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HYPHENS PHARMA INTERNATIONAL LIMITED

**Securities**

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**Announcement Details****Announcement Title**

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**Submitted By (Co./ Ind. Name)**

Lim See Wah

**Designation**

Executive Chairman and Chief Executive Officer

**Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)**

Please see attached.

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, DBS Bank Ltd. ("Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Ms Heng Mui Mui, Managing Director, and Mr Kelvin Wong, Senior Vice President, who can be contacted at 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, Telephone: +65 6878 8888.

**Additional Details**

Period Ended

31/12/2019

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Attachments

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[Hyphens%20Pharma%20Sustainability%20Report%202019.pdf](#)

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# SUSTAINABILITY REPORT

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2019



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We are Singapore's  
leading **specialty  
pharmaceutical**  
and **consumer  
healthcare** group



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## OUR FIRST ISSUE

# ABOUT THIS REPORT

This is the inaugural annual Sustainability Report by Hyphens Pharma International Limited (“Hyphens” or the “Company”).

This report covers the sustainability performance of the Company and our subsidiaries in FY2019.

The report captures Hyphens’ sustainability efforts, performance and strategies over the financial year ended 31 December 2019 (“FY2019”). It has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards: Core option and its reporting principles.

This Report covers all primary components as stipulated in the Listing Manual Section B: Rules of

Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

We are committed to sharing our sustainability journey with our stakeholders and welcome any feedback or questions regarding the report or any aspect of our sustainability performance.

Please write to [connect@hyphens.com.sg](mailto:connect@hyphens.com.sg).







# BOARD STATEMENT

Dear Stakeholders,

Hyphens Pharma International Limited (“Hyphens” and together with our subsidiaries, our “Group”) is pleased to present our inaugural annual Sustainability Report for the financial year ended 31 Dec 2019 (“FY2019”).

In this Sustainability Report, we report on the progress of our sustainability efforts over the financial year, with particular focus on our commitment to working alongside with our valued stakeholders to build a sustainable business.

At Hyphens, we firmly believe that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as its financial performance.

The Board of Directors (“Board”) also considers sustainability in the formulation of our long-term strategies. The key material economic, environmental, social and governance (“EESG”) factors for Hyphens have been approved and will be under the guidance and oversight of the Board. These issues will be monitored by senior management.

As our Group continues to broaden our portfolio and lay the groundwork for long-term growth, we are cognisant that sustainability means more than just financial accountability; it’s also the story of our progress towards tracking and achieving our EESG goals and ensuring long-term value creation for our stakeholders.

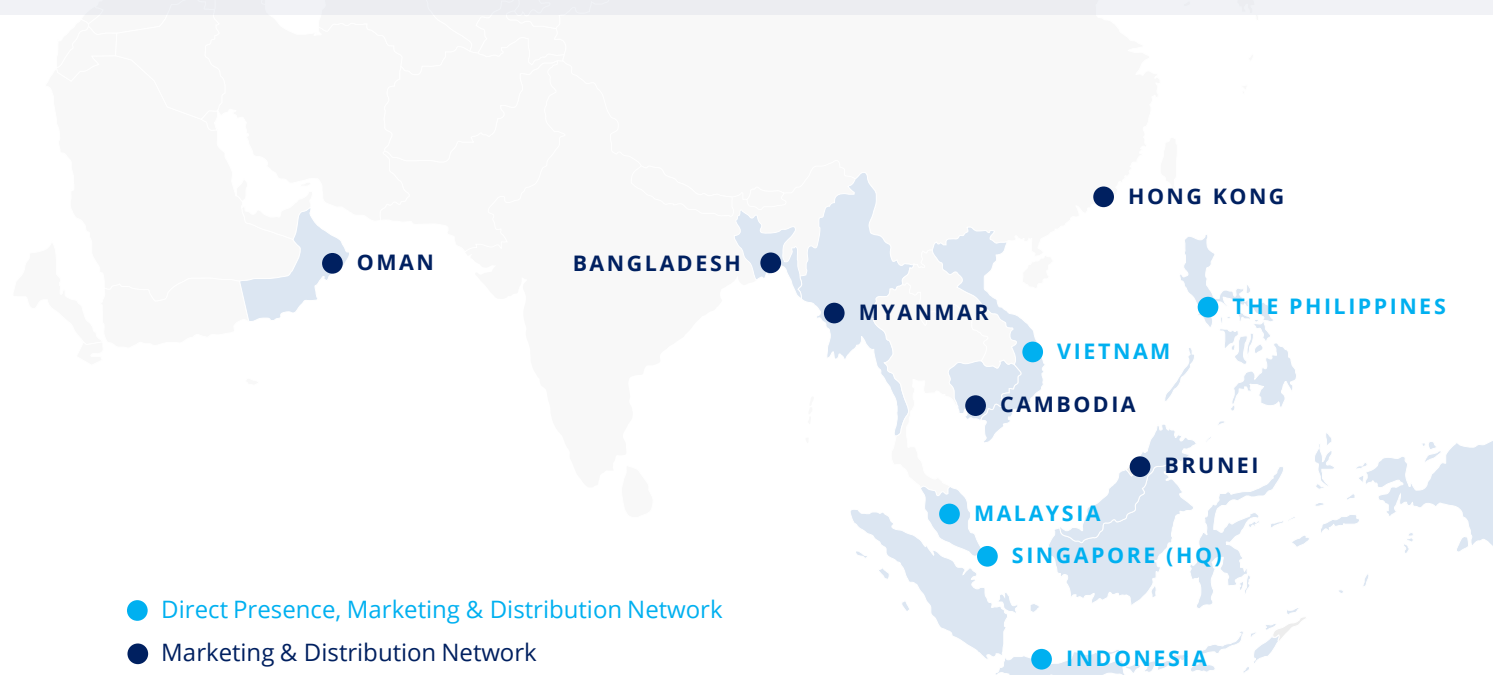
As such, we remain committed to work alongside our stakeholders to build a sustainable business model through our responsible business practices.

Sincerely,

Board of Directors  
Hyphens Pharma International Limited

WHO WE ARE

# ORGANISATIONAL PROFILE



Listed on the Catalist board of Singapore Exchange ("SGX"), Hyphens Group is Singapore's leading specialty pharmaceutical and consumer healthcare group.

We have a direct presence in five ASEAN countries – Singapore, Malaysia, Vietnam, Indonesia, and the Philippines, supplemented by a marketing and distribution network covering six other markets – Bangladesh, Brunei, Cambodia, Hong Kong, Myanmar and Oman.

Our Group's core business comprises the following: Specialty Pharma Principals, Proprietary Brands, and Medical Hypermart and Digital.

Our flat organisational structure allows for nimble decision-making and navigation through unique cultural, political, social and regulatory environment of the countries we operate in.

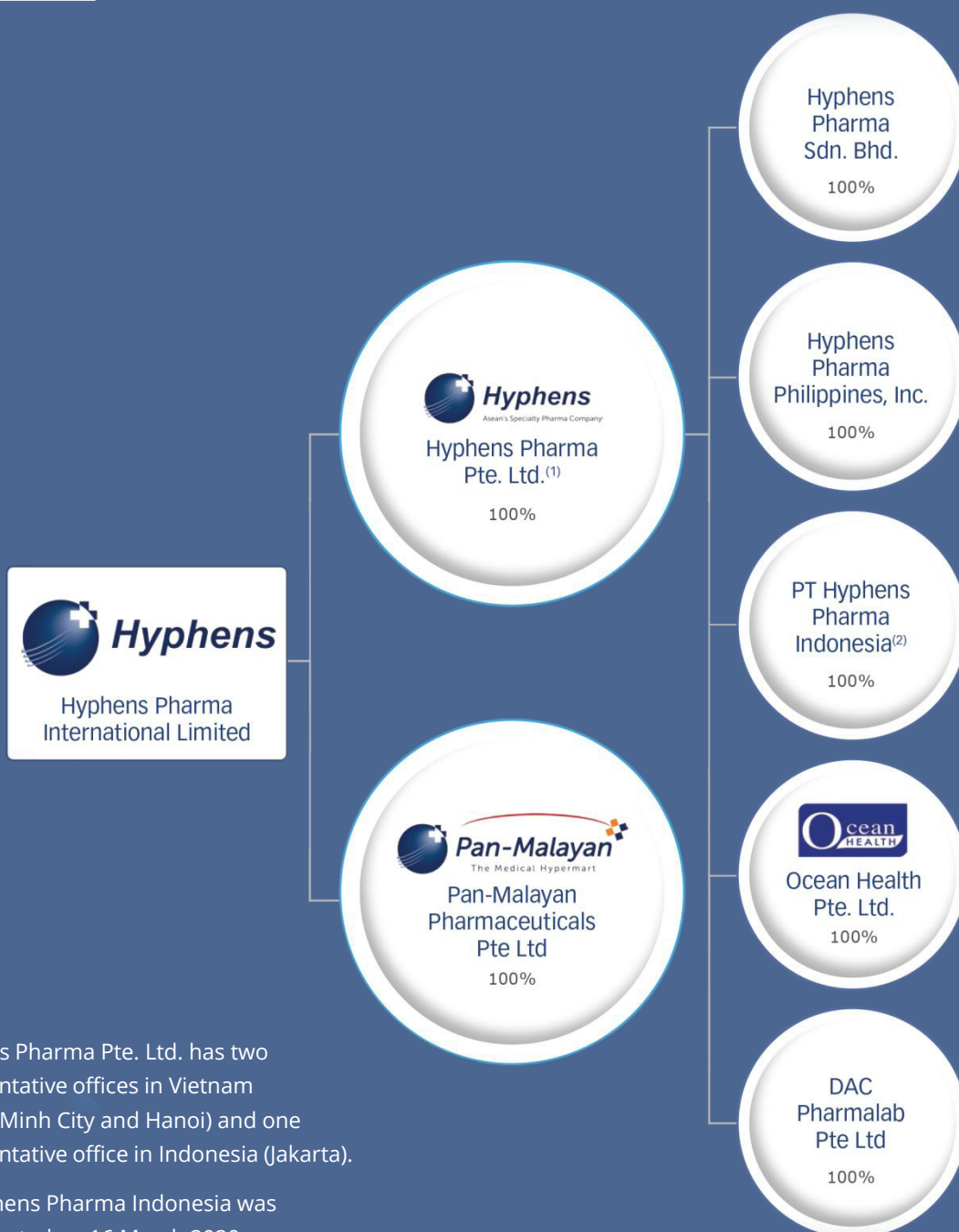
Our core competency lies in our sales and marketing of innovative medical products through close working relationships and continuous engagement of key opinion leaders, physicians and trade partners.

To date, we have close to 270 sales and marketing people, serving more than 9,000 customers in 32 key cities across five countries in South East Asia.

## ORGANISATIONAL CHART

# CORPORATE STRUCTURE

Our Group has 100% shareholdings in all of our subsidiaries.





## ENSURING GOOD STEWARDSHIP

# OUR GOVERNANCE STRUCTURE

### Board of Directors

Mr Lim See Wah  
*Executive Chairman & CEO*

Mr Tan Chwee Choon  
*Executive Director*

Dr Tan Kia King  
*Non-Executive Director*

Mr Heng Wee Koon  
*Lead Independent Director*

Mr Ng Eng Leng  
*Independent Director*

Dr Poon Thong Yuen  
(Resigned on 8 May 2020)  
*Independent Director*

Ms Tan Seok Hoong @ Mrs Audrey Liow  
(Appointed on 29 July 2019)  
*Independent Director*

### Audit Committee

Mr Heng Wee Koon  
*Chairman*

Mr Ng Eng Leng  
*Member*

Dr Poon Thong Yuen (Resigned on 8 May 2020)  
Ms Tan Seok Hoong @ Mrs Audrey Liow  
(Appointed on 8 May 2020)  
*Member*

### Remuneration Committee

Mr Ng Eng Leng  
*Chairman*

Mr Heng Wee Koon  
*Member*

Dr Poon Thong Yuen\* (Resigned on 8 May 2020)  
*Member*

### Nominating Committee

Dr Poon Thong Yuen (Resigned on 8 May 2020)  
Ms Tan Seok Hoong @ Mrs Audrey Liow  
(Appointed on 8 May 2020)  
*Chairman*

Mr Heng Wee Koon  
*Member*

Dr Tan Kia King  
*Member*

\*The Company is in the midst of looking for an additional Independent Director who is expected to fill the vacancy in the Remuneration Committee.



SAFEGUARDING THE FUTURE

# SUSTAINABILITY APPROACH



Our Group's senior management periodically assesses focus areas where our Group can have the greatest economic, environmental, social and governance impact, as well as areas that are most important to our stakeholders.

Senior management is responsible for on-going communication of such assessments to the Board of Directors, whose duties are to review and approve Hyphens' sustainability matters.

Our sustainability approach mirrors our business approach to balancing business growth and ensuring stability.

In building sustainable value for our stakeholders, we consider their expectations through our regular engagements with them.

Sustainability has been the key word in our discussions when navigating in new markets and it is crucial if we intend to see our efforts bear fruit.

By referencing to sustainability for guidance, we take care in ensuring that our business operations and processes are managed in a way that the impact on our environment is kept to a minimum.

In pursuit of economic developments, we also understand the need to keep a fine balance with our social influence.

## CREATING SHARED VALUE

# STAKEHOLDERS ENGAGEMENT

Our Group understands the importance of having constant engagements with our stakeholders.

By doing so, we can identify potential new risks and opportunities, which will, in turn, result in further value creation for our stakeholders and business.

Committed to achieving a mutually beneficial relationship with our stakeholders, we adopt both

formal and informal channels of communication to comprehend the needs of our valued stakeholders in detail, and to incorporate these into our corporate strategies. Our key stakeholders include customers, suppliers, employees, investors, suppliers, government and regulators.

Stakeholder Group	Engagement Activities	Key Concerns
<b>Customers</b>	<ul style="list-style-type: none"> <li>☐ Daily interactions</li> <li>☐ Enquiry and feedback channels</li> <li>☐ Customer survey</li> </ul>	<ul style="list-style-type: none"> <li>☐ Good product quality</li> <li>☐ Timely delivery of goods</li> <li>☐ Top notch customer service</li> <li>☐ Cost-competitiveness</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>☐ Annual employee performance appraisal</li> <li>☐ Regular team meetings</li> <li>☐ Staff communication sessions</li> </ul>	<ul style="list-style-type: none"> <li>☐ Staff rights and welfare</li> <li>☐ Good working environment</li> <li>☐ Personal development</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>☐ Circular to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>☐ Profitability</li> <li>☐ Transparency</li> <li>☐ Timely reporting</li> </ul>
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>☐ Frequent discussions and meeting</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 evaluation</li> <li>☐ Comparison of quotes</li> <li>☐ Periodic discussions</li> </ul>	<ul style="list-style-type: none"> <li>☐ Compliance with terms and conditions of purchasing policies and procedures</li> <li>☐ Maintenance of ethical standards</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>☐ Discussions with government agencies and departments</li> </ul>	<ul style="list-style-type: none"> <li>☐ Compliance with regulations</li> <li>☐ Timely reporting and resolution of issues</li> </ul>

## DEFINING OUR MATERIAL MATTERS

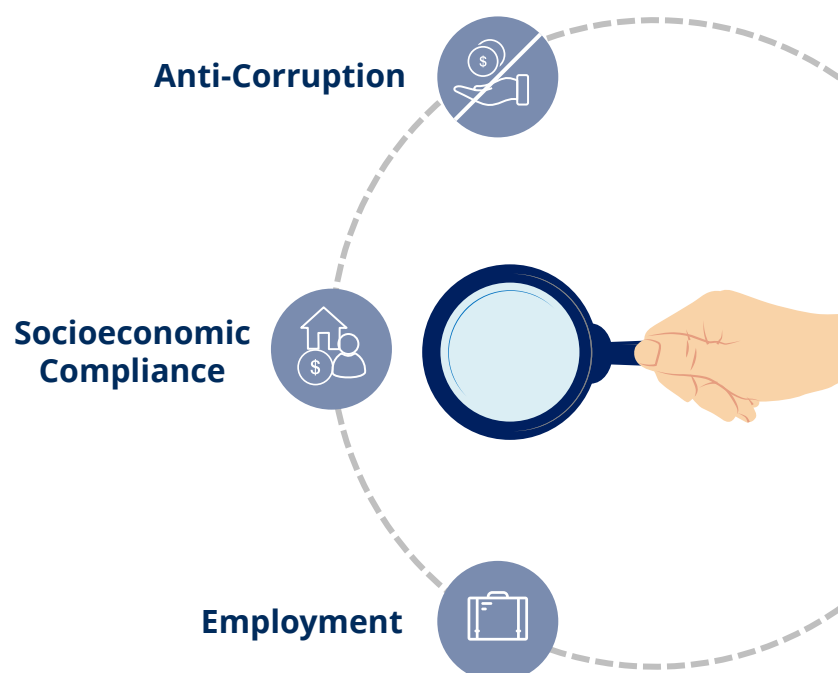
# MATERIALITY ASSESSMENT

Our materiality assessment was carried out in accordance with the GRI guidelines. This assessment helped us identify key concerns that are significant to our stakeholders, as well as the social and economic impact of our business operations.

Hyphens considered the principles of materiality, stakeholder inclusiveness, sustainability context and inclusiveness while defining the report content and aspect boundaries.

We engaged key stakeholder groups through formal surveys and benchmarked ourselves against our peers as defined in the previous section. The material issues identified through the assessment shaped our FY2019 sustainability report.

The material topics identified for FY2019 are Anti-corruption, Socioeconomic Compliance and Employment.







## ADHERING TO THE CODE

# CORPORATE GOVERNANCE

We believe that good corporate governance establishes and maintains an ethical environment within our Group, which serves the interests of all shareholders and stakeholders.

We adhere to the principles and guidelines set out in the Code of Corporate Governance 2018 (the “Code”), and will continue to update ourselves on developments in corporate governance by improving our practices and operating frameworks.

We are committed to maintain a high standard of corporate governance and have effective corporate practices to safeguard against fraud, with the aim of protecting shareholders’ interests as well as securing the long-term success of our Group.

We place heavy emphasis on ethical business conduct on all employees and they are expected to conduct themselves in accordance with the expectations set out in the code of conduct. Unethical conducts or malpractices in relation to corruption and fraud will be met with formal disciplinary proceedings.

## ANTI-CORRUPTION AND ANTI-BRIBERY

We strive towards upholding professional values and integrity when conducting business. Our Group maintains a strict policy against dishonest and corrupt practices and ensures that all business functions are cognisant of the established code of conduct and ethical business practices in every jurisdiction that we operate, therefore acts of corruption and bribery are stringently debarred in our Group.

In our call to advocate good governance within our Group, we continue to review our whistleblowing policy to ensure it is up-to-date. Employees may, in confidence, raise concerns regarding matters such as misconducts, unlawful activities, suspected fraud and other dishonest activities.

There are also arrangements for independent investigations into any such incidents with appropriate follow-up actions where necessary by the Audit Committee ("AC") Chairman. The AC will subsequently report to the Board on such matters.

In FY2019, there were no reported cases in relation to breaches of code of corporate governance, corruption and bribery.

Moving forward, our Group intends to maintain our good track record of having zero reported cases.

## SOCIOECONOMIC COMPLIANCE

Our Group adheres to the law and regulations on social and economic aspects that are put in place by the local authorities. Our Group is committed to working closely with government agencies and regulators to comply with statutory and regulatory requirements in the respective regions which our Group operates in. Management periodically attends and conducts trainings for relevant employees to keep them updated on relevant laws and regulations. Our business practices are also periodically reviewed and updated to reflect changes in compliance requirements.

We have zero tolerance for any financial crime including corruption and bribery. We seek to conduct our business in a responsible manner by ensuring that our policies and code of conduct are implemented and communicated to all our employees, business partners and board members consistently throughout our entire global operations.

We are proud to announce that in FY2019, our Group had no reported instances of non-compliance with laws and regulation.

Moving forward, we will continue to closely monitor existing as well as new laws and regulations, in order to ensure complete compliance.

TOGETHER, WE CAN

# EMPLOYMENT

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Our employees are the key pillar to the long-term growth and success of our Group.





We embrace diversity and recognise the importance of creating an all-inclusive environment where our employees can treat each other respectfully, honestly and equally.



We pride ourselves in maintaining a harmonious and diverse workforce spanning different generations and skill sets.

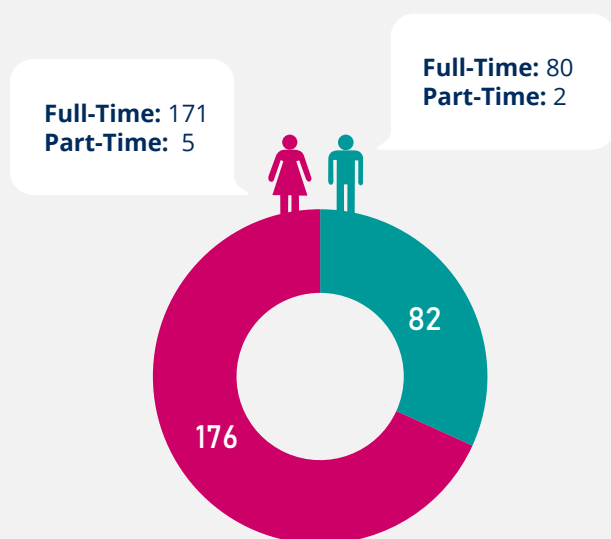


We strive to create a conducive work environment through fair and competitive human resources policies, and an equitable system of recognition and rewards.

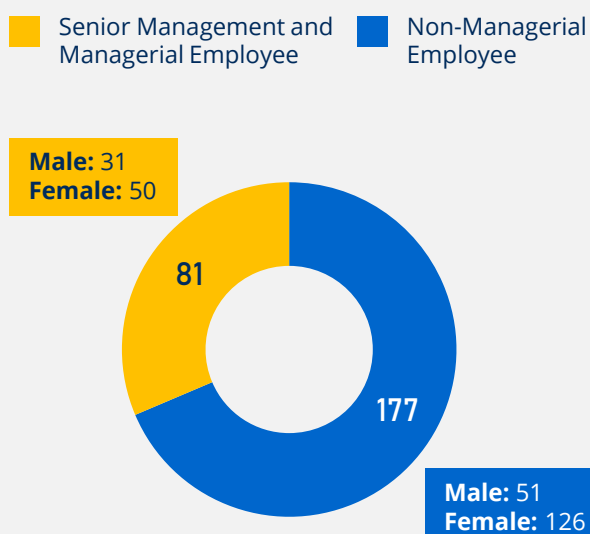
To ensure that we meet the above targets, we adhere to strict talent acquisition standards. Our hiring policy governs the procedures from sourcing of potential suitable candidates to recruitment and confirmation of employees.

## Number of Employees

### • By Employment Type



### • By Function





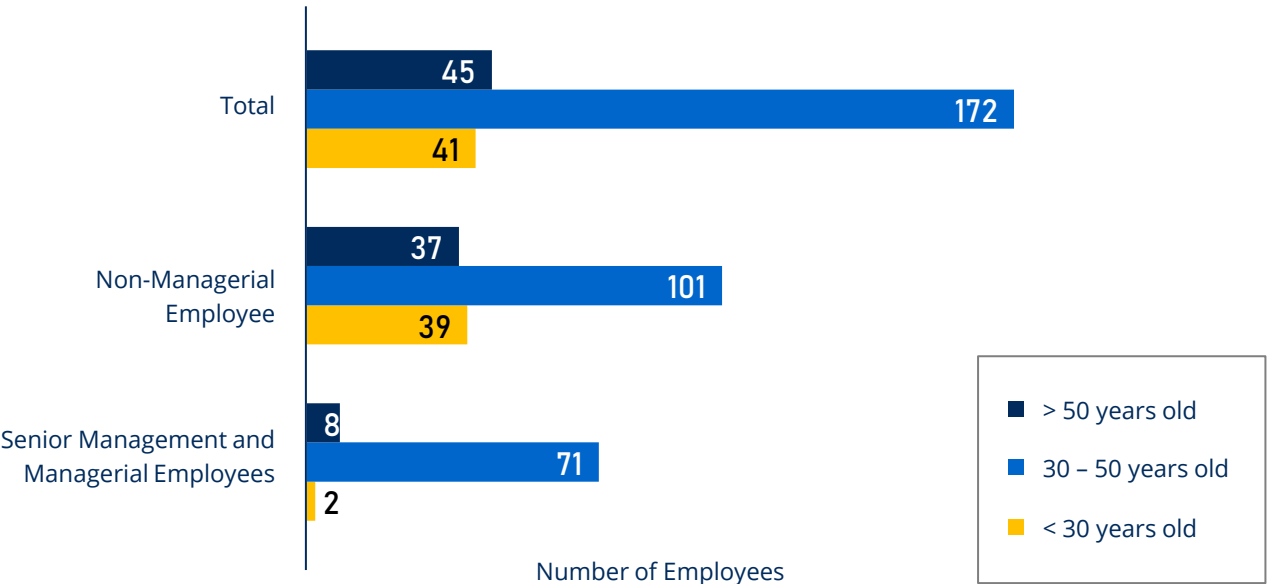


This policy is being communicated to our employees and reviewed internally on a periodic basis. Our Group strictly abides by the policy and set of procedures put in place and would ensure that there are fair and equal recruitment opportunities, remuneration and compensation practices, career progression and training opportunities made available for all employees.

Our Group seeks to go beyond compliance with existing labour laws and regulations and will look to further strengthen our existing policies to implement a robust framework that allows our employees to experience a career that is vibrant, inclusive and progressive. By doing so, we strive to be well-positioned to attract, retain and develop exceptional talents.

FY2019 Performance

Workforce by age



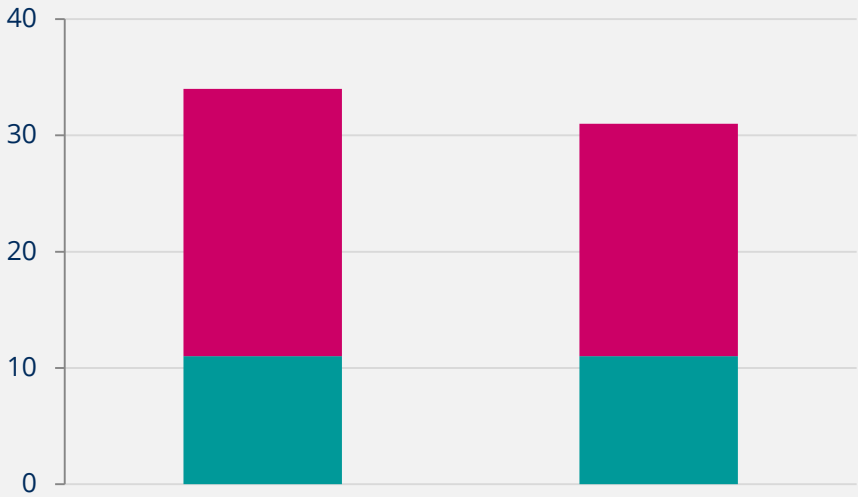
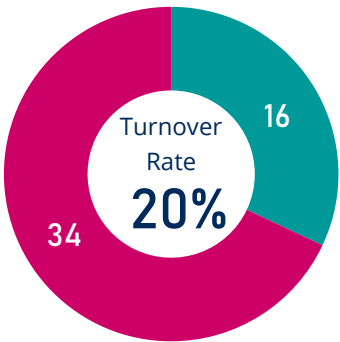
FY2019 Performance (cont'd)



New hires (full time basis)  
by gender



Employee turnover (full time basis)  
by gender



No. of employees  
entitled to parental  
leave by gender

No. of employees returned to work  
after completion of parental leave  
and still employed within 12 months

## SOURCING RESPONSIBLY

# OUR SUPPLY CHAIN

At Hyphens, we believe in the philosophy of green procurement through a sustainable supply chain.

We have stringent requirements for quality and therefore engage reputable suppliers who abide by global environmental, social and governance standards. We place emphasis in sourcing for sustainable materials and actively engage in strategic partnerships and collaborations to roll out sustainable green products and solutions.

For example, we use recyclable High Density Poly Ethylene ("HDPE") Material for our Ocean Health Products, and Flip Top Lid Cap to be user friendly for people with osteoarthritis. HDPE is not only recyclable, it is more lasting and light weight and therefore reduces transport carbon footprint.

In addition, our Group has in place a procurement policy which sets out a fair and transparent process for supplier selection



including criteria and basis for selection such as cost effectiveness and operational efficiency.

Where possible, our Group will purchase locally and domestically made products. We also recognise the importance of evaluating our suppliers to ensure supply chain risks are minimised.

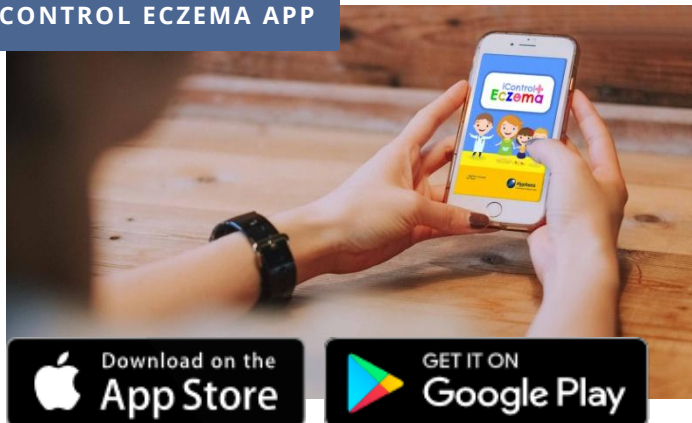
Due diligence is also conducted on our suppliers for the assessment of their track record, quality of services and reputation (i.e. GMP/ISO/HACCP Document Verification).

PROVIDING A BETTER  
QUALITY OF LIFE

## EXTERNAL INITIATIVES

As part of our vision to provide a better quality of life to all, we voluntarily commit to contribute to the social development of the community.

### iCONTROL ECZEMA APP



Together with Nanyang Polytechnic and KK Women's and Children's Hospital, we developed a patient-friendly mobile application called "iControl Eczema" to help patients monitor their condition daily. Patients can rate, attach photographs and take notes in between clinic visits. During consultations, they can share the progress with their doctors, allowing for better management of the treatment that they are currently receiving. Available for free in Google Play Store and Apple's App Store for download.

### NUS INDUSTRIAL VISIT



Every year, we invite the pharmacy undergraduates from National University of Singapore to join us for a half day office visit and tour to learn about the pharmaceutical business, as well as engage in rewarding conversations over lunch with some of our pharmacist colleagues.



Scan to see  
more photos

[bit.ly/2019-ind-visit](https://bit.ly/2019-ind-visit)



## MEDICAL MISSION IN VIETNAM



Every year, our office in Vietnam embarks on a medical mission trip to various provinces of Vietnam, where we offer free health check-ups and dispense medicine to the ethnic communities.

In 2019, we visited Dak Duc Commune of Kon Tum Province. Kon Tum is a border province in the Central Highlands region of Vietnam.



With a population of 520,000, the province is home to 30 ethnic groups and most of the community work on fields in the mountains.

We sponsored the medicine and gifts, as well as provided logistics support. Together with Hoan My Da Nang Hospital, our efforts benefited about 500 villagers, including children, who required basic medical care and treatment.

Scan to see  
more photos

[bit.ly/2019-med-mission](https://bit.ly/2019-med-mission)



## SUPPORTING OTHER CHARITABLE CAUSES

Our Group also makes donations to support charitable causes in Singapore, such as to the POSB Passion Kids Fund and National Arthritis Foundation.



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