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HYPHENS PHARMA INTERNATIONAL LIMITED

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Sustainability Report

Announcement Reference

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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 refer to the attached Sustainability Report 2020.

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 person for the Sponsor is 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**

31/12/2020

Attachments[Hyphens Pharma Sustainability Report 2020.pdf](#)

Total size = 3785K MB



SUSTAINABILITY REPORT 2020

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ABOUT THIS REPORT

This is the annual Sustainability Report by Hyphens Pharma International Limited (“Hyphens” and together with its subsidiaries, the “Group”, or “We”).

We have prepared this report in accordance with the Global Reporting Initiative (“GRI”) Standards: Core Option and its reporting principles, and 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”).

The contents of this report reflects the progress we have made across key focus areas surrounding economic, environmental, social and governance (“EESG”) for the financial year ended 31 December 2020 (“FY2020”).

We have not sought external assurance for this report. We relied on internal data monitoring and verification to ensure accuracy.

We are committed to listening to our stakeholders and we value your feedback regarding the report or any aspect of our sustainability performance.

In line with our commitment to environmental sustainability, this report is only available online at www.hyphensgroup.com

Please write to connect@hyphens.com.sg.



BOARD STATEMENT

The Group is pleased to present our annual Sustainability Report for the financial year ended 31 December 2020 ("FY2020"). The Board has overall responsibility for sustainability and incorporates economic, environmental, social and governance ("EESG") issues in the formulation of our corporate strategy. They review, approve Hyphens' key material EESG factors and provide oversight to the senior management in the implementation of sustainability efforts across all business units. These issues will be monitored by senior management.

This report reinforces our commitment towards sustainability and highlights the progress of our sustainability efforts over the financial year.

COVID-19 Pandemic

As the world struggles with the challenges faced with the COVID-19 pandemic, our response to this evolving situation focused on ensuring continuous essential medical supplies to support the healthcare services and adapting our work environment to protect the health and safety of our employees through activating our Business Continuity Plan ("BCP").

Split team arrangements, safe distancing measures, daily temperature screening of employees, cleaning and sanitisation of the office premises every two hours as well as staggered working hours among employees are measures we have put in place at the workplace.

We provide our employees with resources to support their well-being through distribution of health supplements, face masks and hand sanitisers.

We have taken the necessary steps to ensure compliance with the advisories issued by the various government agencies while continuing with our business operations in Singapore.

In the region where we have direct presence, our local distributors continue to operate and supply to the medical industries and pharmacies in full compliance with the respective country's legal requirements and social distancing measures.

To show our support to the local communities, we committed S\$150,000 to support frontline healthcare professionals in the region and donations to local marginalised communities affected by COVID-19 pandemic.

Looking Forward

At Hyphens, we have been digitally pivoting in order to enhance sustainability values for our stakeholders above and beyond the crisis.

Through the usage of our POM system (i.e. Pan Malayan's B2B e-commerce platform) with improved security levels as well as secure third-party e-commerce platforms, we are able to continue our business operations with minimal disruptions while maintaining our customers' privacy at the same time.

Despite the challenging business environment during the pandemic, we adapted by striving towards strategies that we believe will bring sustainable success in post-pandemic markets. We sincerely thank all our partners and stakeholders for their belief in us and for their unwavering support throughout this unprecedented period.

Sincerely,

Board of Directors
Hyphens Pharma International Limited

ORGANISATIONAL PROFILE

Listed on the Catalist board of Singapore Exchange ("SGX"), Hyphens is Singapore's leading specialty pharmaceutical and consumer healthcare group. We have a direct presence in five ASEAN countries – **Singapore (HQ), Malaysia, Vietnam, Indonesia, and the Philippines**, and are supplemented by a marketing and distribution network covering 10 other markets – Bangladesh, Brunei, Cambodia, China, Hong Kong S.A.R., Macau S.A.R., Myanmar, Oman, South Korea, and Sri Lanka.



Our Group's core business comprises the following:



Specialty Pharma Principals



Proprietary Brands



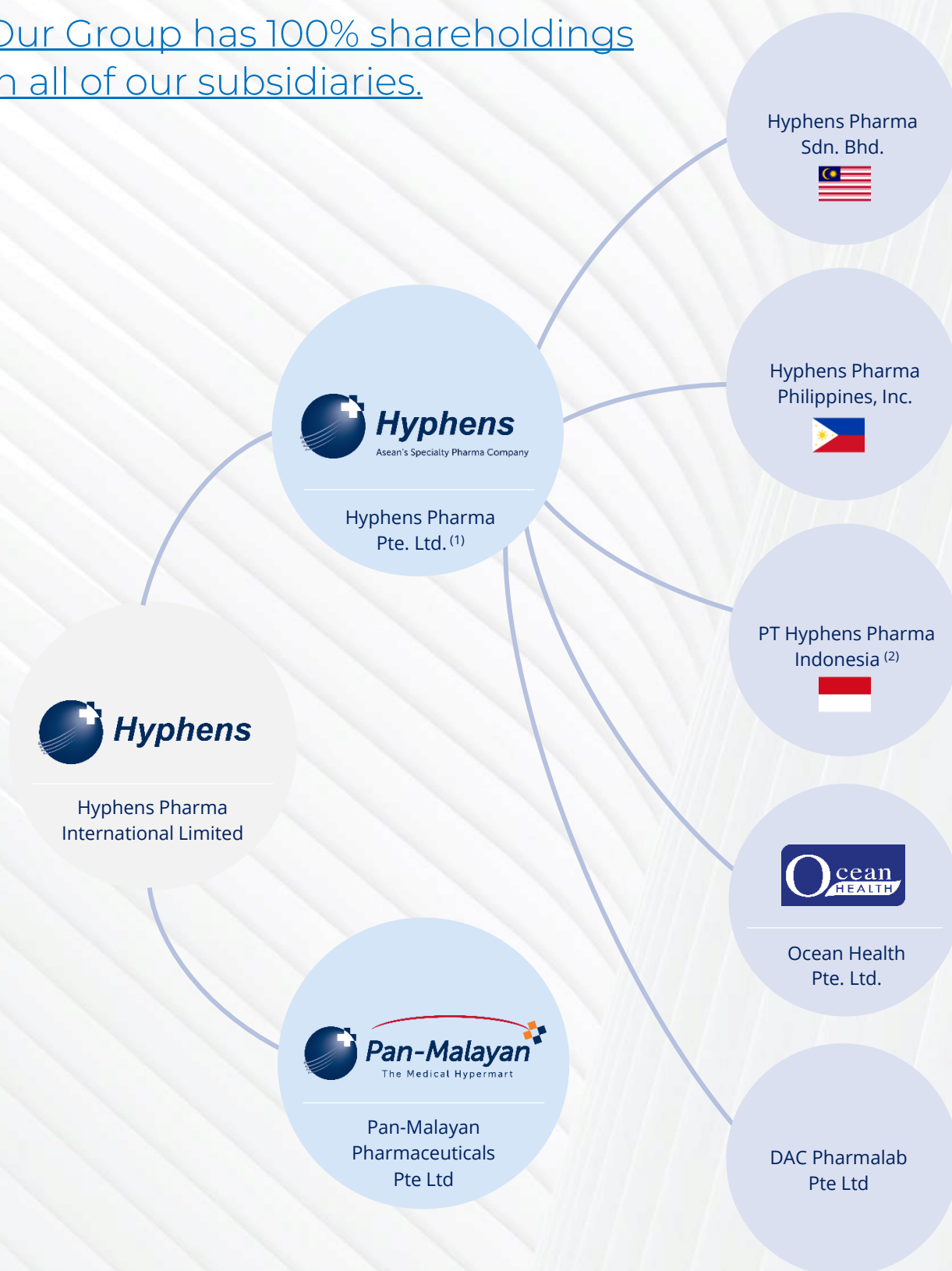
Medical Hypermart and Digital

Our flat organisational structure allows for nimble decision-making and navigation through unique cultural, political, social and regulatory environments 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.

CORPORATE STRUCTURE

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



⁽¹⁾ Hyphens Pharma Pte. Ltd. has two representative offices in Vietnam (Ho Chi Minh City and Hanoi) and one representative office in Indonesia (Jakarta).

⁽²⁾ PT Hyphens Pharma Indonesia was incorporated on 16 March 2020.

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



**Ms Tan Seok Hoong
@ Mrs Audrey Liow**
Independent Director



Mr Chan Kiat
Independent Director



Audit Committee

- Mr Heng Wee Koon, *Chairman*
- Mr Ng Eng Leng, *Member*
- Ms Tan Seok Hoong @ Mrs Audrey Liow, *Member*
- Mr Chan Kiat, *Member*



Nominating Committee

- Ms Tan Seok Hoong @ Mrs Audrey Liow, *Chairperson*
- Mr Heng Wee Koon, *Member*
- Dr Tan Kia King, *Member*



Remuneration Committee

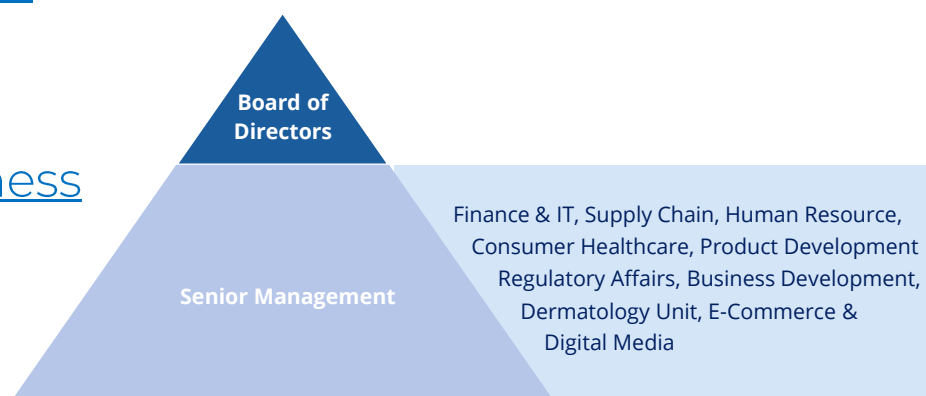
- Mr Ng Eng Leng, *Chairman*
- Mr Heng Wee Koon, *Member*
- Mr Chan Kiat, *Member*

SUSTAINABILITY GOVERNANCE AND APPROACH

In line with our priorities to deliver sustainable growth to our stakeholders, our Group is committed to maintain a system of effective compliance and governance regimes to ensure accountability and transparency in carrying out our business activities and sustainability efforts.

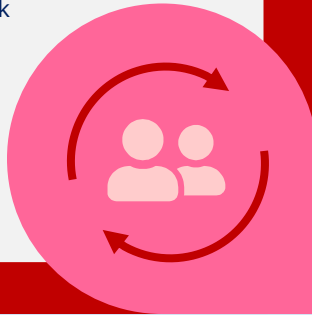
Our Group's senior management periodically assesses focus areas where our Group can have the greatest economic, environmental, social and governance impact, as well as areas that are most important to our stakeholders.

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 governance structure is as shown below:



STAKEHOLDER ENGAGEMENT

Our stakeholders include individuals or groups who are impacted by our activities and we strive to build strong relationships through our regular engagements with them, such as collecting constructive feedback from employees in terms of employee engagement, providing communication channels to customers (i.e. feedback and query section in our website) for their feedback and suggestions.



DIGITALISATION

Innovation and digitalisation are the foundation to our Group's sustainable growth and is an important driver of our development. We have enhanced the security of our POM system (i.e. Pan-Malayan's e-commerce platform).

Coupled with the integration of our key systems - from sales to invoicing and payment processing, this provides a safe and secure yet seamless platform for our customers to transact online. In addition, we partner with secure third-party marketplaces to conduct our e-commerce activities.



ENVIRONMENTAL SUSTAINABILITY

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.



SOCIAL SUSTAINABILITY

In pursuit of economic developments, we understand the need to keep a fine balance with our social influence. Ensuring the health and safety of our employees are one of our concerns.



STAKEHOLDER ENGAGEMENT

At Hyphens, we are committed to creating sustainable value for our stakeholders, which include our customers, suppliers, employees, investors, government and regulators.

We have made conscious efforts to engage our stakeholders through formal and informal channels to communicate our Group's sustainability efforts as well as to hear their feedback and suggestions.



Stakeholder Group	Engagement Activities	Key Concerns
Customers	<ul style="list-style-type: none"> Regular interactions Enquiry and feedback channels Customer survey 	<ul style="list-style-type: none"> Cost-competitiveness Excellent customer service Digital adaptation and experience Product responsibility
Employees	<ul style="list-style-type: none"> Annual employee performance appraisal Regular team/town hall meetings Staff communication sessions 	<ul style="list-style-type: none"> Professional development Employee engagement Workplace health and safety Staff rights and welfare
Investors	<ul style="list-style-type: none"> Regular results briefings and participation in investment events Annual and interim reports Circulars to shareholders/group website 	<ul style="list-style-type: none"> Growth strategy/economic performance Business ethics and transparency Corporate governance
Business Partners	<ul style="list-style-type: none"> Frequent discussions and meetings Corporate presentations 	<ul style="list-style-type: none"> Partnership for opportunities and growth
Suppliers	<ul style="list-style-type: none"> Periodic supplier evaluations/on-site inspections Periodic discussions/meetings 	<ul style="list-style-type: none"> Compliance with terms and conditions of purchasing policies and procedures Social and environmental responsibility Maintenance of ethical standards
Government and Regulators	<ul style="list-style-type: none"> Discussions with government agencies and departments 	<ul style="list-style-type: none"> Compliance with regulations Timely reporting and resolution of issues

Sustainability Topics for FY2020



Anti-Corruption



Employment



Customer Privacy



Socioeconomic
Compliance

MATERIALITY ASSESSMENT

Through our regular engagement and communication channels with our key internal and external stakeholders, we are able to understand their perspectives on topics in relation to business risk, opportunities, trendspotting and risk management processes. These findings and benchmarking analysis have enabled us to identify the sustainability topics that have significant impact on our Group and our stakeholders.

An additional material topic, Customer Privacy, was assessed to be included in this report and there were no changes to the three material topics from FY2019. Our material sustainability topics identified for FY2020 are Anti-Corruption, Employment, Customer Privacy and Socioeconomic Compliance. Our assessment was based on the GRI standards.

CORPORATE GOVERNANCE



We believe that good corporate governance ensures corporate success and economic growth while establishing and maintaining an ethical environment within our Group, which serves the interests of all shareholders and stakeholders.

Our corporate governance system is supported by various policies and principles put in place to ensure that relevant controls are in place.

We adhere to the principles and guidelines of the Code of Corporate Governance 2018 (the “Code”), issued by the Monetary Authority of Singapore (the “MAS”), and will continue to improve our practices and operating frameworks by updating ourselves on developments in corporate governance.

We reach out to members of the community to

encourage lines of communication that promote transparency of our Group. Transparency is key to build trust with our stakeholders and create sustainable value for the future of our Group.

We have also put in place 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. Unethical conduct or malpractices in relation to corruption and fraud by employees will be met with formal disciplinary proceedings.



Anti-Corruption

We strive to uphold our Group’s professional ethics and integrity when carrying out business. We have put in place policies and procedures surrounding workplace ethics and business conduct such as anti-corruption, whistleblowing, conflict of interest and ethical business practices.

We ensure that all our business functions are aware of the established code of conduct in every district we operate. Furthermore, new hires are nurtured for the Group’s personal integrity, corporate values and ethical principles during the on-boarding program. Therefore, acts of corruption and bribery are stringently forbidden in our Group.

In FY2020, our Group is pleased to announce that there were no reported cases in relation to breaches of code of corporate governance, corruption and bribery.

Moving forward, our Group continues to spare no effort to maintain zero reported cases.



Socioeconomic Compliance

Guided by our core values and code of conduct, we are committed to ensure that compliance is a key pillar of our management and an integral part of our corporate culture and business processes. Our tone for regulatory compliance is set clearly at the top and consistently reiterated from the Board throughout all levels of our Group.

We provide consolidated training to all relevant employees alongside with pre- and post- training quizzes periodically to ensure their awareness of the regulatory updates. Our Group's regulatory policies and procedures are checked and reviewed periodically to ensure they are aligned and in compliance with local regulations.

We are proud to announce that in FY2020, our Group had no reported instances of non-compliance with laws and regulation.

Moving forward, we will continue to monitor any regulatory changes to ensure compliance.



Customer Privacy

We strive towards upholding professional values when conducting business and handling customers' privacy. Maintaining impeccable privacy and security is always our Group's notion to deliver sustainable growth and to protect our customers' interest.

With our Group's endeavour in digitalisation, we protect our customers' data and privacy by enhancing the security level of the Group's servers and IT systems consistently. Moreover, all employees who handle customers' data are provided with Personal Data Protection Act ("PDPA") training periodically. Data Protection Handbook is established and communicated to the employees for their adherence.

In FY2020, there were no reported cases in relation to personal data violation or breaches of customer privacy.

We will continue to strive and maintain our good track record of having zero reported cases.



EMPLOYMENT



People are at the heart of our business and our employees are no different. Engaged employees create sustainable growth and success.



We embrace diversity by hiring talents from various backgrounds and cultures based on meritocracy and provide unbiased opportunities to our employees.



We value and promote our employees' well-being and work-life balance at work to maintain a sustainable workforce.



We listen to our employees for their constructive feedback in order to improve staff engagement.

We believe in achieving the above targets will help us attract and retain talents. Hence, we have developed and integrated human capital strategies on talent attraction, development and retention to enhance our Group's employee retention mechanisms and talent attraction ability.

Additionally, we have put in place a hiring policy to govern the procedures from sourcing of potential suitable candidates to recruitment and confirmation of employees. The established policy is communicated to our employees and reviewed internally on a periodic basis.

COVID-19 COUNTER MEASURES

Our employees' safety, health and well-being are of utmost importance to us.

In response to the COVID-19 crisis in FY2020, the Group has made conscious efforts to ensure that additional safety regulations have been complied with.



Keeping our workforce safe and healthy

While BCP was activated for split teams work arrangement to mitigate congestion in the office, we have also put in place temperature monitoring, enhanced cleaning regimes and other safe workplace protocols to ensure that our employees are protected from the risks of the virus infection.

Health supplements, face masks and hand sanitisers were distributed to all employees to support their well-being.



Understanding mental health matters too

To ensure the mental well being of our employees during the lockdown period, we partnered with The Center For Psychology to do a virtual talk on "*Navigating Change, Uncertainty & Stress*".



Adapting how we work and communicate

In response to COVID-19 pandemic, we utilised virtual platforms (e.g. video conferencing software such as Zoom) to minimise the need for physical meetings and business travels, and yet maintain regular communication with our employees.

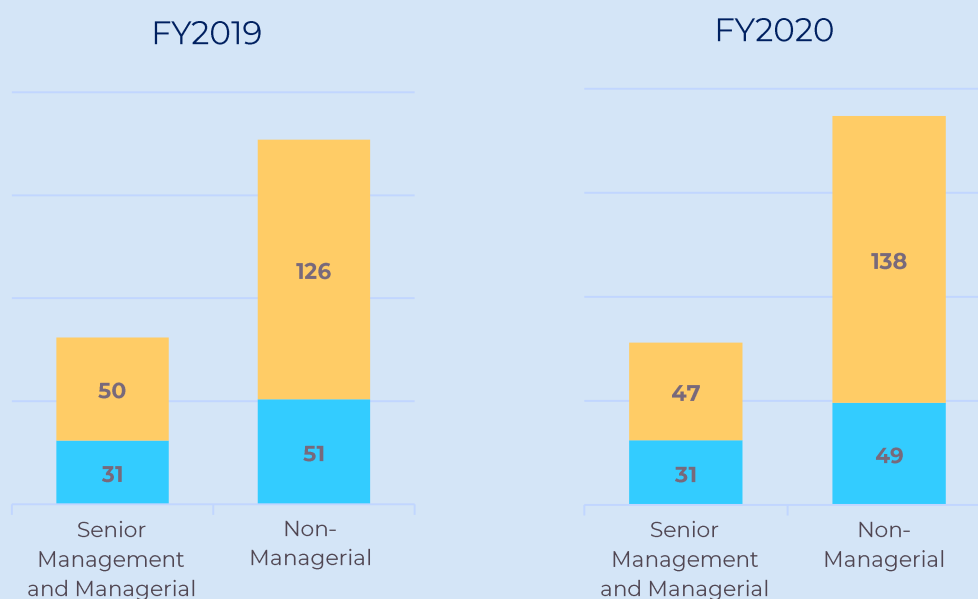


In line with our commitment towards creating a conducive work environment, we listen to our employees for their needs and expectations towards the organisation by consistently collecting their feedback in terms of employee engagement and challenges encountered at the work. As such, we developed the necessary measures / action plans to assist our employees in resolving the issues / challenges faced.

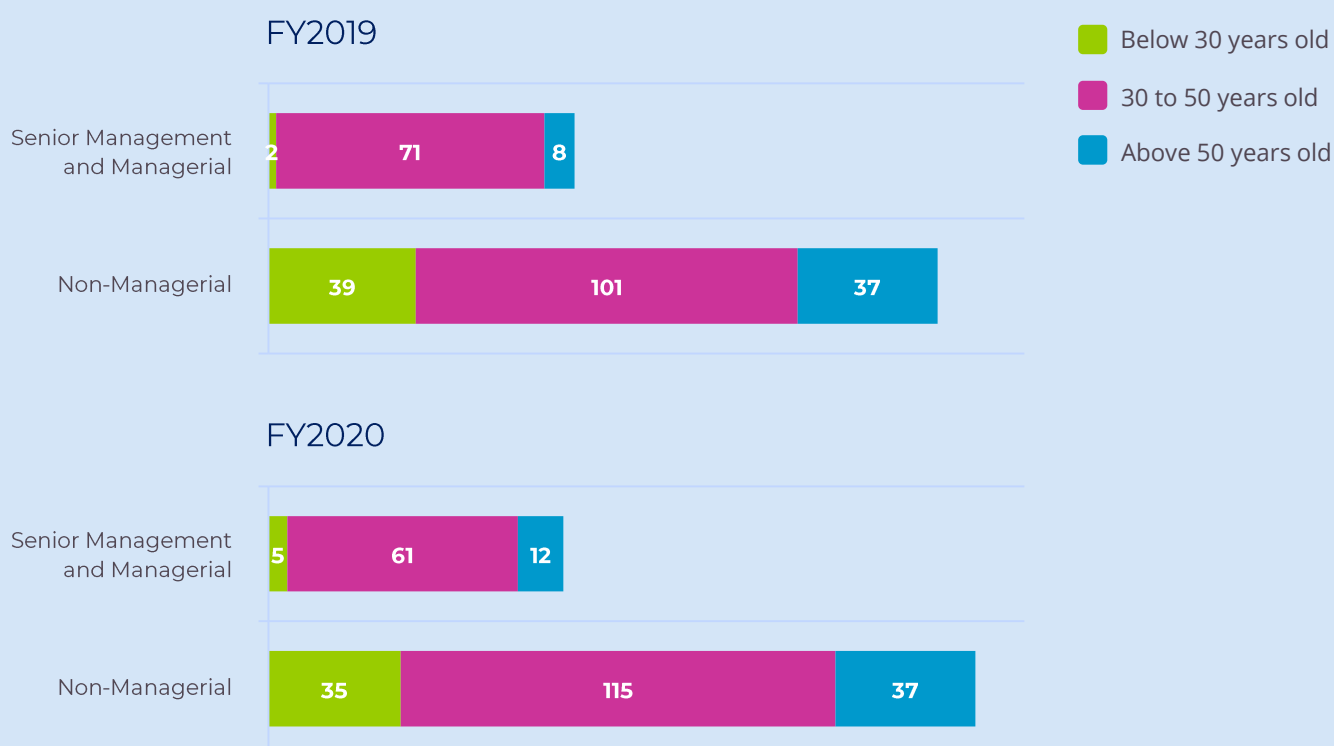
OUR WORKFORCE NUMBERS

Workforce by Gender and Type of Employee

Male Female



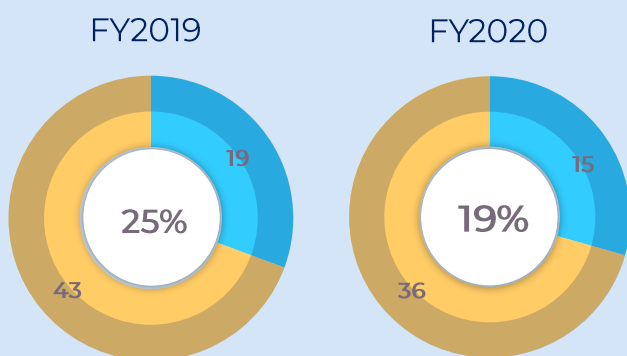
Workforce by Age and Type of Employee



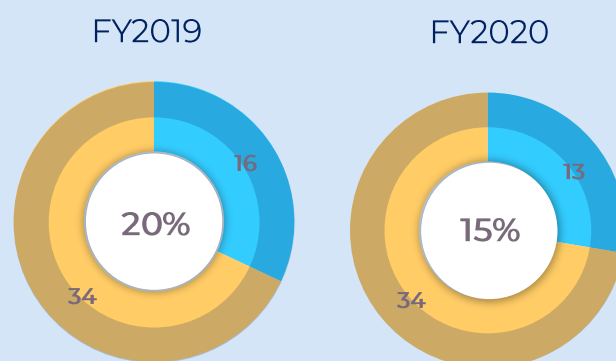
Full Time Basis

Male Female

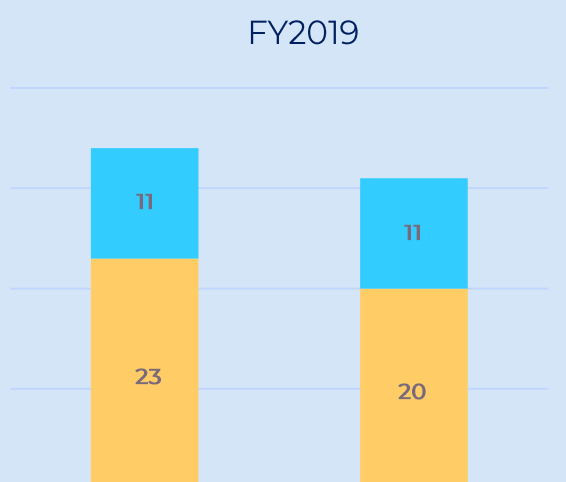
New Hires



Employee Turnover

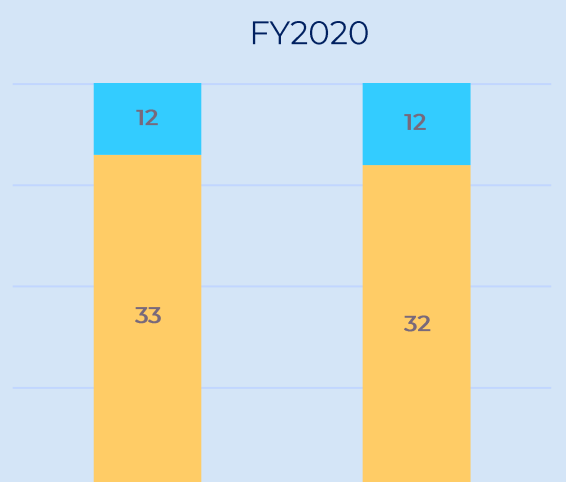


Employees Entitled to Parental Leave



No. of employees entitled to parental leave

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



No. of employees entitled to parental leave

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

Our Group also complies with local labour laws and Employment Act, and supports employees rights and obligations in accordance with local regulations and statutory legislations.

The Group managed to maintain zero non-compliance with relevant laws and regulations in FY2020 and we aim to maintain the same for FY2021.



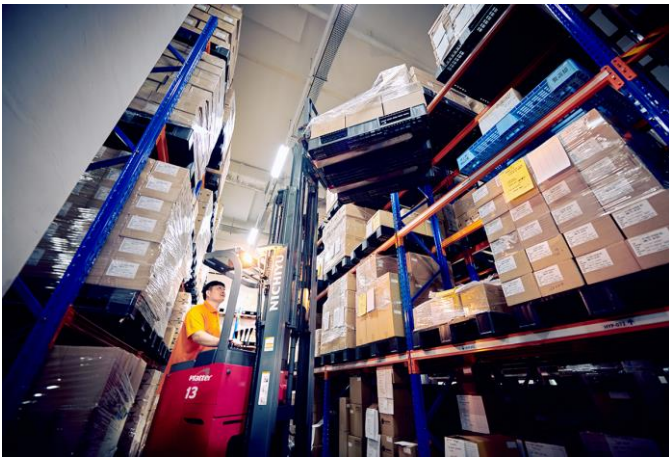
We'll continue to strive to position ourselves well to attract, retain and develop exceptional talents.

OUR SUPPLY CHAIN

We recognise the role of sustainability in value chain management

Sourcing

We adopt sustainable procurement by ensuring our core values are integrated through the Group's supply chain into the life cycle of the Group's products and services.



As such, we have stringent requirements for quality and therefore engage reputable suppliers who abide by global environmental, social and governance standards.

We continue to source responsibly for partners who share and promote a sustainable future, and engage them actively in strategic partnerships.

In addition, we continue to rely on our procurement policy to ensure a fair and transparent process for supplier selection including criteria and basis for selection, such as cost effectiveness and operational efficiency.

Before contracting work to new suppliers, verification is carried out on suppliers' accreditation and compliance with the required regulatory, track record, quality of services and reputation.

We routinely conduct due diligence on suppliers for the assessment of compliance with required licenses and industry standards (i.e. GMP/ISO/HACCP document verification).

Business Partners

We share our business philosophy and environmental action plan with our business partners. We ensure that the core values of the potential business partners are aligned with ours in terms of integrity, accountability and environmental protection before appointing them as our business partners. Frequent discussions and meetings are held with our business partners for experience sharing and improvement opportunities within our supply chain.

Distribution

With a fully integrated and extensive distribution system, we ensure that our products are efficiently distributed to our distributors, customers and consumers. Our focus is to minimise the environmental and social impacts from transportation by managing energy usage while safeguarding the safety of our personnel and local communities. We also continuously innovate our processes and implement digital technologies to drive efficiency.



Post-Consumption Packaging Management

In compliance with the Mandatory Packaging Reporting ("MPR") framework, we reached out to our suppliers in FY2020 to collect data on packaging material for our products. We are also in communication with waste management consultants to determine our 3R plan for measures to reduce, reuse and recycle our packaging materials.

By undertaking these initiatives, we seek to promote green procurement as an essential role in driving sustainable value for our stakeholders.

We continue to source responsibly for partners who share and promote a sustainable future, and engage them actively in strategic partnerships.

EXTERNAL INITIATIVES

As part of our commitment to support frontline healthcare workers and local marginalised communities adversely affected by the COVID-19 pandemic, we have contributed \$150,000 worth of items between February 2020 and August 2020.

Contribution for communities affected by the COVID-19 pandemic



Community Outreach in Singapore

Month	Beneficiary	Institution	Donation in Kind
February	Elderly residents	AWWA Senior Community Home & Senior Activity Centre	Ocean Health® supplements
April	Elderly patients	Moral Home for the Aged Sick	Ocean Health® supplements and personal essential items
May	Migrant workers at dormitories	1. Project CLOVE@NUHS 2. HealthServe	Ocean Health® supplements
June	People with special needs	Association for Persons with Special Needs (APSN)	Personal essential items
	Frontline healthcare workers	Moral Home for the Aged Sick	Ocean Health® supplements and personal protective equipment (PPE)
July	Frontline healthcare workers	Assisi Hospice	Ocean Health® supplements and personal protective equipment (PPE)
August	Frontline healthcare workers	Ceradan® social responsibility campaign "Hand in Hand Together with You"	Ceradan® optimal hand hygiene care kit



Our vision is to provide a better quality of life. We believe in giving back to the community, and the need to contribute to the social dimension of sustainable development.

SCAN FOR
MORE DETAILS



<http://bit.ly/oceanhealthcares>



<http://bit.ly/ceradancares>

Overseas Community Outreach



We hope our donations of hand sanitisers, cleansers and/or nasal sprays will help to keep the virus at bay for frontline healthcare workers.



Malaysia

Month	Beneficiary	Institution	Donation in Kind
July	Frontline healthcare workers	<ul style="list-style-type: none"> Hospital Selayang Hospital Serdang Hospital Pulau Pinang 	Hand sanitisers, Sterimar® nasal sprays and Ceradan® Gentle Cleansers



Indonesia

Month	Beneficiary	Institution	Donation in Kind
April	Frontline healthcare workers in Surabaya	PT Sarana Jaya Lestari	Ocean Health® supplements
June	Frontline healthcare workers in Jakarta	RS. Persahabatan Jakarta (<i>Government Hospital</i>)	ENTCLEAR® nasal wash
July	Frontline healthcare workers in Jakarta	RS. Cipto Mangunkusumo Dept, ENT (RSCM)	ENTCLEAR® nasal wash
	Frontline healthcare workers in Bogor	Health Department of Bogor District	Sterimar® nasal sprays



We are happy to lend a helping hand to these COVID-19 designated hospitals in Malaysia and Indonesia during the COVID-19 pandemic.

SCAN FOR
MORE DETAILS



<http://bit.ly/oversearchoutreach>

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