriate for assessing climate-related physical risks.

### SSP Scenario Narratives

The SSPs provide a narrative of how the world could reach certain levels of warming, and outline how shifts in population, economy, education, urbanisation, and technology could impact greenhouse gas emissions and influence global warming levels. The two SSP narratives we have examined are summarised below.

SSP	SSP Narratives
SSP1-2.6	<b>Sustainability:</b> In this scenario, global CO <sub>2</sub> emissions are significantly reduced, though slower, achieving net-zero post-2050 by following socio-economic shifts towards sustainability, stabilising temperatures at about 1.8°C higher by century’s end.
SSP3-7.0	<b>Regional Rivalry:</b> In this scenario, emissions and temperatures consistently rise, with CO <sub>2</sub> emissions doubling by 2100. Nations focus more on competitiveness, emphasising national security and self-sufficiency in food. Average temperatures increase by 3.6°C by century’s end.

The above mentioned SSP climate scenarios used in the IPCC’s AR6 lead to the following warming futures:

SSPs	SSP Description	Nearest RCPs	RCP Description	Best Estimate (°C)		
				Near Term (2021-2040)	Mid term (2041-2060)	Long Term (2081-2100)
SSP1-2.6	Sustainability	RCP 2.6	Global warming slowing down	1.5	1.7	1.8
SSP3-7.0	Regional rivalry	RCP 6.0	Global warming increasing	1.5	2.1	3.6

Source: IPCC AR6 (Climate Change 2021, The Physical Science Basis)

## TCFD REPORT

### Impact of Changing Climate on Human Health

The IPCC's AR6 report provides useful insights into the potential impacts of climate change on human health that are relevant to the healthcare sector, and valuable to us as a pharmaceutical and consumer healthcare company positioned within the industry.

The IPCC's AR6 report (Working Group II: Impacts, adaptation and vulnerability) states that climate change has increased wildlife diseases. Temperature rise and more brutal extreme weather events have played a role in the emergence of new diseases in new areas, according to experimental studies. The report adds that there is evidence that climate change has helped vector-borne diseases that infect humans to expand in countries close to the Arctic.

In Asia, climate change is increasing risks to human health by increasing exposure and vulnerability to extreme weather events such as heatwaves, flooding and drought, and air pollutants, increasing vector and water-borne diseases, undernutrition, mental disorders and allergic diseases. Water-borne diseases, such as diarrhoea, leptospirosis and typhoid fever, can increase in incidence following heavy rainfall, tropical cyclones and flooding events.

One of the more obvious impacts of climate change on human health is extreme heat – which is linked to severe dehydration, organ failure, cardiovascular disease and even death, the report says. Although, the impacts of heat stress are not spread equally across the world. Weather conditions have been linked to negative impacts on mental health. The report says that increasing temperatures are linked to higher hospital admissions for mood and behavioural disorders, “experiences of anxiety, depression, and acute stress” and suicide rates.

Climate change is “increasingly hindering efforts” to meet the nutritional and calorific needs of humanity. In addition to the risk of reduced agricultural yields due to climate change, the report highlights that increased CO<sub>2</sub> levels have been found to diminish key nutrients such as protein, iron, and zinc in numerous plants, with the extent of this reduction varying across different species. Continued increases in CO<sub>2</sub> levels are projected to cause reductions “in a wide range of minerals and nutrients” of 5-10%, depending on the crop. The report states that South and Southeast Asia are projected to be among the regions at highest risk for reduced dietary iron intake among women of childbearing age and children under five years due to elevated CO<sub>2</sub> concentrations.

The climate is also a driving factor in the spread of a range of diseases, the report says. For example, the range of mosquitoes is expanding as temperatures rise, allowing mosquito-borne diseases such as dengue fever and malaria, to spread to new areas. The report projects that climate change will increase the risk of dengue fever in all continents. It also indicates that rising temperatures combined with an increase in heavy rainfall and flooding is already increasing the incidence of diarrheal diseases such as cholera.

Hyphens acknowledges the necessity of decisive mitigation and adaptation measures, especially those enacted by policy makers, in reducing GHG emissions to minimise the adverse effects of climate change.



### CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our initial, qualitative scenario analysis is based on the above-mentioned pathways. An overview of the analysis relevant to our business is presented below.

### CLIMATE-RELATED RISKS

Risk Type	Potential Financial Impacts	Financial Impact Category	Time Horizon
<b>Physical Risk</b>			
<b>Acute</b>  <i>Increased severity of extreme weather events such as cyclones and floods</i>	<ul style="list-style-type: none"> <li>A higher risk of severe weather events such as floods and cyclones can disrupt our supply chains and the supply chain and manufacturing operations of our brand partners. These can affect our stock levels, and delay deliveries resulting in loss of revenue and customer dissatisfaction.</li> <li>Our distribution logistics operations in Singapore may be affected by disruptions caused by extreme weather events that interrupt our deliveries to customers.</li> <li>Extreme weather events such as floods and cyclones can impact our suppliers and brand partners' manufacturing sites and disrupt or delay the supply of products to us.</li> </ul>	Revenue	Long Term

## TCFD REPORT

Risk Type	Potential Financial Impacts	Financial Impact Category	Time Horizon
<b>Chronic</b>  <i>Rising sea levels, rising average temperatures</i>	<ul style="list-style-type: none"> <li>Pharmaceuticals and medications often need strict temperature control for quality preservation. As temperatures rise and heatwaves intensify, it's essential for us, as a distributor, to assess and mitigate risks to ensure safe, efficient delivery while maintaining product integrity. Stricter measures for controlling temperature could also raise the costs associated with managing temperatures during the storage and transportation of medicines.</li> <li>A warming climate can affect brand partners and suppliers located in coastal flood risk zones, affecting product deliveries.</li> </ul>	Revenue	Long Term
<b>Transition Risk</b>			
<b>Policy and Legal</b>	<ul style="list-style-type: none"> <li>Mandatory climate reporting regulations, higher energy efficiency requirements, and carbon tax could increase the cost of operations.</li> <li>Stricter regulations to reduce packaging waste can increase compliance requirements for us, escalating legal risk and compliance costs.</li> <li>Regulatory non-compliance can increase the cost of operations.</li> </ul>	Expenditure	Short to Medium Term
<b>Market</b>	<ul style="list-style-type: none"> <li>Consumers may increasingly expect eco-friendly packaging in our products. Not meeting these expectations may affect our reputation and affect our brand equity.</li> </ul>	Assets: Intangibles	Long Term
<b>Reputation</b>	<ul style="list-style-type: none"> <li>An increasing number of stakeholders, including investors, may expect detailed disclosures about climate-related risks. Inadequate disclosure about our climate risks and strategy and lower ESG ratings can affect our reputation.</li> </ul>	Assets: Intangibles	Short to Medium Term
<b>CLIMATE-RELATED OPPORTUNITIES</b>			
<b>Resource Efficiency</b>	<ul style="list-style-type: none"> <li>Enhancing energy efficiency in our operations can reduce costs. The saving could be substantial in a high energy price environment.</li> </ul>	Expenditure	Short to Medium Term
<b>Energy Sources</b>	<ul style="list-style-type: none"> <li>Adopting renewable energy such as solar power could enhance our energy resilience and reduce our energy cost and carbon footprint.</li> </ul>	Expenditure	Short to Medium Term
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>Increased demand for healthcare products for treatment of diseases induced by warming temperatures and other extreme weather conditions such as heat stress, mosquito-borne diseases and water-borne diseases.</li> </ul>	Revenue	Medium to Long Term

## TCFD REPORT

### RISK MANAGEMENT

At Hyphens, the Board is responsible for managing risks, including ESG and climate-related risks. The Board is assisted by the Audit Committee, which helps oversee the Group's risk management framework and policies. The Board acknowledges the critical need for a robust system of risk management and internal controls, essential for protecting the interests of shareholders and the assets of the Group.

The Group has established an enterprise risk management ("**ERM**") framework, guided by the Principles and Guidelines of ISO 31000:2009 and the COSO ERM Integrated Framework. This has involved the creation of a Risk Management Policy and a risk organisation structure with clearly defined roles and responsibilities. Additionally, a Risk Management Process has been implemented to enable the Group to continuously assess, manage, report, and monitor risks. An annual review of the ERM framework is conducted by an external risk advisory firm.

Looking ahead, our aim is to enhance the ERM by incorporating ESG and climate-related risks, thereby strengthening our overall approach to risk management.

### Identifying and Managing Climate-related ESG Risks

We use materiality assessment, conducted with the assistance of external consultants, to identify, evaluate, and prioritise our ESG impacts and risks. In addition, we have initiated a progressive climate scenario analysis, guided by the TCFD recommendations. The scenario analysis is crucial for enhancing our understanding of climate-related risks and their potential financial repercussions on our business operations, including those of our brand partners and suppliers. We recognise that climate risks could potentially impact various aspects of our business, such as revenue streams, operational processes, supply chain dynamics, stakeholder engagement, and investor communication. Beyond physical risks, we anticipate facing challenges such as stricter emission reporting regulations, mandatory climate risk reporting, and increased energy costs stemming from carbon taxes. In light of these considerations, it is imperative for our business strategy, both in the medium and long term, to focus on reducing our carbon footprint, preparing for the impacts on our brand partners and supply chains, and seizing emerging opportunities in the transition to a low-carbon economy.

Read more about our Risk Management in the Corporate Governance section on page number 65.

### Metrics and Targets

We currently report our scope 1 and scope 2 GHG emissions associated with our operations. Measuring and reporting our Scope 3 emissions remains under consideration for future reports.

In 2023, our Scope 2 emissions, attributed to purchased grid electricity, was calculated to be 398 tCO<sub>2</sub>e.

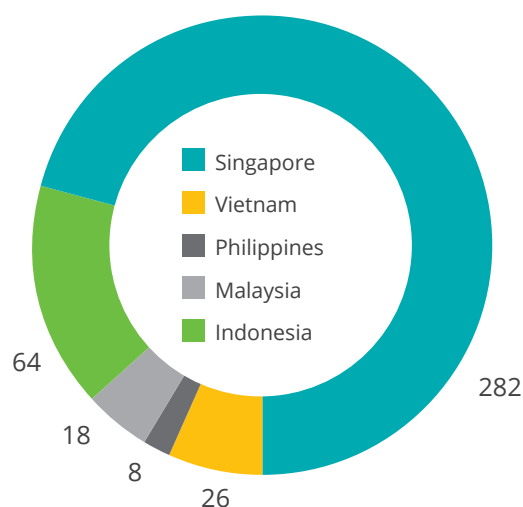
# TCFD REPORT

## Our GHG Emissions

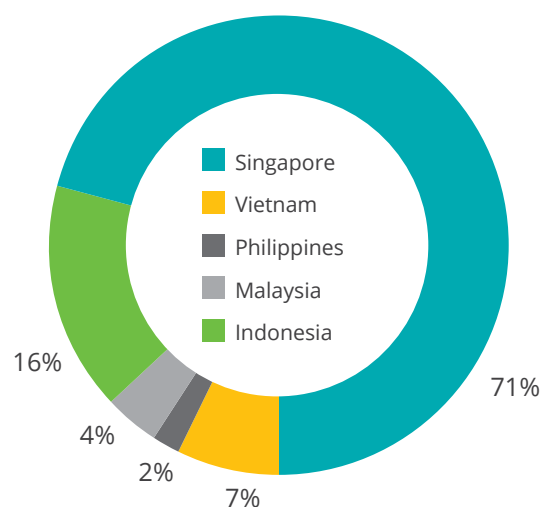
Type of Emissions	FY2023
Scope 1 Emissions (tCO <sub>2</sub> e)	
• Mobile combustion	10.7
• Fugitive emissions	900.6
Scope 2 Emissions (tCO <sub>2</sub> e)	398.0
<b>Total Emissions (tCO<sub>2</sub>e)</b>	<b>1,309.3</b>
GHG Emissions Intensity (tCO <sub>2</sub> e)/S\$ million revenue)	7.7

### SCOPE 2 EMISSIONS BY COUNTRY - FY2023

(tCO<sub>2</sub>e)



(%)



## Next Steps

We are committed to deepening our knowledge and understanding of climate-related risks and opportunities and their potential financial impacts on our business. We plan to conduct further scenario analysis to assess potential physical and transition risks, as well as opportunities, for our business. Concurrently, we plan to bolster climate literacy at both the Board and management levels through climate-related training.



We plan to  
**bolster  
climate literacy**  
at both the Board and  
management levels  
through climate-related  
training.

OUR CUSTOMERS



We take pride in consistently delivering quality health products and services to our customers. Maintaining customer satisfaction and retaining loyal customers is critical for achieving steady business growth.

CUSTOMER HEALTH AND SAFETY

Hyphens Pharma is committed to maintaining the quality and safety of our health products and services, ensuring compliance with all relevant laws and regulations in the markets where we operate. We strictly adhere to the Health Sciences Authority's ("HSA") standards for Good Manufacturing Practice ("GMP") and Good Distribution Practice ("GDP"), holding licenses for the handling and manufacturing of health products. This includes wholesale, distribution, and both primary and secondary assembly of these products.

Recognising the importance of proper handling, storage, and distribution of our products, we place a strong emphasis on quality control within our internal operations and throughout our supply chain. We have appointed a Quality Control Inspector to oversee the quality of incoming bulk materials, packaging, and printed materials, segregating any non-conforming items. All materials are rigorously tested against specific product specifications before approval for use.

Our vendor qualification program assesses potential vendors for compliance with international standards, including GDP, GMP, and other good practices ("GxP") relevant to the pharmaceutical industry. In our warehouse and production areas, we utilise an enterprise resource system ("ERP") for real-time inventory management, ensuring efficient and precise handling of health products.

To guarantee that our products meet all safety and quality standards, we engage independent, accredited third-party labs for product testing. Regular audits by both internal teams and health authorities like HSA help maintain our high standards.

Our ongoing target continues to be to sustain a record of zero incidents of non-compliance with regulations and industry-wide voluntary codes. There were no audit findings related to product quality and safety in FY2023. Also, there were no incidents of non-compliance concerning the health and safety impacts of products and services in the reported period.

MATERIAL TOPIC: CUSTOMER HEALTH AND SAFETY

Our Ongoing Target	Performance in 2023
To have no incidents of non-compliance concerning health and safety impacts of our products and services.	No incidents of non-compliance.

CUSTOMER PRIVACY

At Hyphens, we are committed to protecting the privacy of our customers and employees. We have implemented policies and measures to ensure we handle personal data responsibly and securely, in line with the PDPA of Singapore.

Our Data Protection Committee ("DPC"), supported by the Data Protection Officer ("DPO"), oversees our data protection policies and is responsible for dealing with any issues of non-compliance or data breaches. The DPC members receive annual training to ensure they are equipped with the skills and knowledge to perform their duties effectively.

We have introduced a Data Protection Handbook to educate our employees on the correct ways to handle personal data. Staff who work with customer data are regularly trained and reminded about our data protection policies.

As part of our digital transformation efforts, our Digital Transformation & IT ("DxIT") team works to enhance the security of our servers and IT systems. They manage the personal data collection on our websites, making sure that only designated Website Owners and their representatives can access this data.

There were no substantiated complaints of customer privacy breaches in FY2023. Our ongoing target is to always maintain zero incidents of customer privacy breaches.

MATERIAL TOPIC: CUSTOMER PRIVACY

Our Ongoing Target	Performance in 2023
To have no incidents of non-compliance with PDPA.	No incidents.

## OUR CUSTOMERS

### RESPONSIBLE MARKETING COMMUNICATIONS

At Hyphens, we are committed to responsible marketing abiding by international standards within the pharmaceutical and consumer healthcare industry. In our marketing communications, we ensure all information is clear, truthful, and backed by scientific evidence. We strictly adhere to local and international advertising regulations, upholding the highest ethical standards in our interactions with healthcare professionals and patients. We ensure that our product labels comply with the applicable labeling regulations.

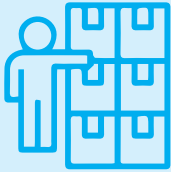
There were no incidents of non-compliance concerning marketing communications identified in the reporting period.



There were  
**no incidents of  
non-compliance**  
concerning marketing  
communications



## OUR SUPPLY CHAIN



**We are committed to embedding sustainability into our supply chain by engaging our partners in socially and environmentally responsible business practices.**

When exploring new business relationships, we share Hyphens Pharma's philosophy and environmental goals upfront, ensuring our partners align with our core values of integrity, accountability, and sustainability. Collaborative efforts with our partners focus on identifying and implementing improvements throughout our supply chain.

### SUSTAINABLE SOURCING

We are committed to embedding social and environmental principles in our sourcing decisions. We adhere to procurement practices that minimise the environmental impact of our products and services. We expect our suppliers to uphold the same ethical standards as we do. Our rigorous vendor selection process involves verifying each supplier's accreditations, regulatory compliance, service quality, and reputation. We conduct regular due diligence checks on suppliers to ensure they meet industry standards, including GMP, required ISO standards, and Hazard Analysis and Critical Control Points ("HACCP") certifications. We periodically evaluate approved vendors to ensure they meet our criteria for cost-effectiveness and operational efficiency.

### DISTRIBUTION AND FLEET MANAGEMENT

We recognise the importance of reducing the social and environmental impacts of our distribution activities. This includes ensuring the safety of our personnel and local communities and managing our fuel and energy consumption effectively. We continually seek to integrate digital innovations to enhance efficiency. For example, we have implemented a new fleet management system to optimise delivery routes, ensuring efficient product distribution while reducing energy use. In the coming year, we plan to pilot a digitalisation initiative to transition from paper to e-invoices, further increasing efficiency, reducing costs, and lowering our environmental impact.

### SUPPLY CHAIN

At Hyphens, we collaborate with contract manufacturers to produce our proprietary brands and oversee the sourcing of raw materials. Additionally, we receive finished goods from our pharmaceutical principals, which primarily originate from Europe and the United States. We establish long term development and distribution relationships with these principals, with the main portion of costs disclosed under the cost of goods sold under our Profit and Loss statement.

## OUR COMMUNITIES



**We are proud to do our part as a responsible corporate citizen by investing our time, resources, and expertise to make a positive impact on the communities in which we live, work, and play.**

In our commitment to advancing health equity through digital health solutions, our subsidiary, DocMed Technology, has established a partnership with SATA CommHealth. This partnership aligns with the efforts of Singapore's Ministry of Manpower, as SATA CommHealth is one of the four Anchor Operators under its Primary Care Plan, set to revolutionise primary healthcare for migrant workers. This collaboration will see DocMed's WellAway e-pharmacy providing essential e-pharmacy medication delivery services post-teleconsultation by SATA CommHealth to the migrant worker patients. Recognising the diverse linguistic backgrounds of these patients, we are incorporating multilingual pictograms alongside standard medication labels to ensure clarity in prescription understanding for both patients and their employers.

### BEST PARTNER FOR PEOPLE AND PLANET AWARD

In 2023, we received the "Best Partner for People and Planet" award from Chiesi Group during Partnership Day, an event held on 16 November at Chiesi's headquarters. This award highlights our commitment to a purpose that transcends business, touching lives. Chiesi, a leading pharmaceutical company, based in Italy, is one of our brand partners.

Through our annual medical missions to underserved areas in Vietnam, we have overcome challenging access to deliver medical supplies and services to local communities. Concurrently, we conduct training for local medical professionals to provide quality healthcare, manage premature births, and care for infants. Over the past 20 years and counting, we've partnered with Chiesi to treat Respiratory Distress Syndrome ("RDS") in premature infants across Vietnam, making a significant difference in the lives of countless families.



We received

**"Best Partner for People and Planet"**

award from Chiesi Group during  
Partnership Day

## OUR COMMUNITIES

### JANUARY – PRESENT

#### Hyphens Malaysia

As a commitment to environmental conservation, Hyphens MY established a recycling corner in their pantry since 2018 and encouraged the office to contribute recyclables such as paper, cardboard items and plastics for recycling. This year, a total of 15-20kg of recyclables has been collected.



### MARCH

#### DocMed Group

40 employees and their families from the DocMed Group volunteered in 好人好事 Hao Ren Hao Shi (Good People, Good Deeds)'s March provisions drive to sort, pack and distribute necessities and food provisions island wide.

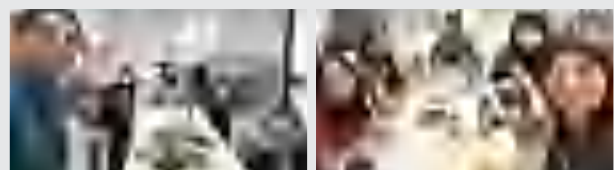
This initiative impacted over 1000 families, encompassing needy families with children under the MOE Financial Assistance Scheme, low-income families covered by the Public Assistance Scheme, vulnerable elderly living alone or facing immobility, terminally ill patients and disabled persons. In addition to hands-on involvement, we also donated S\$3,000 and contributed medical supplies to Dover Park Hospice, a beneficiary under this initiative.



### MARCH – PRESENT

#### Hyphens Philippines

Starting this March, the Hyphens Philippines team has been organising plastic-free team lunches every Wednesday at the office. Each team member brings in a homecooked dish or two in eco-friendly or reusable containers. Furthermore, reusable cutlery and dishes are used.



**MAY****Hyphens Singapore**

Partnering with Waterways Society, the employees of Hyphens Singapore and their families, undertook a cleanup of Marina Reservoir. Kayaking through the reservoir, we successfully retrieved 41kg of trash over 3 hours, surpassing our results from last year's East Coast Park clean up by 1.5 times.

**JULY****Hyphens Vietnam**

Embarking on a medical mission to Quảng Trị Province (central Vietnam) in partnership with Youth Union, we administered complimentary health checkups, prescribed medication and distributed necessities to a total of 550 adults and children in the local community. In addition, we provided clinical training to 22 doctors and 34 nurses at Quảng Trị General Hospital to enhance their capabilities in providing specialised care for premature infants.



## OUR COMMUNITIES

### JULY, AUGUST, OCTOBER

#### Ocean Health

Aligning with its Sustainability Commitment, Ocean Health supported a series of seabed cleanup dives by Our Singapore Reefs, retrieving a total of 697 pieces of marine debris from the seabed off Singapore's Southern Islands, totalling approximately 135kg. Dive deeper into Ocean Health's Sustainability Commitment at: <https://oceanhealth.com/blog/our-sustainability-commitment.html>



### OCTOBER

#### Hyphens Indonesia

To express our gratitude towards our employees, we distributed meal packages to 20 janitors, building assistants and security officers in our Jakarta office building.

### NOVEMBER

#### Hyphens Singapore

We introduced themed days of the week aligning with a specific ESG focus: Meatless Monday, Teamwork Tuesday, Waste-Free Wednesday, Transparency Thursday, and Fulfilling Friday through company-wide emailers encouraging colleagues to incorporate sustainable practices into their daily routines.



## GRI CONTENT INDEX

<b>Statement of Use</b>	Hyphens Pharma International Limited has reported with reference to the GRI Standards for the period 1 January 2023 to 31 December 2023.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable as a GRI sector standard is not available for our industry

GRI Standard	Disclosure	Location
<b>GRI 2: GENERAL DISCLOSURES 2021</b>		
<b>Organisational Details and Reporting Practices</b>		
GRI 2-1	Organisational details	Cover page, 1, 24, 25, 28
GRI 2-2	Entities included in the organisation's sustainability reporting	24, 28
GRI 2-3	Reporting period, frequency and contact point	28, Published on {date}
GRI 2-4	Restatements of information	28
GRI 2-5	External assurance	28
<b>Activities and Workers</b>		
GRI 2-6	Activities, value chain and other business relationships	2-5, 56
GRI 2-7	Employees	38
GRI 2-8	Workers who are not employees	38
<b>Governance</b>		
GRI 2-9	Governance structure and composition	29-30, 65-78
GRI 2-10	Nomination and selection of the highest governance body	68-69
GRI 2-11	Chair of the highest governance body	68
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	29-30, 47, 76-77
GRI 2-13	Delegation of responsibility for managing impacts	29-30, 47
GRI 2-14	Role of the highest governance body in sustainability reporting	29-30, 36
GRI 2-15	Conflicts of interest	31
GRI 2-16	Communication of critical concerns	32
GRI 2-17	Collective knowledge of the highest governance body	20-21, 30
GRI 2-18	Evaluation of the performance of the highest governance body	70-71
GRI 2-19	Remuneration policies	71-73
GRI 2-20	Process to determine remuneration	71-73
GRI 2-21	Annual total compensation ratio	We do not disclose this due to confidentiality constraints relating to compensation.

## GRI CONTENT INDEX

GRI Standard	Disclosure	Location
<b>Strategies, Policies and Practices</b>		
GRI 2-22	Statement on sustainable development strategy	29
GRI 2-23	Policy commitments	31, 33
GRI 2-24	Embedding policy commitments	31, 33, 34
GRI 2-25	Processes to remediate negative impacts	33, 34, 36
GRI 2-26	Mechanisms for seeking advice and raising concerns	32
GRI 2-27	Compliance with laws and regulations	31
GRI 2-28	Membership associations	None
<b>Stakeholder Engagement</b>		
GRI 2-29	Approach to stakeholder engagement	35, 76-77
GRI 2-30	Collective bargaining agreements	None
<b>Material Topics</b>		
GRI 3-1	Process to determine material topics	
GRI 3-2	List of material topics	
<b>ENVIRONMENT</b>		
<b>Packaging Impact (Non-GRI Topic)</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 37, 44
Reducing packaging impact	Initiatives to reduce environmental impact of packaging	44-45
<b>SOCIAL</b>		
<b>Employment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 37, 38
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	41
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	40
	401-3 Parental leave	40
<b>Training and Education</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 37
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	40



## GRI CONTENT INDEX

GRI Standard	Disclosure	Location
<b>Diversity</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 34, 37
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	39, 67
<b>Customer Health and Safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 37, 54
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	54
<b>GOVERNANCE</b>		
<b>Anti-corruption</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 32, 34, 37
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	32
<b>Marketing and Labelling</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	34, 37, 55
GRI 417: Marketing and Labelling	417-2 Incidents of non-compliance concerning product and service information and labelling	55
<b>Customer Privacy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	32, 34, 37, 54
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	32, 54
<b>OTHER NON-GRI MATERIAL TOPICS</b>		
<b>Regulatory Compliance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	31, 34, 37
Incidents of non-compliance	Incidents of significant non-compliance with applicable regulations	31

## GRI CONTENT INDEX

### TCFD DISCLOSURES

This report is aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The following table indicates the location our TCFD disclosures.

Number	Disclosures	Location
<b>GOVERNANCE</b>		
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	47
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	47
<b>STRATEGY</b>		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	47-51
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	47-51
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	47-51
<b>RISK MANAGEMENT</b>		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	52
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	52
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	52
<b>METRICS AND TARGETS</b>		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	52-53
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	52-53
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	44, 48