

pharmaniaga®

RISING BEYOND

Sustainability Report 2025

global expansion

launching excellence

trust & credibility

strategic partnership

RISING BEYOND continues the narrative established in BUILDING RESILIENCE: A Future of Innovation, while introducing a refreshed visual language that reflects evolution, growth and forward momentum. This year marks a defining milestone in Pharmaniaga's journey, as the Group celebrates its successful exit from PN17 status and enters a renewed phase of transformation defined by strength, agility and sustainable growth.

The DNA-inspired visual serves as a powerful metaphor for this journey. DNA represents life, continuity and innovation at the most fundamental level, reflecting Pharmaniaga's role in sustaining and advancing the healthcare ecosystem. The dynamic upward motion of the DNA structure symbolises growth and progression. The intertwining strands reflect Pharmaniaga's integrated ecosystem, where research and development, manufacturing, logistics and are intrinsically connected, working in unison to drive value and impact.

The Group's sustainability approach reinforces this journey by integrating ESG principles across operations, aligning growth with environmental stewardship, social responsibility and strong governance to deliver long-term value for stakeholders and society.

Our Sustainability Journey Begins

Our Reporting Suite

The Integrated Report 2025 and Sustainability Report 2025 are our primary reports.

Scan the QR Code to view Digital Version



Supplementary information is available on our website:
www.pharmaniaga.com



WE VALUE FEEDBACK

We welcome feedback, comments and suggestions for improvement to our Report. Please send your enquiries to:

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- Alignment with International Financial Reporting Standard (IFRS) S1 & S2, covering governance, strategy, risk management and metrics & targets
- Enhanced disclosure of climate risks and opportunities, including integration into Enterprise Risk Management (ERM) and strengthened metrics & targets
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OUR KEY RESOURCES

The Group’s key resources include the essential inputs that drive our core business activities, comprising six interrelated capitals integral to Pharmaniaga’s ongoing development, supporting long-term growth and success.

FINANCIAL CAPITAL



Financial capital encompasses the full range of financial tools available to us, including shareholders' equity and earnings from core business activities to credit financing. Our primary focus is to maintain the health of the Group’s balance sheet through prudent management of incomings and outgoings, while enhancing shareholder value through timely investment in research and development (R&D), digitalisation and optimisation initiatives.

MARKET CAPITALISATION
RM1.87 billion
as at 31 December 2025

BORROWINGS
RM816.0 million

MANUFACTURED CAPITAL



Our manufactured capital comprises the tangible assets which support the smooth and effective operation of our business activities. These include four production facilities located in Malaysia and one in Indonesia, as well as 52 logistics hubs and storage facilities, including 14 in Malaysia and 38 in Indonesia. We continually upgrade our assets, infrastructure and plants to support Pharmaniaga’s growth momentum.

RM300.0 million
invested in biopharma
manufacturing facility

**Automated
Storage & Retrieval
System Facility**
with 5,000-pallet capacity

250 Vehicles
Owned or operated via
appointed service provider

INTELLECTUAL CAPITAL



We have built a strong base of knowledge assets through years of experience, including our proprietary and licensed products, brands, dossiers, technologies, softwares, licences and established procedures. Making up our intellectual capital, these enable us to develop new offerings through in-house research and development, while promoting joint innovation and the exchange of technology by working closely with biotechnology partners across the globe.

**More than 30
Strategic Partnerships**
With domestic and international
organisations and institutes

HUMAN CAPITAL



Our workforce currently comprises 3,538 employees across Malaysia and Indonesia. We understand that the Pharmaniaga family plays a foundational role in catalysing our progress, expansion and long-term sustainability, and we remain committed to securing a pipeline of high-calibre talent for the Group. At the same time, we continuously develop our workforce’s capabilities through ongoing learning initiatives, towards upholding strong performance standards in line with Pharmaniaga’s vision and objectives.

**3,538
Employees**
as at 31 December 2025

61:39
Male-Female Ratio

**Investment in Employee
Training & Development**
RM1.41 million

SOCIAL & RELATIONSHIP CAPITAL



Pharmaniaga’s success is closely connected to the communities around us, including clients, shareholders, business partners and local stakeholders, forming the social and relationship capital that supports our sustained progress. We focus on fostering meaningful, trust-driven connections with these groups through dedicated corporate and community-focused efforts, such as collaborating with and uplifting small and medium-sized enterprises (SMEs) through our Vendor Development Programme.

8,876 Customers
Including Ministry of Health's
Hospitals and Health Centres,
Private Pharmacies, Hospitals
and Clinics

110
APPL Suppliers

NATURAL CAPITAL



Natural resources play a crucial role in ensuring the efficient operation of Pharmaniaga’s business activities. Across the Group, we rely on natural capital such as water and fuel for packaging material, raw products and power. We remain conscious of the limited availability of these resources and are dedicated to using them responsibly. We also acknowledge the importance of addressing climate change and contribute by propagating sustainable waste practices throughout the Group while minimising our environmental impact.

Solar Expansion and Installation
at 6 Operation Sites

**Forecasted to Generate
Approximately**
**4,661.46 kWp
Solar Energy Annually**

OUR KEY RESOURCES

Through careful management of these capitals, we strategically align our resources with the operating and business environment to deliver optimal results for the Group and our stakeholders.

OUR VALUE CREATING BUSINESS MODEL

Pharmaniaga’s business model manages resources and relationships responsibly to deliver the best outcomes for our stakeholders.



GUIDED BY OUR VISION & MISSION



UNDERPINNED BY OUR CORE VALUES



STAKEHOLDER ENGAGEMENTS

The Group is committed to prioritising the interests of its key stakeholders, including patients, consumers, employees, communities, regulators, business partners, and providers of financial capital. Strong and constructive stakeholder relationships are integral to the Group’s strategy, supporting long-term value creation, resilience, and responsible business conduct.

Engagement with stakeholders is conducted on an ongoing basis, with the frequency and mode tailored to each stakeholder group and their specific needs. Feedback received through these engagements informs decision-making, risk management, and continuous improvement initiatives.

Government Agencies & Regulatory Authorities

Key Concerns	How We Responded
- Timely access to affordable healthcare products and services - Regulatory compliance, including environmental and occupational safety and health, the Anti-Bribery Act, and the Medical Device Act - Best practices and policies	- Met industry and regulatory standards by obtaining certifications and consistently monitoring, implementing stringent quality control and internal audits and adopting a cautious business approach. - Actively held compliance and awareness training on regulations and Acts to ensure best practices and policies are being implemented. - Actively held dialogue sessions with the Ministry of Health, Responsibility Centres (PTJ) and State Health Department to build long-term business relationships between pharmacists and Contact Care Agents (CCAs). - Engaged in policy advocacy by providing input to Government agencies during the development of policies, regulations and guidelines.

Employees

Key Concerns	How We Responded
- Business environment volatility and uncertainty - Talent recruitment, selection and retention - Salary and benefits - Employee welfare - Health and safety	- Established open and transparent communication channels to keep employees informed about company updates, initiatives, and performance. - Adopted a Business Continuity Plan. - Carried out training and skills development programmes. - Recognised and acknowledged employees for their contributions, achievements and milestones. - Invested in employee training and development programmes to support skill enhancement, career growth and personal development. - Encouraged employee participation in professional bodies and association memberships. - Organised employee social, sports and health engagement activities. - Formalised anti-discrimination and anti-harassment policies. - Maintained Occupational Health and Safety Management System (OHSMS) certification. - Conducted Hazard Identification, Risk Assessment and Risk Control/Hazard Identification, Risk Assessment and Determining Control (HIRARC/HIRADC). - Expanded product portfolio through technology and knowledge transfer across multiple disciplines.

STAKEHOLDER ENGAGEMENTS

Customers and Healthcare Practitioners

Key Concerns	How We Responded
- Product & service quality - Product responsibility - Regulatory compliance - Customer complaints and grievances - Halal-certified products - Product information - Patient safety - Medicine authenticity and anti-counterfeiting - Ethical marketing and medical engagement	- Continued the development and production of high-value generics and expansion into biopharmaceutical, primarily the production of vaccines and insulin. - Carried out cost and productivity optimisation exercise for all products and services. - Adopted an object and text recognition Graphic User Interface (GUI) system for product traceability. - Maintained ISO 9001:2015 and ISO 18295-1:2017. - Provided a customer complaints and grievances platform. - Conducted internal audits, benchmarking our performance and compliance against the guidelines and industry standards. - Continued initiatives to expand Halal-certified products by working closely with industry experts and authorities. - Engaged healthcare practitioners through product briefings and ethical information sharing to promote safe medicine use. - Enhanced pharmacovigilance to monitor and report adverse drug reactions promptly. - Added accessibility features to selected packaging to support visually impaired patients. - Maintained structured recall and incident procedures to protect patient safety. - Strengthened track-and-trace systems to prevent counterfeiting and improve product identification.

Supply Chain Partners

Key Concerns	How We Responded
- Procurement practices and policies - Business integrity - Financial stability - Environmental conservation and preservation - Vendor performance	- Carried out Vendor Accreditation Process and performance assessment. - Established due diligence and site inspection procedure for partner/vendor selection. - Formed strategic partnership with registered local independent pharmacies (LIPs). - Conducted internal and external audits to ensure that our material and waste management practices meet the ISO 14001: 2015 Environmental Management Systems certification standards. - Provided skills, knowledge training and grant consultation under the Vendor Development Programme (VDP). - Vendor development and evaluation program in place to ensure continuous improvement of product and services.

STAKEHOLDER ENGAGEMENTS

Providers of Financial Capital and Analysts	
Key Concerns	How We Responded
- Business performance - Economic contribution - Regulatory compliance - Quality, timely and transparent communication - Governance - ESG strategy and sustainability performance	- Conveyed sound and clear business and operational strategy. - Updated on business performance through news releases and analyst briefings. - Developed a broad range of choices and a preference for local suppliers. - Monitored strictly to ensure compliance with relevant rules and regulations. - Organised AGM, EGM and investor meetings. - Upheld good corporate governance through policies such as the Code of Conduct and Anti-Bribery and Corruption (ABC) Policy to ensure regulatory compliance. - Update analysts with new information - Engaged with ESG analysts and rating agencies to better understand their assessment methodologies, key focus areas and expectations for sustainability disclosures. - Engaged with <i>Lembaga Tabung Angkatan Tentera</i> (LTAT), as the Group's major shareholder, to provide updates on ESG strategy and performance.
Media	
Key Concerns	How We Responded
Information disclosure through media release, events, advertisements and product placements	- Conducted media interviews. - Updated news releases. - Responded to media queries. - Prioritised advertising expenditure on key brands through more aggressive advertising and marketing. - Local media covering digital and print platforms. - Invested continuously in brand building activities in relevant media. - Increased investment and consumer engagement across social media platforms, media, conferences, analyst briefings and quarterly results of the Group are also made available on the website.
Communities and Academia	
Key Concerns	How We Responded
- Community service - Job creation - Community welfare - Environmental conservation and preservation - Education - Research & innovation collaboration - Industry-academia knowledge exchange - Talent pipeline and future skills development - Public health and pharmaceutical ecosystem development	- Made charitable contributions through multiple outlets, especially in educational improvement. - Provided graduate employment opportunities and development such as training, internships and collaboration with NGOs through similar development programmes. - Provided our talents with the necessary skills to specialise in biopharmaceutical fields. - Initiated various philanthropic, volunteering and communication activities with NGOs and the local Government. - Implemented and monitored initiatives for waste, water and energy. - Engaged in structured industry-academia collaborations to support research and innovation. - Participated in knowledge-sharing programme and seminars with academic institutions. - Supported talent pipeline and future skills development through internships, training and graduate engagement. - Contributed to the development of Malaysia's public health and pharmaceutical ecosystem through collaborative initiatives.

MATERIAL SUSTAINABILITY MATTERS

Sustainability remains strategically important to the Group and its stakeholders. The Group is committed to embedding sustainable practices across its operations while addressing current and emerging sustainability issues that align with its Sustainability Goals and material priorities.

ASSESSMENT PROCESS

In 2025, the Group reviewed its material sustainability matters against those assessed in 2024, taking into account prevailing risks and opportunities. The reassessment confirmed the continued relevance and validity of the existing material sustainability matters for the current financial year.

The materiality assessment was conducted through a structured three-step process:



01

PRIORITISATION AND IDENTIFICATION

Material sustainability matters were identified and reviewed for relevance to current and emerging sustainability risks and opportunities. This process included benchmarking against local and regional industry peers, considering sectoral sustainability developments, and aligning with relevant reporting frameworks and ESG indices. The Sustainability Working Group (SWG) reassessed and prioritised the material sustainability matters based on their significance and potential impact on the Group and its stakeholders.

02

STAKEHOLDER ENGAGEMENT

Feedback and insights were gathered from internal and external stakeholders to capture their perspectives on the importance and impact of sustainability across stakeholder groups.

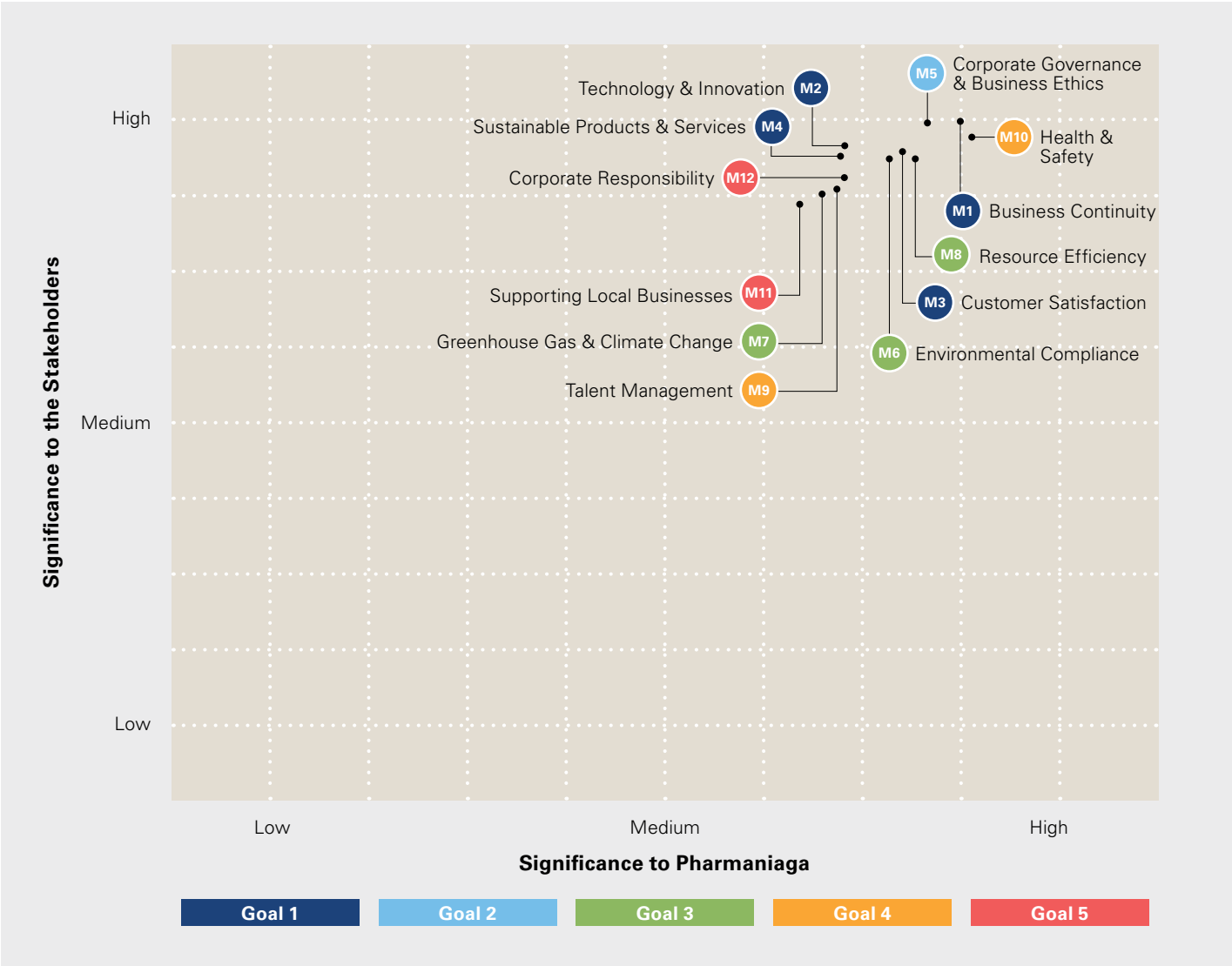
03

VALIDATION AND APPROVAL

The assessment outcomes were plotted on a materiality matrix and deliberated by the Sustainability Management Committee (SMC). The validated results were subsequently presented to the Board for endorsement.

MATERIAL SUSTAINABILITY MATTERS

MATERIALITY MATRIX



The materiality matrix illustrates the sustainability issues of greatest importance to both the Group and its stakeholders. Issues positioned in the upper-right quadrant represent the highest significance.

Overall, the materiality profile remained largely consistent with the previous year. The top sustainability priorities are Business Continuity, Health and Safety, Corporate Governance and Business Ethics, and Customer Satisfaction, reflecting their critical importance to business resilience and stakeholder confidence.

Other high-priority material matters include Sustainable Products and Services, Technology and Innovation, Resource Efficiency, Environmental Compliance, and Greenhouse Gas and Climate Change. These reflect increasing stakeholder expectations for sustainability, environmental protection, and responsible innovation.

While Corporate Social Responsibility ranks lower in the matrix's relative priority, the Group continues to pursue initiatives in this area to support community well-being and long-term societal value creation.

SUSTAINABILITY RISK MANAGEMENT STRATEGY

The Group has adopted a sustainability risk management strategy that integrates our material sustainability matters into our value chain and organisational performance. In managing our risks, we consider our corporate strategy as the foundation from which we build business decisions based on the obtained sustainability-related information. It also improves the performance of our five Goals alongside our material matters.

We are committed to integrating sustainability into our overall business strategy, primarily in areas where the Group has the most influence, such as our operations and value chain.

MATERIAL MATTERS	RISKS	OPPORTUNITIES
M1 BUSINESS CONTINUITY	Disruptions, disasters or unforeseen events that could impact business operations.	- Implementing business continuity management through: - Policy and procedure development/enhancement. - Coordinate testing on critical business functions. - Provide continuous training and awareness to all employees.
M2 TECHNOLOGY & INNOVATION	- Rapid technological changes may lead to obsolescence or vulnerabilities. - Increase in cyber threats.	- Embracing innovation can lead to competitive advantages and improved operational efficiency. - Continuous monitoring and enhancing of cybersecurity defence.
M3 CUSTOMER SATISFACTION	Dissatisfied customers may lead to reputation harm and loss of business.	- Conduct customer satisfaction surveys to identify any gaps/weaknesses for future improvement. - High customer satisfaction can foster customer loyalty, generate positive word-of-mouth, and sustain business continuity.
M4 SUSTAINABLE PRODUCTS & SERVICES	Increasing demand for sustainability may impact businesses that do not adopt ESG practices.	- Adherence to rules and regulatory requirements related to the business environment. - Meeting the demand for sustainable products/services that could attract environmentally conscious consumers and enhance brand reputation.
M5 CORPORATE GOVERNANCE & BUSINESS ETHICS	Ethical lapses or governance failures can result in legal, financial and reputational consequences.	- Continuous monitoring through compliance and audit functions. - Strong governance and ethical practices can build stakeholder trust and enhance the Group's reputation.
M6 ENVIRONMENTAL COMPLIANCE	Non-compliance with environmental regulations can lead to legal issues and reputational damage.	- Meeting or exceeding environmental standards demonstrates corporate responsibility and compliance, positively affecting reputation. - Certified with ISO 14001:2015 Environmental Management System for Manufacturing and Logistics Sites.
M7 GREENHOUSE GAS & CLIMATE CHANGE	Regulatory changes, physical risks and market shifts related to climate change.	Reducing greenhouse gas emissions through decarbonisation programmes, such as energy efficiency, renewable energy (solar) and electric vehicles.

SUSTAINABILITY
RISK MANAGEMENT STRATEGY

MATERIAL MATTERS	RISKS	OPPORTUNITIES
M8 RESOURCE EFFICIENCY	Inefficient use of resources can result in increased costs and environmental impact.	Implementing resource-efficient practices through continuous initiatives such as reducing energy, carbon emission, water consumption and waste management, as well as increasing the use of renewable energy sources.
M9 TALENT MANAGEMENT	Difficulty attracting, retaining and developing skilled employees.	- Effective talent management could improve workforce productivity, innovation and overall business performance. - Provide work-life balance and engagement activities. - Established a succession plan, especially on key talent positions. - Provide training and competency enhancement.
M10 HEALTH & SAFETY	- Workplace accidents, injuries, or health-related issues. - Non-compliance may result in imposition of penalties.	- Certified with ISO 45001:2018 Occupational Safety & Health Management System for Manufacturing and Logistics Sites. - Prioritising health and safety by inculcating training and awareness to all employees.
M11 SUPPORTING LOCAL BUSINESSES	Ensuring the quality and safety of products and services from local businesses may be challenging, and any lapses could lead to product recalls, penalty, legal issues, and damage to the Group's reputation.	- Offer capacity-building programmes such as soft skills and technical training, and industry engagement for local businesses to enhance their competitiveness, efficiency and ability to adapt to changing market conditions. - Diversify the Group's network of local suppliers to minimise the impact of economic challenges faced by any single partner.
M12 CORPORATE RESPONSIBILITY	- Challenges in providing affordable and equitable access to medicines, particularly in underserved communities, may raise ethical concerns and damage the Group's reputation. - Safety and quality of pharmaceutical products can jeopardise public health and undermine the Group's commitment to corporate responsibility.	- Develop access programmes, collaborate with healthcare organisations and explore innovative pricing models to ensure broad availability of essential medicines. - Implement stringent quality control measures, adhere to Good Manufacturing Practices (GMP), and invest in technologies for product traceability.

SUSTAINABILITY AT PHARMANIAGA

Guided by our responsibility to society and the environment, Pharmaniaga pursues sustainable business practices to support our ambition to be a leading pharmaceutical company.

We take a holistic approach to sustainability by embedding stakeholder considerations into decision-making and operational practices. By leveraging our expertise and collaborating with stakeholders, we enhance operational efficiencies and resilience while minimising or avoiding adverse environmental and social impacts.

In our commitment to transparent reporting and alignment with national and international standards, the Group strengthened its foundations for IFRS readiness during the reporting year by enhancing governance, data quality, and internal controls, while improving coordination across finance, sustainability, risk, and operations. During the financial year under review, the Group strengthened its foundations for IFRS readiness by enhancing governance, data quality, and internal controls, while improving coordination across finance, sustainability, risk, and operations. Initial gap assessments and alignment of policies and reporting practices were undertaken to support consistent, reliable, and decision-useful disclosures, positioning the Group for a structured transition towards IFRS-aligned reporting. This included disclosing the applicability of relevant SASB Standards for the Health Care Distributors industry to identify sustainability-related risks and opportunities that could reasonably be expected to affect the Group's business, financial position and future prospects.

We welcome feedback, comments and suggestions for improvement to our Report. Please send your enquiries to:

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SUSTAINABILITY MILESTONES



These milestones included strengthened governance oversight, enhanced environmental and social management practices, clearer human rights commitments, and improved ESG data quality and disclosures across the Group.

SUSTAINABILITY AT PHARMANIAGA

SUSTAINABILITY ACHIEVEMENTS AND HIGHLIGHTS

OUR SIGNIFICANT ACHIEVEMENTS

- ✔ Completed manufacturing of three human insulin process validation (PV) batches
- ✔ Improved FTSE4Good ESG Rating score from 3.8 in FY2024 to 4.6 in FY2025, achieving a 4-star rating
- ✔ Received 1-star recognition for Purposeful Partnership by UN-Global Compact Malaysia and Brunei
- ✔ Awarded HR Asia Best Companies to Work for in Asia 2025 (Malaysia Chapter)
- ✔ Formation of Business and Human Rights (B+HR) Taskforce to advance policy and framework development
- ✔ Strengthened stakeholder engagement through inclusion of ESG Analysts, Academia and Healthcare Practitioners

ENVIRONMENTAL	SOCIAL	GOVERNANCE & ECONOMY
Recycled 14.67 megalitres of water	All new suppliers were assessed for ESG criteria	Total 13 sites obtained ABMS certification
Reduced potable water consumption by 15.16% against the 2019 baseline.	In 2025, 81% of total spending was allocated to local suppliers	Maintained the ISO/IEC 27001:2022 Information Security Management System
Delivered energy savings of 781.49 GJ and avoided 168.02 tCO₂e of GHG emissions through renewable energy implementation in Sungai Petani, resulting in RM220,047.44 in cost savings.	Workforce composition: Male: 61% Female: 39%	In 2025, 35 new products were registered in Malaysia, including 10 new Biopharmaceutical products and medical devices
Harvested 0.13 megalitres of rainwater	Local hiring: Malaysia: 99.8% Indonesia: 99.7%	DIRA Roadshow conducted at 13 sites focusing on integrity, compliance, legal & board matters, business continuity and climate change
	0.08% of our employees are persons with disabilities	
	ZERO workplace fatalities	

SUSTAINABILITY AT PHARMANIAGA

OUR APPROACH TO SUSTAINABILITY

Pharmaniaga’s sustainability approach is embedded across all levels within the Group. Guided by our Board of Directors, we prioritise a holistic approach that integrates environmental, social, and governance (ESG) considerations into every aspect of our business. This comprehensive approach ensures that sustainability principles are reflected in all our policies, operational decisions, and projects. We align our efforts with national and international sustainability standards and track our progress against key performance indicators to achieve positive outcomes for our company, our stakeholders, and the wider community.

Policies

Our policies reflect our commitment to ethical business practices, environmental and social responsibility, and a diverse and inclusive workplace. This section outlines our core policy tenets and lists our established policies.

01	To continuously invest our resources in ensuring our products and services are relevant and meet the needs of our customers	04	To continuously create and sustain an engaged work culture that attracts, retains, and motivates our employees
02	To be fully committed to environmentally friendly business practices towards the conservation and preservation of the environment	05	To strengthen communities and contribute to the enrichment of society by: • Prioritising opportunities for local businesses; and • Integrating corporate responsibility initiatives that encompass healthcare, education and welfare of Malaysians across our operations
03	To ensure that our employees operate in a safe and conducive work environment		

Our commitments are supported by a comprehensive set of policies that establish clear standards for ethical conduct, environmental management, workplace practices, and governance across the Group. In FY2025, the Group reaffirmed its commitment to responsible business conduct by aligning its operations with the Business and Human Rights (B+HR) Policy. These efforts reflect the Group’s ongoing commitment to upholding internationally recognised human rights standards and supporting sustainable, inclusive business growth.

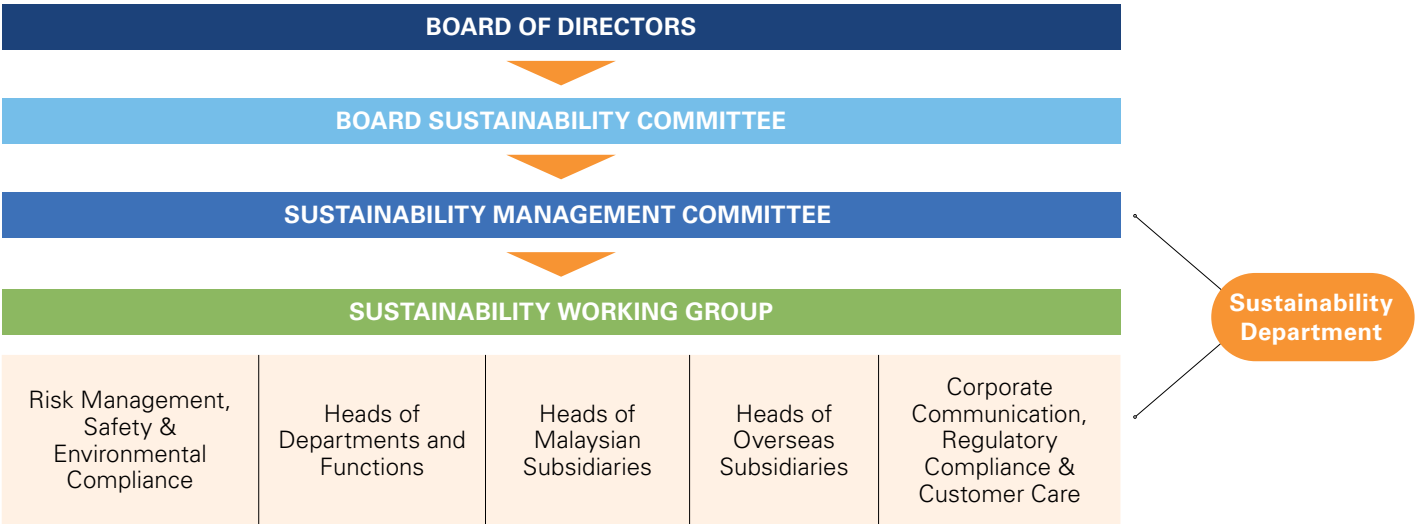
ENVIRONMENTAL	GOVERNANCE AND ECONOMY
• Environmental, Safety and Health Policy • Energy Policy • Sustainability Policy	• Corporate Governance Policy • Code of Ethics and Conduct • Vendor Code of Ethics Policy • Anti-Bribery and Corruption Policy • Whistleblowing Policy • Halal Policy • Anti-Money Laundering Policy • Contribution to External Party Procedure • Gifting Policy • Investor Relations Policy • Good Distribution Practice for Medical Devices Procedure • Laboratory Policy
SOCIAL	
• Human Rights Policy (Under Development) • Gender Diversity Policy • Sexual Harassment Policy • Social Media Policy • Workplace Bullying Policy • Quality Policy	

SUSTAINABILITY AT PHARMANIAGA

SUSTAINABILITY GOVERNANCE

At Pharmaniaga, sustainability is a strategic priority overseen by our highest governing bodies. The Board of Directors provides overall direction and guidance on all sustainability matters, including climate-related risks. The Board Sustainability Committee (BSC) assists the Board in these deliberations. Sustainability-related decisions are approved at the Board level. These decisions are cascaded across the Group, with the Sustainability Department acting as the liaison between the Sustainability Management Committee (SMC) and Sustainability Working Group (SWG) to implement, monitor, and report on approved sustainability initiatives.

The following infographics illustrate the Group's sustainability governance structure:



Board Sustainability Committee

- The BSC assists the Board in performing its oversight responsibility over Pharmaniaga’s sustainability objectives, policies, and practices, such as:
- Develops and recommends sustainability strategies, targets, policies and roadmaps for the Board’s approval.
 - Reviews and evaluates the effectiveness of implemented sustainability initiatives.
 - Ensures adequate resources are allocated to achieve the established sustainability goals.
 - Advises the Board on risk appetite and strategies relating to sustainability risks and opportunities, with a focus on mitigating climate change and its potentially catastrophic impacts.
 - Monitors stakeholder engagement activities and ensures effective grievance mechanisms are in place.

The BSC receives reports from the SMC on critical sustainability issues, including health, safety, environmental matters, and grievances. The BSC is responsible for reviewing this information and subsequently preparing the sustainability reports for presentation to the Board of Directors. The composition of the BSC is disclosed in Pharmaniaga Berhad’s Integrated Report 2025 (refer to page 98, 102, 103, and 107), and should be read in conjunction with this Sustainability Report.

The BSC, together with the Nominating and Remuneration Committee (NRC), has initiated discussions to progressively evaluate the integration of selected sustainability and climate-related performance indicators into performance and remuneration frameworks. This supports the Group’s long-term value creation and alignment with emerging sustainability disclosure requirements, including IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board.

Further details on remuneration governance and the role of the Nominating and Remuneration Committee are provided in the Governance section of the Integrated Report (refer pages 118 and 121).

SUSTAINABILITY AT PHARMANIAGA

Sustainability Management Committee

The SMC consists of the senior management team which is tasked with developing and implementing the Group’s sustainability strategies and policies across all business segments and locations, including incorporating climate-related risks and opportunities. Subsidiaries and corporate departments are accountable for aligning their respective sustainability efforts with the Group’s overarching objectives. The SMC reports the Group’s sustainability progress to the BSC.

Sustainability Department

The Sustainability Department serves as the central point of coordination between the SMC and the SWG. They evaluate the progress of the implemented sustainability initiatives against the established objectives and targets, communicate their report findings to the SMC, oversee stakeholder engagement activities, and assist in reviewing and compiling sustainability-related information for reporting purposes.

Sustainability Working Group

The SWG is responsible for continuously monitoring sustainability performance across the organisation and identifying areas for improvement. Effective governance ensures that sustainability efforts remain aligned with strategic goals, fostering long-term resilience and accountability.

The Risk Management Committee (RMC) plays a vital role in identifying, assessing, and mitigating potential risks and opportunities associated with material sustainability issues. In 2024, climate risks have been assessed and included in the Company's Enterprise Risk Management Framework effective from 1 December 2024. In FY2025, ERM continued to support the sustainability framework towards IFRS readiness, including the exploration of climate scenario analysis. The RMC also conducted targeted stakeholder engagement through physical and virtual discussions and interviews to gather inputs for the internal finalisation of sustainability-related risk assessments.

The Anti-Bribery and Management System (ABMS) Committee safeguards the integrity of Pharmaniaga’s sustainability initiatives by ensuring compliance with national and international anti-bribery standards. The Integrity and Governance Department (IGD) allocates and integrates adequate resources to support the effective operation of ABMS, strengthening Pharmaniaga’s governance framework. Strong governance mechanisms help reinforce ethical business practices, ensuring that sustainability objectives are met with transparency and accountability.

By embedding robust governance structures into its sustainability efforts, the Company enhances corporate resilience, regulatory compliance, and stakeholder trust, which ultimately contribute to long-term value creation.

SUSTAINABILITY FRAMEWORK

The Sustainability Framework defines the Group's overarching approach to sustainability, outlining its vision, mission, and strategic roadmap. By aligning five sustainability goals with twelve material sustainability matters, the framework adopts a holistic approach to identifying, assessing, controlling, monitoring and reporting sustainability-related risks and opportunities, thereby strengthening overall ESG performance.

The framework is aligned with the national sustainability agenda, the United Nations Sustainable Development Goals (SDGs), the United Nations Global Compact Malaysia & Brunei, and the National Action Plan on Business and Human Rights (NAPBHR). This alignment reinforces the Group's commitment to responsible business conduct, respect for human rights, and sustainable value creation across its operations and value chain.



SUSTAINABILITY AT PHARMANIAGA

SUSTAINABILITY TARGETS AND PERFORMANCE

MATERIAL MATTERS	TARGETS	PERFORMANCE
GOAL 1: Delivering Sustainable Value and Future-Proofing the Business		
M1 Business Continuity	Implement Business Continuity Management (BCM)	Established BCM Working Committee (BCMWC) and the Crisis Management Committee (CMC)
M2 Technology & Innovation	Apply new or improved technologies, tools, systems and processes	Installed: • Variable Speed Drive (VSD) Compressor • E-labelling using Quick Response (QR) • Power BI Manufacturing Dashboard • HR Service Apps • QC Service Apps • ClickUp for Project Management Upgraded: Overall Equipment Efficiency (OEE)
	Ensure zero breaches and leakage of privacy and information	Zero breaches of privacy through the implementation of ISO/IEC 27001:2022 Information Security Management System
M3 Customer Satisfaction	Maintain quality and customer care service	Maintained at all manufacturing sites the ISO 9001:2015 Quality Management Systems
	Certification	Maintained at relevant sites: ISO 18295-1:2017 Customer Contact Centres Certified
	Customer satisfaction rating surveys > 94%	Ministry of Higher Education (MOHE): 96% Private Sector (reporting for 2024): 95%
	30-day resolution for Service & Distribution complaints	Service Level Agreement (SLA) Performance FY2023: 78% FY2024: 61% FY2025: 81%
M4 Sustainable Products & Services	Improve access to medicine	Expansion of the concession agreement via rider contracts to teaching hospitals and hospitals under the Ministry of Defence
	Product Pipeline Expansion and Market Registration	Generic Drugs: • Product registered in Malaysia: 332 products • Product registered in Indonesia: 127 products Registered Biopharma: • Vaccine: 5 • Insulin: 5 • Medical Device: 5 Expanded Halal-certified medicine: 210 • Malaysia - New: 12 / Total: 190 • Indonesia - New: 19 / Total: 20
	Partnered with international industry leaders to localise medicine	Partnership/Collaboration: In 2025, we further strengthened our insulin portfolio by securing registration for an analogue insulin in partnership with China, with plans to submit for local manufacturing registration in 2026.

SUSTAINABILITY AT PHARMANIAGA

MATERIAL MATTERS	TARGETS	PERFORMANCE
GOAL 2: Acting with Integrity		
M5 Corporate Governance & Business Ethics	Apply the best practices as recommended by MCCG	Zero fines and non-compliance incidents
	Zero incidents of unethical practices, bribery and corruption	No substantiated claims of bribery and corruption practices
GOAL 3: Achieving Operational Eco-Efficiency		
M6 Environmental Compliance	Maintain zero non-compliance incidents on environmental matters	Zero fines and non-compliance incidents ISO certification maintained across all Malaysia sites and PT Errita Pharma (Indonesia manufacturing site)
M7 Greenhouse Gas & Climate Change	Increase the use of renewable energy sources	Decarbonisation programmes - InspiraPharma Sungai Petani have achieved energy saving of 767.51 GJ and avoided 165.01 tCO₂e of GHG emissions from the utilisation of renewable energy - Signed Solar Power Purchase Agreement for solar panels with 4,661.46kWp expected capacity
	15% reduction in Greenhouse Gas (GHG) absolute emissions by 2025, against the 2019 Baseline	Status of the 15% reduction of GHG by 2025: 29.02% of GHG has been reduced since 2019 Efficiency Programmes - Installed energy-efficient technologies - Upgraded and optimised equipment and machinery at facilities - Transitioned to LED lights - Motor changed to VSD
M8 Resource Efficiency	Reduce waste whilst increasing water efficiency and raw material usage	Water recycled: 14.67 m ³ Harvested rainwater: 128.32 m ³ Reduced potable water consumption by 15.16% against the 2019 baseline Environmental training: 733 man-hours

SUSTAINABILITY AT PHARMANIAGA

MATERIAL MATTERS	TARGETS	PERFORMANCE
GOAL 4: Creating a Sustainable and High-Performance Workforce		
M9 Talent Management	Zero incidents of labour practices and human rights violation	Zero human rights and labour incidents
	Maintain employee attrition rate at below 13% for Malaysia (60% weighting) and Indonesia (40% weighting)	Attrition rate FY2025: - Malaysia: 9.13% - Indonesia: 14.98% Turnover rate (Malaysia / Indonesia):* - FY2023 : 20.51% / 15.57% - FY2024: 12.26% / 18.57% - FY2025: 9.13% / 14.98% <i>* Internal assurance</i>
	Achieve 30% gender diversity at Group level	Gender Diversity (Female) - Board: 30%^ - Senior Manager: 15.38% - Middle Management: 32.97% - Executive: 63.12% - Non-executive: 31.49% <i>^ Calculated based on the full Board, excluding alternate directors</i>
M10 Health & Safety	Build employee career development and succession plans	Established Management Development Programmes: - Succession Planning Programme (SPP) - High Potential Programme (HiPo) - Hackhaton Programme - PharmaLead Programme Average Employee Training Hours - FY2023: 23 hours - FY2024: 28 hours - FY2025: 41 hours
	Maintain Zero Fatality	No fatalities recorded since the establishment
M10 Health & Safety	Improve Year-Over-Year Loss Time Injury Rate (LTIR)	FY2023: LTIR: 0.31 FY2024: LTIR: 0.35 FY2025: LTIR: 0.47
GOAL 5: Building a Better Society		
M11 Supporting Local Businesses	Promote local purchasing	81% of total procurement spend was sourced from local suppliers
M12 Corporate Responsibility	Establish a strategic Corporate Social Responsibility (CSR) policy at the Group level	Created community-focused pillars: - Health - Welfare - Education - Established Skuad Operasi Sihat (SOS) employee volunteering structure Total Investment in Corporate Responsibility Initiatives - FY2023: RM 3,628,683 - FY2024: RM 2,948,464 - FY2025: RM 1,312,658

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

GOAL 1 DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

Economic and financial stability are critical determinants of a business organisation’s ability to achieve sustainable growth. Goal 1 is closely linked to our economic impacts and encompasses four material matters, six prioritised SDGs, and seven key risk indicators. Achieving Goal 1 underpins a sustainable financial future for our business and our stakeholders.

Mapping to Our Sustainable Business		
Material Matters:	Key Risks:	Outcomes:
M1 Business Continuity M2 Technology & Innovation M3 Customer Satisfaction M4 Sustainable Products & Services	R1 Geopolitic Risk R2 Cybersecurity Risk R3 Customer, Product and Services Risk R4 Strategic Risk R5 Financial Risk R6 Environmental Sustainability Risk R8 People Risk R9 Legal and Regulatory Risk	SDGs 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS Supporting B+HR • Access to safe, quality, and affordable medicines • Health and well-being • Customer product safety with the provision of accurate, transparent information



GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

M1 BUSINESS CONTINUITY

Business continuity is essential as it prepares the Group in responding to major business disruptions and helps ensure organisational resilience. The Group has established a Business Continuity Management (BCM) framework that includes policies and procedures for ensuring that specified operations can be maintained or recovered in a timely fashion in the event of a disruption. Its purpose is to minimise the operational, financial, legal, reputational and other material consequences arising from a disruption. The Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are the key components of BCM.

BUSINESS CONTINUITY MANAGEMENT

The Group’s BCM governance structure is set off as below:



The BRIC roles and responsibilities are outlined in the TCFD section on page 65.

Climate-related risks were integrated into the Group’s BCM framework in FY2024. In FY2025, the Group further enhanced this integration by leveraging BCM as a key operational mechanism to support readiness for IFRS sustainability disclosure requirements, including initiating discussions with consultants and solution providers on potential climate scenario analyses.

A comprehensive set of BCM-related plans and procedures was developed and documented based on selected strategies to effectively respond to disruptions and ensure the continuity of critical business functions.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

BCM Relation Plan	Objectives
Crisis Communication Plan (CCP)	To manage a crisis smoothly by minimising the impact, providing direction to employees and resources, notifying relevant stakeholders following a major disruption to its business operations.
Business Continuity Plan (BCP)	To enable the Group to continue or recover critical business functions at a minimum acceptable level during a major disruption.
Disaster Recovery Plan (DRP)	To enable the recovery and restoration of the data processing components, including infrastructure, systems, applications and their associated data in the event of a declared disaster caused by physical incidents, accidents, or cyberthreats.
Emergency Response Plan (ERP)	To protect employees, visitors and others within the Group from disastrous weather, building evacuations (e.g., fire outbreaks), as well as protective action when dealing with threatening violence.
Pandemic Response Plan (PRP)	To prevent the spread of the infectious diseases and promptly respond to the pandemics effectively with minimised impact which contributing to the recovery of individuals, operations and services.

BCM TRAINING

The Group BCM training programme is conducted across key business units and operations. It is monitored by the BCMWC and reported to the Risk Management Committee (RMC) and the Board. It comprises organisation-wide awareness sessions, targeted workshops, and briefings on business continuity and recovery preparedness. It is designed to further strengthen organisational readiness, enhance understanding of roles and responsibilities, and promote consistent adoption of business continuity practices across the Group. It is also conducted to build staff competency, validate business continuity plans, and support effective response and recovery during disruptive events.

In FY2025, BCM-related awareness programmes and simulation exercises were conducted across multiple sites to strengthen employee preparedness with the following focus areas:

Focus Area	Activities	Objectives
Organisation-Wide Awareness and Coverage	BCM Awareness	Group-wide awareness programmes and training initiatives conducted across the organisation to reinforce the understanding of business continuity and resilience principles.
Capability Building	BCM Technical Workshop	Targeted training sessions and workshops were delivered to enhance staff competency in business continuity planning, roles, and documentation.
Preparedness & Readiness	BCP Testing, DRP Testing	Business continuity and recovery preparedness briefings, including testing, simulation and scenario-based exercises, were conducted to strengthen response and recovery capabilities during disruptive events.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

BCM TRAINING CONDUCTED IN FY2025

BCM training was conducted internally and externally to reinforce an understanding of business continuity, clarify roles and escalation procedures, and improve organisational readiness in managing crisis situations.

2025 BCM TRAINING PROGRAMMES			
Topic	Number of Attendees	Training hours	Total Manhours
BCM Training and Workshop			
BCM Training and Workshop: BCM Documents Establishment Finance & HCMA on 14 August 2025	11	3 hours	33 hours
BCM Briefing			
Briefing on DRP Testing Exercise for Piers on 4 November 2025	14	2 hours	28 hours
Briefing on DRP Testing Exercise for e-Procurement on 19 November 2025	13	2 hours	26 hours
Briefing on DRP Testing Exercise for SAP on 3 December 2025	11	2 hours	22 hours
Briefing on BCP Desktop Testing Exercise for Bukit Raja DC, and S15 & S23 DC on 2 December 2025	5	1 hours	5 hours
TOTAL	54	10	114

BCM TESTING CONDUCTED IN FY2025

BCM testing activities were conducted internally and externally to test the effectiveness and practicality of the BCP and DRP, ensuring that recovery strategies, response procedures, and communication protocols function as intended during a disruption.

2025 BCM TESTING PROGRAMMES			
Topic	Number of Attendees	Training hours	Total Manhours
BCP Desktop Testing Exercise for Northern DC on 24 June 2025	15	2 hours	30 hours
DRP Testing for Piers on 5 November 2025	15	2 hours	30 hours
DRP Testing for e-Procurement on 20 November 2025	13	2 hours	26 hours
DRP Testing for SAP on 4 December 2025	13	2 hours	26 hours
BCP Desktop Testing Exercise for Bukit Raja DC, S15 DC & S23 DC on 10 December 2025	21	3 hours	63 hours
BCP Desktop Testing Exercise for Sabah DC, and Sarawak DC on 23 December 2025	25	3 hours	75 hours
TOTAL	102	14	250

In addition to the BCM training and testing programmes mentioned above, BCM awareness is promoted through the DIRA Roadshow, which was conducted at 13 sites from June to September 2025.

BCM Highlights

- BCM documentation approved for 6 distribution centres and 2 corporate functions
- BCP testing completed at 6 distribution centres
- DRP testing completed for 4 critical enterprise systems



Holistic BCP and DRP testing for 1HR system conducted on 29 May 2025

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

M2 TECHNOLOGY AND INNOVATION

Automation and digitalisation technologies, including artificial intelligence, are rapidly evolving and becoming increasingly powerful. Their widespread adoption has transformed personal lives, workplaces, education environments, and the broader ecosystem. As these technologies have become essential tools for maintaining business competitiveness and relevance, automation and digitalisation have been identified as material matters for the Group.

The shift towards digital technologies and automation is expected to significantly impact our operations by accelerating innovation, productivity, and development. Aligned with national priorities under the 13th Malaysia Plan (13MP) and the National Fourth Industrial Revolution (4IR) Policy, which promote greater technology adoption, the Group has implemented new and enhanced technologies, tools, systems, and processes to improve efficiency and drive progress. These advancements are intended to create sustainable value for our stakeholders while supporting industry-wide transformation.



OUR PROGRESS

Digital Transformation in Operations

In FY2025, the Group’s digitalisation of operations focused on practical, low-cost, and zero-Capex solutions aimed at delivering immediate operational improvements. These initiatives were rolled out across manufacturing, procurement, and commercial functions, prioritising usability and rapid deployment to enhance operational efficiency, data visibility, process standardisation, and governance.

A total of ten (10) digitalisation projects were implemented during the year.

Projects	Function	Description	Impacts
Power BI Manufacturing Dashboard	Manufacturing	Centralised manufacturing performance dashboard	Improved operational visibility and management decision-making
Power BI Commercial Dashboard	Commercial	Consolidated commercial performance dashboard	Enhanced sales monitoring and performance oversight
e-Procurement System	Procurement	Digitalisation of non-trade procurement workflows	Improved governance, process efficiency, and paper reduction
ClickUp for Project Management	Manufacturing	Digital project tracking and coordination tool	Improved project visibility, accountability, and execution
e-Attendance Form	Manufacturing	Digital employee attendance recording	Improved data accuracy and workforce transparency
HR Service Apps	Core Operations	Digital HR service request platform	Faster processing and reduced manual administration
e-Training Feedback Form	Core Operations	Digital tracking of employee training evaluation records	Improved training visibility and compliance monitoring
Engineering Job Request	Manufacturing	Digital engineering job request application and approval	Improved control and consistency in job assignment and management
e-Gate Pass	Manufacturing	Digital access and gate pass system	Strengthened access control and security governance
OLIN Digital Platform (Indonesia)	Commercial & Logistics (Indonesia)	Integrated digital platform covering ordering, inventory, billing, and sales operations	Improved supply chain visibility, faster order processing, stronger governance, and enhanced data accuracy

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

As part of the Group’s digitalisation of operations, the Group is undertaking the digitalisation of non-trade procurement through the development of a customised e-Procurement system to strengthen governance, process efficiency, and sustainability.

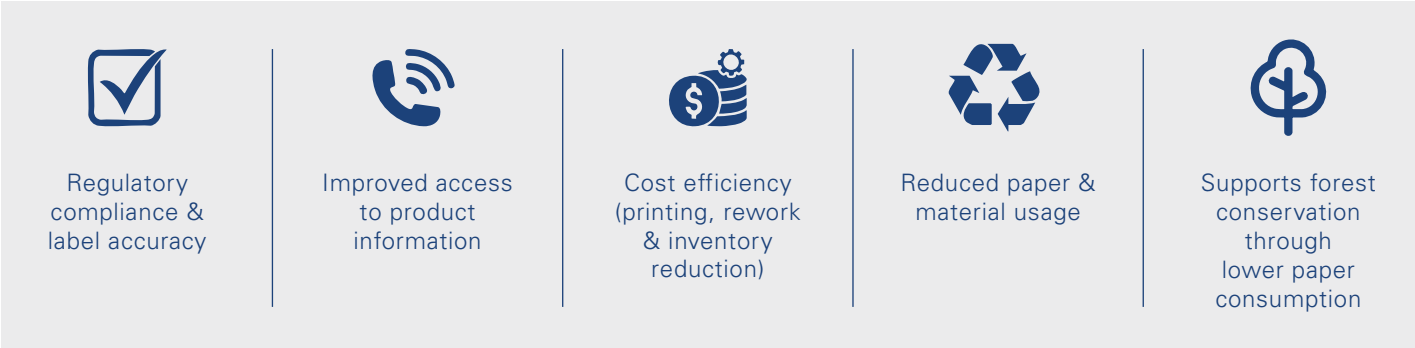
The system digitalises end-to-end workflows covering requisitioning, approvals, RFQs, supplier submissions, evaluations, purchase order issuance, and payment tracking. Microlink Systems Sdn. Bhd. has been engaged as the local technology partner to develop the tailored solution.

Upon system go-live, printed purchase orders will be eliminated, reducing paper consumption and supporting the Group’s environmental stewardship commitments. Physical document handling, storage requirements, and waste generation will also be reduced through fully digital, PDF-based purchase order issuance.

The e-Procurement system is currently under development and is targeted to go-live by Q2 2026.

E-Labelling

In line with initiatives by the National Pharmaceutical Regulatory Agency (NPRA), the Group began rolling out e-labelling in 2023. The use of QR codes improves accessibility to medical information, supports better patient care management, and enables environmentally responsible information dissemination. In FY2025, 84 out of 87 products (97%) were successfully converted to the new e-labelling format for commercial use. The adoption of this system resulted in RM985,981 in savings from reduced physical printing costs.



	PMB	PLS	SI	SP	TOTAL
Products involved in the project	39	17	13	18	87
Commercially used with new artwork	39	17	10	18	84
% of conversion to e-labelling	100	100	77	100	97
Savings on e-labelling (RM)	462,611	289,331	22,167	211,872	985,981

PMB = Pharmaniaga Manufacturing Berhad **SI** = InspiraPharma Sdn. Bhd. (Seri Iskandar)
PLS = Pharmaniaga LifeScience Sdn. Bhd. **SP** = InspiraPharma Sdn. Bhd. (Sungai Petani)

Under *Badan Pengawas Obat dan Makanan* (BPOM), also known as [Indonesia's National Agency of Drug and Food Control] regulations on 2D barcodes, pharmaceutical products distributed in Indonesia are required to bear a BPOM-issued QR/2D barcode on the packaging. In line with this requirement, PT Errita has begun printing QR/2D barcodes on its product packaging to support product verification, traceability, and anti-counterfeiting efforts.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

Track and Trace

Building on the Group’s digitalisation initiatives to enhance information accessibility and operational efficiency, Pharmaniaga has also leveraged digital technologies to strengthen product integrity and patient safety across its supply chain.

The Group’s track and trace and serialisation initiatives are anchored in its Technology and Innovation agenda to strengthen product integrity and patient safety across markets. These initiatives enhance supply chain transparency, support regulatory readiness, and play a critical role in preventing counterfeit medicines, thereby safeguarding patient trust and access to safe and authentic products.



MALAYSIA	INDONESIA
While serialisation is not yet mandatory in Malaysia, Pharmaniaga LifeScience operates as an EU GMP-compliant manufacturing site with established serialisation capabilities. Serialised products manufactured at the site have been successfully supplied to the European Union, demonstrating compliance with stringent international regulatory requirements. Leveraging this experience, the Group is well-positioned to support a smooth transition should serialisation become mandatory in Malaysia. In parallel, the Group participates in MOPI-led industry task force discussions to support the development of Malaysia’s national track and trace and serialisation framework, contributing technical inputs to the consolidation of the General URS for shared track-and-trace systems.	In Indonesia, the Group’s logistics arm, MPI, has implemented track and trace systems up to the aggregation level across 20 branches, in line with BPOM Indonesia’s phased implementation requirements for pharmaceutical product traceability. This includes progressive implementation of serialisation, aggregation, and reporting requirements ahead of nationwide enforcement. MPI’s current implementation positions the Group ahead of regulatory timelines, with core track and trace and aggregation capabilities already in place. The Group continues to expand the system in phases across additional branches to ensure full readiness and compliance as Indonesia transitions to nationwide adoption. Collectively, these initiatives enhance supply chain visibility, support regulatory compliance, and strengthen safeguards against counterfeit and diverted medicines in the Indonesian market.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

M3 CUSTOMER SATISFACTION

Our customers’ trust in the Group is closely linked to their perception of product quality and customer service. Key customer expectations include access to affordable products, product availability, and responsive customer engagement services. In recent years, customers have also placed greater emphasis on environmental protection, community welfare, and sound governance practices.

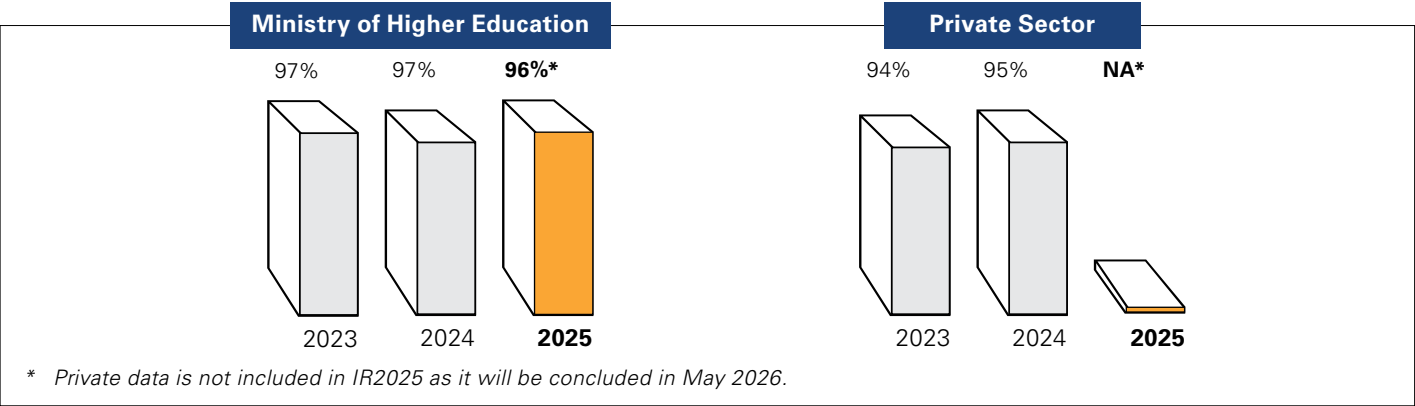
The Group’s objective is to consistently meet, and where possible exceed, customer expectations. Oversight of customer-related matters is led by the Head of Corporate Systems, a member of the Sustainability Management Committee (SMC), with support from the Chief Commercial Officer to ensure alignment between sustainability governance and commercial strategy. Customer relations, feedback, and service objectives are implemented through the Group’s Customer Care function.

MALAYSIA
Manufacturing Licence Certification from NPRA
ISO/IEC 17025: 2017 Laboratory Quality Management System
ISO 9001: 2015 Quality Management System
Wholesaler Licence Certification from NPRA
Good Distribution Practice for Medical Devices Certification from SIRIM
Malaysian Halal Certification
INDONESIA
Perizinan Distribusi Alat Kesehatan Certification from Kementerian Kesehatan
Cara Pembuatan Obat Yang Baik Certification from BPOM
Perizinan Pedagang Besar Farmasi Certification from Kementerian Kesehatan
Sertifikasi Halal Certification from Badan Penyelenggara Jaminan Produk Halal
OTHERS
Good EU Manufacturing Practice Certification by INFARMED (Portugal)

PRODUCT QUALITY AND CUSTOMER SERVICE

The factors influencing our product quality and service are the recognition by national and international bodies. Our customers can rest assured that our products and services are reliable and compliant with various international and national standards and certifications. Specifically, we are certified with ISO 9001:2015 Quality Management Systems and ISO 18295-1:2017 Customer Contact Centres. The Group did not record any material monetary losses arising from legal proceedings associated with product safety during the financial year.

The following graphic presents our customer satisfaction survey results:



MOHE customer satisfaction decreased marginally from 97% to 96%, reflecting the expanded survey scope beyond APPL products. Notwithstanding this, the performance remains strong and within a satisfactory range.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

ACCESSIBLE PACKAGING FOR VISUALLY IMPAIRED PATIENTS

Pharmaniaga is committed to promoting safe and inclusive access to medicines. As part of this commitment, a total of eight (8) imported pharmaceutical products registered under the Group’s marketing authorisation incorporate Braille labelling on the packaging, spanning cardiovascular, analgesic/antipyretic, and diabetes therapeutic categories. The inclusion of Braille supports accurate medicine identification, reduces the risk of medication errors, and enables safer self-administration by visually impaired patients, thereby strengthening patient safety and responsible product design.

The human rights and inclusiveness linkage of this initiative is discussed under Goal 5 (Human Rights, Inclusivity & Social Impact).

RESPONSIBLE MARKETING PRACTICES

Pharmaniaga is committed to responsible marketing practices that prioritise patient safety, ethical conduct, and full regulatory compliance. All marketing and promotional activities are governed by internal policies aligned with applicable healthcare regulations and industry standards, ensuring that product information is accurate, evidence-based, transparent, and consistent with approved indications. Engagements with healthcare professionals and public communications are conducted responsibly, with safeguards in place to prevent misleading claims, inappropriate inducements, or the misuse of medicines.



To strengthen oversight, the Group mandates that all marketing and promotional artwork submitted for regulatory approval be reviewed through a structured, task-force-led process in accordance with the approved Artwork Management SOPs. Each artwork review is coordinated by a designated review unit and involves representatives from Regulatory Affairs, Clinical Affairs, site/business representatives, Marketing, and other relevant functions, providing independent checks, multidisciplinary validation, and balanced governance before submission to the National Pharmaceutical Regulatory Agency (NPRA).

This pre-submission review process ensures that all materials are scientifically accurate, compliant with regulatory requirements, and include appropriate warnings and disclaimers.

In addition, the Sales and Marketing teams conduct ongoing product and compliance training programmes across Malaysia and Indonesia to reinforce responsible communication practices. These programmes ensure that customer-facing teams are equipped with up-to-date, approved product knowledge and regulatory requirements, supporting the consistent and accurate dissemination of information to healthcare professionals and customers.

Preventing Counterfeit Medicines

The Group is committed to preventing the circulation of counterfeit medicines to safeguard patient safety and maintain trust in its products. This commitment is reinforced through close collaboration with relevant authorities and regulators to detect, investigate, and prevent counterfeit activities across the supply chain and retail outlets. Preventive controls are further strengthened by system-driven e-procurement, which enhances supplier vetting, enforces approved-supplier sourcing, improves transaction traceability, and tracks and serialises transactions, thereby reducing exposure to counterfeit risk. In addition, the Group leverages e-labelling as a digital verification and information tool, providing access to accurate, up-to-date product information. Collectively, these measures enhance transparency, support regulatory oversight, and strengthen controls against counterfeit risks, while reinforcing product safety and responsible access to medicines.

Additionally, the track and trace and serialisation initiatives strengthen product integrity and patient safety across markets. These initiatives enhance supply chain transparency, support regulatory readiness, and play a critical role in preventing counterfeit medicines, thereby safeguarding patient trust and access to safe, authentic products.

For further information on track and trace, please refer to the M2 section.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

M4 SUSTAINABLE PRODUCTS AND SERVICES

National policies are formulated to support inclusive and sustainable prosperity for all Malaysians. Several key Malaysian policies directly affect the pharmaceutical industry, namely the New Industrial Master Plan (NIMP) 2030, the National Vaccine Development Roadmap, and the Malaysian National Medicines Policy (MNMP). The MNMP was developed to improve health outcomes and ensure equitable access to safe, effective, and affordable medicines, while the NIMP aims to accelerate industrial growth and strengthen Malaysia’s global competitiveness.

Under the NIMP, policymakers have identified high-value opportunities within the pharmaceutical and medical device sectors, recognising their potential to drive economic growth, innovation, and export expansion both domestically and internationally.

In alignment with this national agenda, the Group has developed a strategic roadmap to strengthen Malaysia’s pharmaceutical ecosystem, enhance local capabilities, and support the industry's long-term sustainability.

STRATEGIC DEVELOPMENT PLAN AND KEY INITIATIVES

Vision 525 concluded in 2025 as a stabilisation and recovery phase that strengthened the Group’s financial and operational foundations. Key outcomes included sustained profitability, completion of the regularisation plan, strengthened cost discipline, improved resilience of the product portfolio, and the operational readiness of the biopharmaceutical plant.

In FY2025, the Group focused on execution initiatives that support access to affordable and essential medicines, localisation and portfolio expansion, strengthening supply reliability, and enhancing operational efficiency across manufacturing, logistics and international markets.

Building on these strengthened fundamentals, Pharmaniaga has developed Vision ONE30 as its long-term growth blueprint towards 2030. While formally launched in 2026, FY2025 served as a preparatory and capability-building phase to support future execution.



Strengthening Biopharmaceutical Capabilities

First Locally-Owned Biopharmaceutical Plant

2025 Update

Pharmaniaga successfully registered an analogue insulin product, marking a significant step in expanding access to advanced diabetes therapies. Compared to conventional insulin, analogue offers improved glycaemic control and a reduced risk of hypoglycaemia, supporting better long-term disease management and patient quality of life.

The Group continues to strengthen its biopharmaceutical capabilities to support national medicine security and supply resilience for critical therapies. In response to rising demand for insulin in Malaysia, Pharmaniaga has actively participated in national procurement processes and expanded its insulin programme. Through product registration, process validation, and participation in government tenders, the Group is working to secure sustainable sources of essential diabetes treatment, with ongoing efforts towards localisation and long-term manufacturing capability.



GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

Localisation of Vaccines & Essential Medicines

In support of national healthcare security and localisation objectives, Pharmaniaga is undertaking a phased vaccine development and commercialisation programme to reduce import dependency and strengthen local manufacturing capabilities. Initial focus areas include selected vaccines, such as HPV and a hexavalent vaccine, to support long-term resilience of Malaysia’s immunisation supply chain and improve access to essential vaccines.

In parallel, the Group has entered into strategic partnerships with reputable pharmaceutical companies in India and China to advance the localisation of essential insulin supply. This initiative enhances national medicine security, reduces reliance on imports, and improves sustainable access to affordable, high-quality insulin therapies.

Innovate Logistics Leadership

In 2025, the Group established a dedicated Market Expansion Services (MES) team to unlock growth opportunities by leveraging its logistics and distribution capabilities, including warehousing, distribution, and product redressing services.

With strong demand for temperature-controlled storage and GDP-compliant pharmaceutical distribution, Pharmaniaga is well-positioned to deliver scalable, compliant logistics solutions, strengthening its logistics leadership and supporting near- to medium-term revenue growth.

Extract Greater Value from Growth Frontiers

The Group’s Access to Medicines (ATM) strategy is focused on improving the availability, affordability, and accessibility of essential medicines across Malaysia and selected international markets, particularly in developing economies. This strategy is underpinned by collaboration with other pharmaceutical companies and with government and non-governmental stakeholders to address unmet healthcare needs at scale.

Beyond its social impact, the ATM strategy also supports long-term revenue sustainability, driven by growing demand for affordable healthcare solutions across developing markets. The Group has expanded its product reach through favourable licensing arrangements and broader market access, as reflected in its international market presence.

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New ATM Products Registered by the Group
Malaysia : 35 products
Indonesia : 13* products

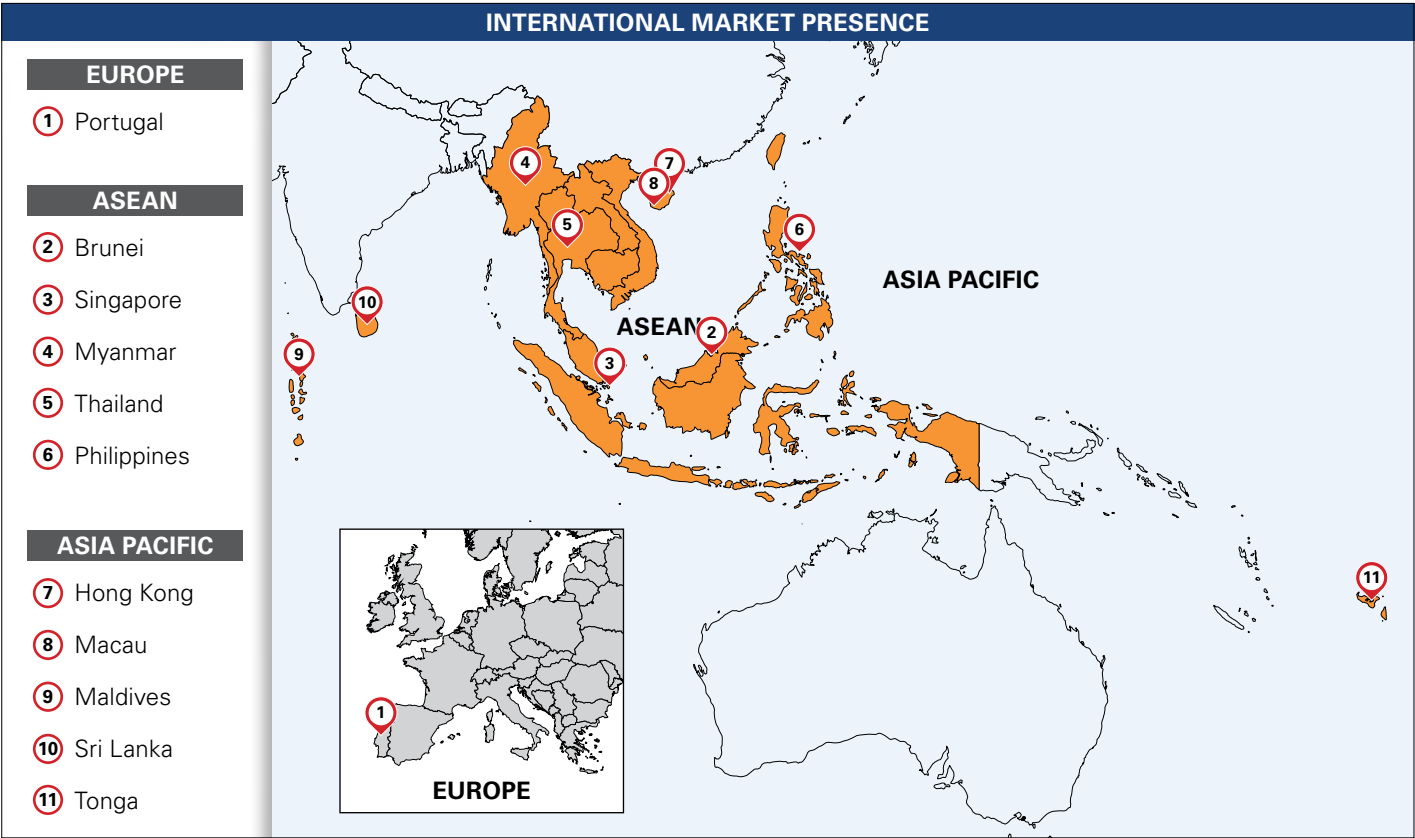
Categories		No. of Products
Locally manufactured	Generic Drugs	3
3 rd party manufacturing	New Chemical Entities	15
	Biopharma (including Medical Devices)	10
International	Generic Drugs	7
Indonesia	Generic Drugs	13*

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* Internal assurance

While the Group discloses the number of products registered, detailed unit sales by product category are not currently reported due to commercial sensitivity. The feasibility of future disclosure is under review.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS



Halal Products

The ability of Muslim consumers to practise their faith and fulfil their religious obligations is hampered by several factors, such as scepticism towards the authenticity of Halal certifications, affordability, and labelling issues. To overcome this challenge, we are working closely with JAKIM and collaborating with Halal Development Corporation (HDC) to contribute to the recent Halal Pharmaceutical Industry Guide. We invested in state-of-the-art technologies, developed our employees’ halal audit capability, and encouraged knowledge transfer.

The Halal Insulin Journey

In advancing inclusive healthcare, Pharmaniaga undertook a structured Halal assurance journey for recombinant human insulin in collaboration with a partner in India. Beginning in 2024, the Group engaged relevant religious authorities, supported by scientific reviews and Shariah deliberations on

recombinant DNA technology, culminating in an official fatwa affirming the permissibility of *E. coli*-based recombinant human insulin.

In parallel, Halal certification was secured for both the drug substance and drug product, supported by successful audits in the country of origin. These efforts strengthen patient confidence, enhance access to essential diabetes treatment for Muslim communities, and reflect Pharmaniaga's commitment to culturally inclusive and responsible healthcare.

The table below shows the number of new and total Halal products we have offered in the past three years. In 2025, 12 products received Halal certifications in Malaysia and 19 products were approved in Indonesia, bringing the total to 210 for the Group.

Halal Products	2019	2022	2023	2024	2025
Malaysia	26	15	7	15	12
Indonesia		1	-	-	19
Total Halal Products*	154	193	190	201	210

* Totals may vary year-on-year as inactive or discontinued products may be de-registered from Halal status. As such, new certifications do not necessarily result in a net increase in total Halal-certified products.

GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

ECONOMIC VALUE AND DISTRIBUTION

FY2025 Revenue

RM3,927,753,000

Goal 1 aligns with our Economic Vision of “achieving balanced business growth while providing access to affordable and quality medicines.” Through our operations, business growth generates both direct and indirect economic impacts, creating shared value for stakeholders and the countries in which we operate.

As illustrated in the table below, the economic value generated is distributed across key stakeholder groups, including employees, capital providers, the Government, and the community.

Employee Wages	Corporate Tax	Local Supplier Spending	Employee Training Expenditure	R&D Investment
RM152,151,000	RM18,790,000	RM2,291,594,000	RM2,501,000	RM12,197,000

ASSOCIATIONS AND INDUSTRY COLLABORATION

Our commitment to drug safety is fundamental to building a resilient and trusted healthcare system. We uphold this commitment through partnerships at both national and community levels, recognising that collaboration with industry peers provides valuable expertise, shared learning, and continuous improvement. These partnerships help ensure that patients and consumers can have confidence in the safety and quality of the medicines and dietary supplements they use.

In addition, such collaborations enable us to stay abreast of emerging technologies, evolving regulations, and updated guidelines, allowing us to proactively anticipate industry developments.

During the year under review, the Group was an active member of several national and international associations and was invited to speak at events and conferences, where we shared insights on sustainability and responsible healthcare practices.

Group External Memberships & Strategic Collaborations

- Institut Kimia Malaysia (IKM)
- International Society for Pharmaceutical Engineering (ISPE)
- Coalition for Epidemic Preparedness Innovations
- UK-SEA Vaccine Hub
- Malaysia Organisation of Pharmaceutical Industries (MOPI)
- Malaysian Pharmacists Society (MPS)
- Federation of Malaysia Manufacturers (FMM)
- Halal Development Corporation (HDC)
- United Nation Global Compact Malaysia and Brunei

Collaborations

UK-SEA Vaccine Hub

Pharmaniaga continued its collaboration with the UK-SEA Vax Hub, reinforcing its role in strengthening vaccine R&D and manufacturing in Southeast Asia.

Kolej Professional MARA

Local to Global

Pharmaniaga's Head of Halal Affairs and Government Liaison was invited as panel speaker for “Wacana Ilmu: Memperkasa Profesional Halal dan Kewangan Islam: Dari Institusi ke Industri, dari Lokal ke Global” on 4th Sep 2025



GOAL 1: DELIVERING SUSTAINABLE VALUE AND FUTURE-PROOFING THE BUSINESS

International Society for Pharmaceutical Engineering (ISPE)

Pharmaniaga was represented at the 2025 Good Distribution Practice (GDP) Seminar organised by ISPE Malaysia, where Affandi Ibrahim Shukri, Head of Supply Chain Management, was invited as a guest speaker. The session covered key aspects of GDP, supply chain integrity, and regulatory expectations, reinforcing the Group's commitment to quality, regulatory compliance, and continuous capability development across the pharmaceutical value chain.

Responsible Business Conduct

1. UITM: Challenges and Enablers of a National Sustainable Medication Disposal Programme (NMDP): A Qualitative Study - August 2025
2. INCIEF University: Harmonising Halal Standard in ASEAN: Malaysia's Initiative in Developing Regional Integration Framework in Pharmaceutical Sector - August 2025
3. UITM “Permohonan Temu Bual Projek Akademik (OBM350) - Kajian Inisiatif Kelestarian Hijau” - November 2025
4. UNIMAS: Attended 11th International Conference on Low Carbon Asia (ICLCA 2025) in Kuching Sarawak, co-host by UNIMAS
5. UMT: A New Digital Transformation Framework To Enhance ESG Performance For Public Listed Companies In Malaysia - November 2025

Responsible Business Conduct



Demonstrated support for the International Labour Organisation (ILO) through participation in its Business and Human Rights training programme and promotional video, with outcomes contributing to the formulation of Pharmaniaga's Human Rights Policy.



(<https://www.linkedin.com/feed/update/urn:li:activity:7366371467816599552>)

Halal Policy Discussion

In February 2025, Pharmaniaga was invited by *Jabatan Kemajuan Islam Malaysia* (JAKIM) to participate in the Focus Group Discussion for the development of the National Halal Policy 2025-2035, reflecting the Group's role in supporting the advancement of Malaysia's halal pharmaceutical ecosystem.

CHALLENGES

The Group operates in a highly regulated and competitive pharmaceutical landscape characterised by pricing pressures, evolving regulatory requirements, geopolitical supply chain disruptions, and rapid technological change. Transitioning towards greater localisation, digitalisation, and compliance with emerging sustainability and traceability expectations requires sustained capital investment, talent capability-building, and strong governance oversight. Maintaining affordability while ensuring financial resilience remains a balancing priority as the Group navigates growth and transformation.

OUTLOOK

Moving forward, the Group will build on the foundations established under Vision 525 and advance the execution of Vision ONE30, focusing on localisation of critical therapies, biopharmaceutical expansion, digital integration across operations, and strengthened supply chain transparency. Continued investments in technology, regulatory readiness, halal pharmaceutical leadership, and regional market expansion are expected to enhance competitiveness, unlock new growth frontiers, and reinforce the Group's role in supporting national medicine security and inclusive access to medicines.

GOAL 2: ACTING WITH INTEGRITY

GOAL

2

ACTING WITH INTEGRITY

Integrity underpins our organisational culture and guides the conduct of our Board, leadership, and employees. Through clearly defined policies, controls, and oversight mechanisms, we seek to uphold high standards of business ethics, prevent misconduct, and ensure responsible decision-making across the Group. Effective management of material sustainability matters under Goal 2 strengthens institutional trust and contributes to resilient, well-governed operations.

Mapping to Our Sustainable Business		
Material Matters:	Key Risks:	Outcomes:
M5 Corporate Governance & Business Ethics	R1 Geopolitic Risk R2 Cybersecurity Risk R3 Customer, Product and Services Risk R7 Corruption Risk R9 Legal and Regulatory Risk	SDGs   
		Supporting B+HR - Right to fair treatment and equality - Right to ethical business conduct - Freedom from corruption and exploitation



GOAL 2: ACTING WITH INTEGRITY

M5

CORPORATE GOVERNANCE & BUSINESS ETHICS

We are committed to upholding high standards of corporate governance and ethical business conduct across all our operations. Ethical business practices are fundamental to our ability to create long-term value, manage risks effectively, and build strong, trusted, and enduring relationships with our stakeholders. These principles guide our decision-making, shape our organisational culture, and reinforce accountability at all levels of the Group.

TARGETS AND OBJECTIVES

Eliminating corruption is a critical priority under Goal 2: Acting with Integrity. To reinforce this commitment, we maintain a zero-tolerance approach to bribery and aim to have zero confirmed incidents of corruption across the Group. This is supported through the continuous strengthening of our policies, internal controls, and monitoring mechanisms, as well as ongoing awareness and training programmes.

Focus Area	2025 Target	2025 Achievement
Zero corruption	Zero confirmed external corruption cases	Zero confirmed external corruption cases. A total of four internal misconduct cases have been duly resolved, with one case remaining under investigation.
ABMS certification	Maintain ISO 37001 and progress transition to ISO 37001:2025	Seven subsidiaries have successfully maintained their certification status. In Indonesia, the distribution and logistics site has been certified to ISO 37001:2025; however, the manufacturing plant remains in the process of strengthening its framework in preparation for future certification. In Malaysia, one Malaysian site has successfully transitioned and upgraded to ISO 37001:2025
Employee training & awareness	Conduct ABMS and anti-corruption training annually	91 ABMS and anti-corruption training and awareness programmes conducted across 7 companies.
ABMS training man-hours	≥1,500 man-hours	Man-hours recorded across subsidiaries: 4,402 hours
Corruption risk assessment	≥90% operations assessed	Group: 87% (12/13)
Vendor integrity engagement	Mandatory integrity training for key vendors	17 vendor programmes were conducted involving 67 vendors and 128 participants.

The Group is progressively pursuing ISO 37001 Anti-Bribery Management System certification across all sites to further enhance governance maturity, ensure consistency in anti-corruption practices, and provide independent assurance of the effectiveness of our controls.

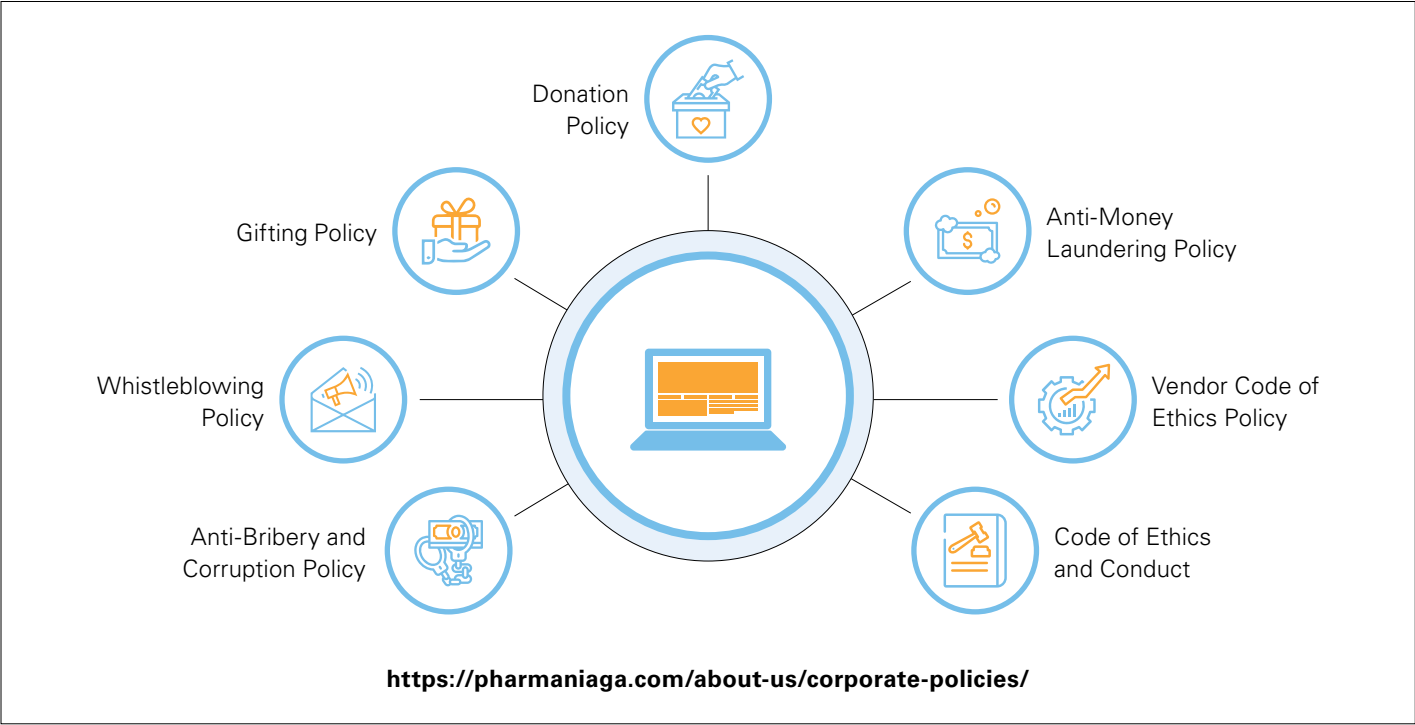
BEST PRACTICES AND POLICIES

All Pharmaniaga subsidiaries operate in accordance with applicable national and international regulatory requirements. These requirements are embedded within our internal policies, procedures, and codes of conduct, supported by structured mechanisms to monitor compliance and operational effectiveness. Regular oversight and control processes strengthen risk identification, enhance risk management, and reinforce a culture of integrity across the Group.

We expect full adherence to these policies by all employees, business units, and relevant stakeholders, including suppliers and business partners. To promote transparency and accessibility, our key governance and ethics policies are made available in both English and Bahasa Malaysia through our corporate website and internal intranet portal.

GOAL 2: ACTING WITH INTEGRITY

BEST PRACTICES AND POLICIES



ANTI-BRIBERY AND CORRUPTION MANAGEMENT

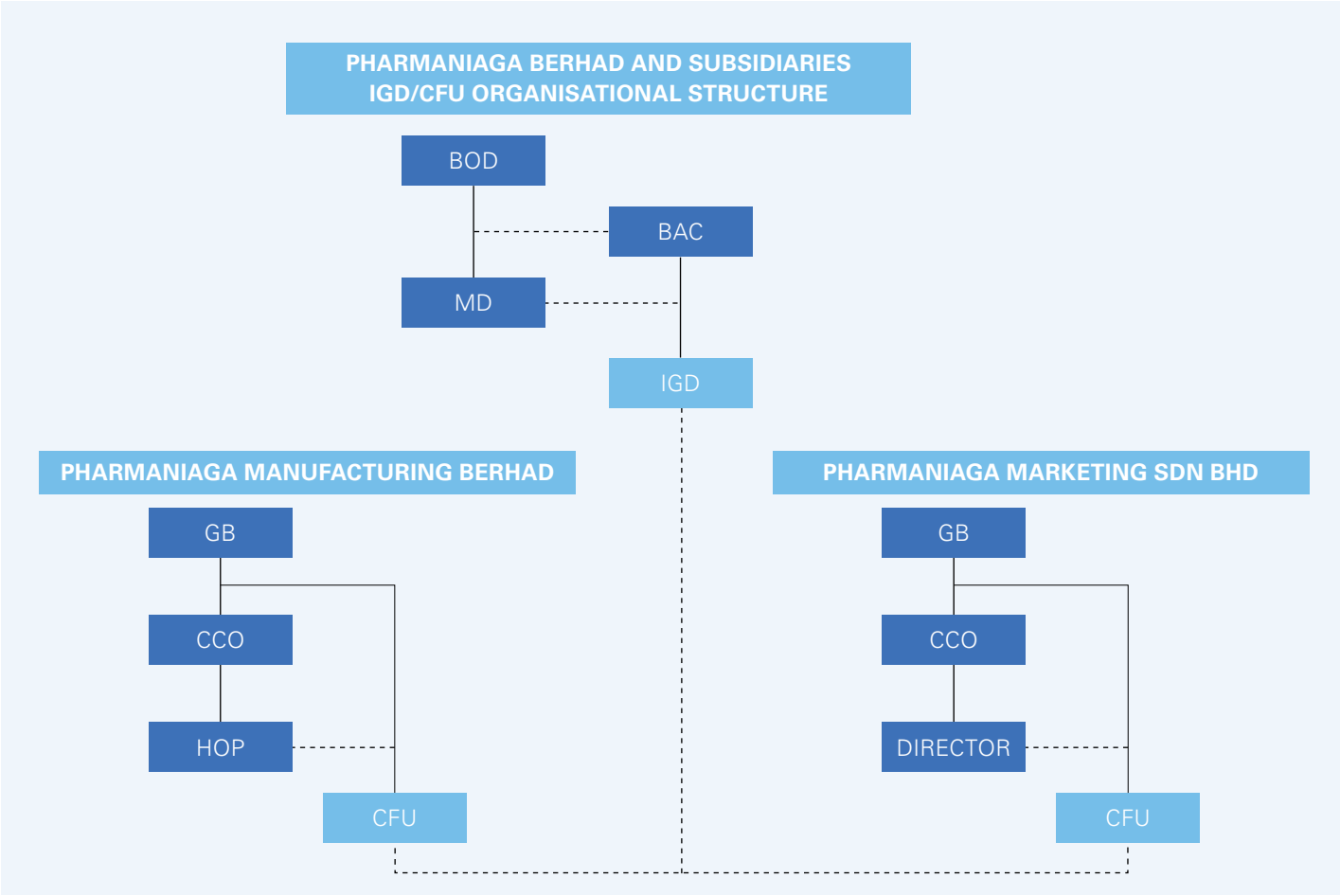
Seven subsidiaries within the Group, encompassing 13 operational sites, have achieved ISO 37001 Anti-Bribery Management System (ABMS) certification. The Group’s ABMS certification journey commenced in FY2019 and was extended to additional subsidiaries in FY2025, demonstrating a continued commitment to strengthening anti-bribery controls across domestic and regional operations.

ISO 37001 Anti-Bribery Management System (ABMS) Certified Sites	
Pharmaniaga Logistics Sdn. Bhd. - Bukit Raja & Kudrat Shah Alam - Seksyen 15 Shah Alam - Seksyen 23 Shah Alam - Kota Kinabalu - Kuching - Juru & Perai	InspiraPharma Sdn. Bhd. - Sungai Petani - Seri Iskandar (Previously known as Idaman Pharma Manufacturing Sdn. Bhd.)
Pharmaniaga Research Centre Sdn. Bhd.	Pharmaniaga Marketing Sdn. Bhd.
Pharmaniaga Manufacturing Berhad	PT Millennium Pharmacon International Tbk
Pharmaniaga LifeScience Sdn. Bhd.	

The adoption of MS ISO 37001 enables the Group to systematically prevent, detect, and address bribery risks. This is achieved through the implementation of a formal anti-bribery policy; the appointment of designated personnel responsible for anti-bribery compliance; regular training and awareness programmes; structured bribery risk assessments; and due diligence on projects and business associates. These measures are further supported by robust financial and commercial controls and established reporting, investigation, and corrective action procedures.

GOAL 2: ACTING WITH INTEGRITY

ABMS COMMITTEE



The Integrity Department, headed by the Chief Integrity Governance Officer, manages integrity and anti-corruption through four core functions: Complaint Management, Detection and Verification, Strengthening, and Governance. Reporting directly to the Chairman of the Audit Committee at the Group Level and administratively to the Managing Director of the Company. At every site, a Compliance Function is established to support the 4 core functions. The Compliance Function will be led by the Head of the Compliance Function Unit, reporting to the Board Director at the respective Function and administratively to the top management of the respective sites. The Head of Compliance Function will report to the Head of IGD periodically on reported cases and performance updates.

Risk Assessment

Risk assessments are conducted by each division and consolidated at the group level. We identify, assess, control, monitor, and report critical corruption risks at Pharmaniaga that could influence the Group’s operations and management. The risk register is prepared in accordance with the Enterprise Risk Management (ERM) Framework. In FY2024 and FY2025, 87% of the Group’s operations were assessed for corruption-related risks, reflecting consistent coverage of risk assessments across key operational areas.

Operations Assessed for Corruption-related Risks	2023	2024	2025
Number of operations	13	15	15
Total number of operations assessed for corruption risk	10	13	13
% of operations assessed for corruption risks	85	87	87

GOAL 2: ACTING WITH INTEGRITY

Employee Training and Awareness

The Group ensures that all employees receive appropriate anti-bribery awareness training to support the effective implementation of the Anti-Bribery Management System (ABMS). New employees receive ABMS briefings as part of onboarding and are required to formally acknowledge their understanding and commitment to comply by signing an integrity pact. Ongoing training is conducted for existing employees to maintain awareness of anti-bribery requirements and to ensure familiarity with revised or newly issued policies, procedures, and guidelines.

Training is delivered across the Group by the IGD, external consultants, and compliance department as well as DIRA programmes. In addition, awareness programmes are reinforced through periodic email reminders and posters displayed at strategic locations.

PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION BY CATEGORY			
Employee Category	2023	2024	2025
Senior Management	20.8	86	58.5
Middle Management	36.9	93	91.2
Executive / non-executive	48	90	46.3



CFU Module

In FY2025, the Group conducted competency-based training through the Compliance Function Unit (CFU) module, a structured platform for implementing and monitoring the Anti-Bribery Management System (ABMS). A key module addresses the system transition to ISO 37001:2025 which offers guidance, training, and oversight on the updated standard. This initiative enhances organisational awareness, supports consistent implementation of controls, and ensures continued compliance with regulatory and ISO 37001 requirements.

Email Reminders

- Declare It Conflict of Interest Awareness in Procurement
- Register Your Festival Gifts – Your Cooperation Matters!
- Keys For Practising Good Governance
- Suara Integriti: Honesty Sets You Apart
- Strong Governance Starts with US! #DIRAGovernance
- Sometimes Integrity is seen as Threat by Those Who Desire Control
- Know the Risks, Lead with Integrity!



GOAL 2: ACTING WITH INTEGRITY

ABMS Training Topics

- Taklimat Integriti Pharmaniaga Kepada Vendor Ejen Perniagaan

Induction/Onboarding Programmes

Briefing on New ABMS Policy & Objectives to Staff

Refresher Training on Risk Assessment Techniques and Approaches

DIRA Roadshow: Awareness on Corporate Liability (Sect 17A)
- Engagement Session with Baxter

Sponsorship, Entertainment & Gifting Awareness Programme

ABMS Awareness Training

CFU Competency Module 7: Integrity & Anti-Bribery Management Awareness

CFU Competency 8: Corruption and Related Laws

CFU Competency 6: Interpretation of Standard ISO 37001:2025

Confirmed Incidents of Corruption and Action Taken	2023	2024	2025
Confirmed incidents of corruption	0	0	0
Number of action(s) taken	0	0	0

There were no confirmed external corruption cases in FY2025. Reported internal misconduct cases were investigated in accordance with established procedures and resolved with appropriate corrective and disciplinary actions. No material losses from bribery, corruption, or unethical practices recorded.

INTEGRITY AND TRANSPARENCY IN TRANSACTIONS

The Group upholds high standards of accountability, transparency, and ethical conduct in its procurement activities. Robust governance frameworks, clear approval processes, and defined roles and responsibilities are in place to ensure fair, objective, and compliant sourcing decisions. These practices are reinforced by established policies, vendor integrity requirements, and ongoing monitoring to mitigate procurement-related risks and promote responsible business conduct.

Board Tender Committee (BTC)

The Board Tender Committee (BTC) oversees the awarding of high-value contracts to ensure objectivity, independence, fairness, transparency, and the integration of sustainability considerations into sourcing decisions.

The Group adopts a zero-tolerance approach towards bribery and corruption. Transaction transparency underpins regulatory compliance and supports trust and credibility. Bribery and corruption risks are assessed based on their severity, nature, and extent across transactions, projects, activities, business associates, and personnel in risk-sensitive positions.

The assessment process incorporates due diligence to obtain sufficient information for effective risk evaluation. Comprehensive risk assessments are conducted for major contracts and new vendor accreditations, while existing business partners are subject to ongoing monitoring and evaluation. In addition, Company personnel, tender panel members, and candidates are required to declare any actual or potential conflicts of interest.

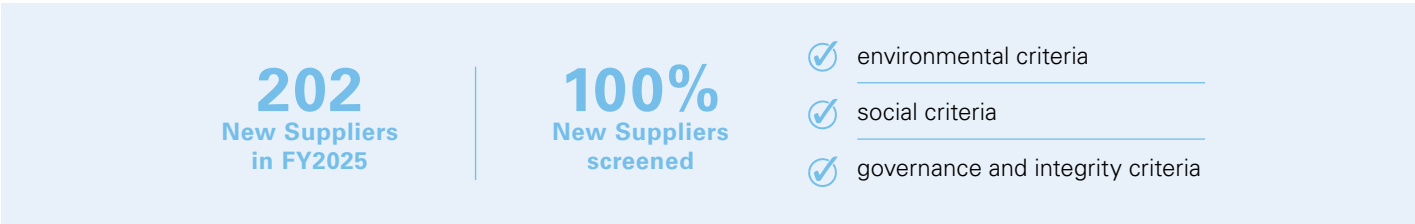
Centralised Procurement (Non-Trade) Policy & Procedures
Contract Renewal & Extension Policy To implement procedures for renewing and extending contracts, ensuring a more transparent and fair process.
Consolidation of Purchases Policy To streamline and consolidate purchases to enhance efficiency and cost-effectiveness.
Environmental & Sustainability Policy To emphasise the Company's commitment to environmental sustainability and responsible business operations.
Prioritisation of Local Sourcing Policy To prioritise sourcing goods and services from local suppliers whenever feasible.
Bumiputera Vendor Policy To promote inclusivity by focusing on supporting and engaging Bumiputera vendors in business dealings.

GOAL 2: ACTING WITH INTEGRITY

Vendor Due Diligence & Screening

As part of the procurement due diligence framework, the Group requires vendors to complete a series of integrity and ESG assessments during onboarding. Only vendors that meet minimum compliance and integrity requirements are eligible to participate in procurement activities. Pharmaniaga's internal business requirements, as well as Environmental, Social and Governance (ESG) criteria, are embedded into tender evaluations, and vendors are subject to periodic performance reviews and compliance checks post-award.

Our target is to ensure that all new suppliers are assessed against ESG criteria, and we have consistently met this target annually. The social and environmental screening and assessment processes incorporate a zero-tolerance approach to child labour, modern slavery, and forced or compulsory labour. Our supply chain is also required to comply with all applicable immigration laws in the recruitment of foreign workers, as well as our human rights commitments under Business and Human Rights (B+HR) principles and the Group Human Rights Policy. The Purchasing Department remains vigilant in monitoring and addressing potential human rights violations across our supply chain.



 For detailed information on supplier screening, please download the Vendor Registration Form from <https://pharmaniaga.com/vendor-registration/>

Vendor Integrity Pact

Vendors are required to uphold high standards of ethical conduct and integrity. To promote transparency, accountability, and good corporate governance, all vendors receive integrity-related documents outlining these expectations.

- ▶ Anti-bribery due diligence questionnaire

▶ Vendor Code of Ethics

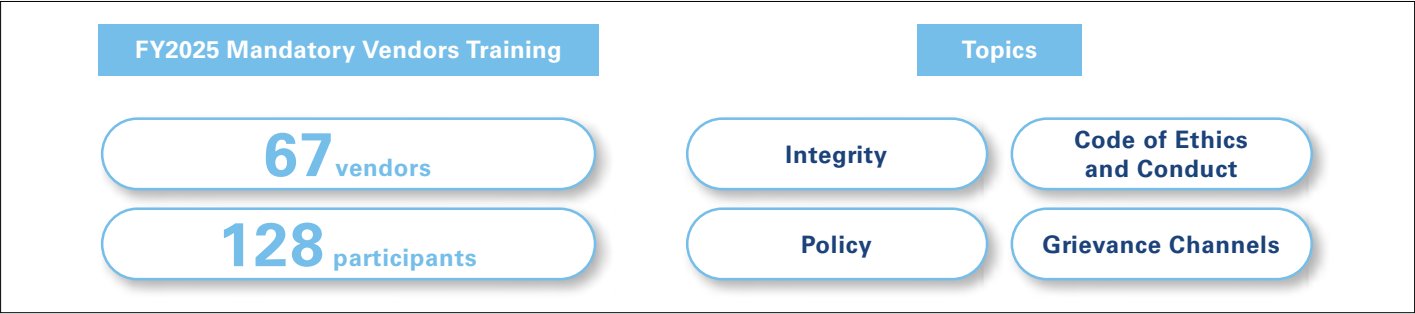
▶ Vendor's declaration on Anti-Bribery
- ▶ Conflict of interest declaration

▶ Environmental, Social and Governance questionnaire

▶ Personal Data Protection Act

Vendor Training

During the reporting period, the Group conducted structured integrity engagement programmes involving 67 vendors and 128 participants. The engagements, delivered through mandatory training and briefing sessions, were designed to reinforce ethical standards and governance expectations across the supply chain. Key topics covered included integrity principles, relevant policies, the Code of Ethics and Conduct, and available grievance channels, underscoring the Group's commitment to promoting responsible and transparent business practices among its vendors.



GOAL 2: ACTING WITH INTEGRITY

RAISING CONCERNS

The Group is committed to maintaining high standards of integrity, transparency, and ethical conduct across its operations and supply chain. Vendors are required to promptly report any actual or suspected misconduct, unethical behaviour, or breaches of laws, regulations, or Company policies. Reports may be made confidentially through designated vendor whistleblowing channels.

WHISTLEBLOWING

Our whistleblowing channels are as below:

Dr. Abdul Razak Ahmad
Senior Independent Non-Executive Director
razak.ahmad@pharmaniaga.com

Sarah Azreen Abdul Samat
Chairman of Audit Committee
sarah.samat@pharmaniaga.com

Integrity & Governance Department
whistleblow@pharmaniaga.com

Hotline: 1 800 182 082

CUSTOMER CARE

Toll free: 1 800 888 313
contactcentre@pharmaniaga.com

The Group provides assurance that all reports are treated in strict confidence, assessed objectively, and investigated independently, with appropriate actions taken where necessary. Whistleblowers are protected against retaliation, reinforcing a speak-up culture and supporting the early identification and mitigation of integrity and compliance risks.

CUSTOMER PRIVACY AND SECURITY

Information Technology (IT) risk assessments are conducted at the divisional level and consolidated at the Group level in accordance with the Enterprise Risk Management (ERM) Framework. These assessments identify, assess, control, monitor, and report key cybersecurity and data privacy risks that may affect operations, regulatory compliance, and stakeholder trust.

Scope under ISMS 27001 Certification

- Pharmaniaga Enterprise Resource Planning (ERP)
- Manufacturing Resource Planning (MRP) Enterprise System (SAP Hana)
- E-Procurement System (EPROC)

In FY2025, the majority of the Group's operations in Malaysia and Indonesia were assessed for IT-related risks. Mitigation measures were implemented through strengthened governance controls, segregation of duties, third-party due diligence, and continuous monitoring.

Cybersecurity and data privacy risks are managed through close coordination between the Risk Management and IT functions, supported by robust technical controls, periodic audits, and ongoing system monitoring. These controls are further reinforced by disciplined data-handling practices within the customer-facing function.

In FY2025, the Group underwent a SIRIM surveillance audit for its Information Security Management System (ISMS) in accordance with ISO/IEC 27001:2022, with zero non-conformance reports issued. This reflects the Group's commitment to strengthening cybersecurity resilience, enhancing data protection practices, and ensuring compliance with applicable regulatory and industry standards.

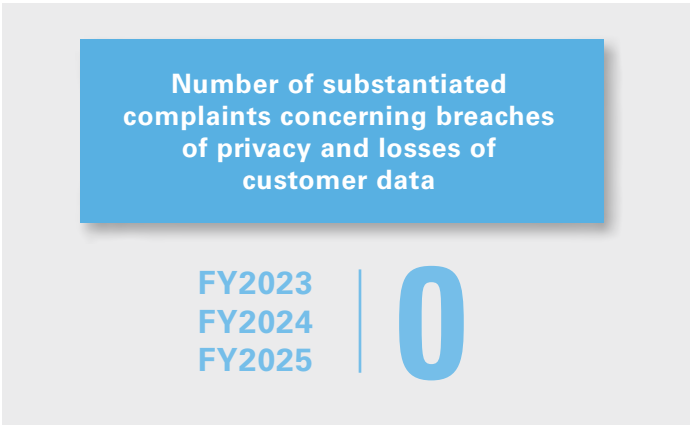
GOAL 2: ACTING WITH INTEGRITY

The management of information security includes, but is not limited to, the following:

- ▶ Implementation and maintenance of ISO/IEC 27001:2022
- ▶ Information Security Management System (ISMS)
- ▶ Investigation of any security incidents or violations of Information Security Policies and Standards
- ▶ Continuous information security awareness and training
- ▶ Implementation of appropriate controls and measures to mitigate privacy and security risks

During the year under review, the Group successfully prevented multiple cybersecurity threats by deploying firewall and endpoint security solutions. No breaches of customer privacy were recorded, reflecting the effectiveness of the Group’s cybersecurity and data protection controls.

Risk Area	Key Controls	Outcome & Evidence
Data Privacy Breach	PDPA compliance, ISMS, role-based access control (RBAC), data loss prevention (DLP – planned)	No substantiated complaints reported
Phishing and Email Threats	Firewall protection, SPF, email filtering, and employee awareness programmes	Incidents detected and contained
System Intrusion / Malware	Endpoint protection, vulnerability assessment and penetration testing (VAPT), continuous monitoring activities (CMA)	No customer data compromise
Operational Disruption	Disaster Recovery Plan (DRP), Business Continuity Management (BCM) testing	Systems recoverable; no major outages recorded



The Group maintains low tolerance for corruption, cybersecurity breaches, data loss, and regulatory non-compliance, and prioritises mitigation actions based on risk severity, potential impact, and alignment with regulatory and stakeholder expectations.

Collectively, these measures demonstrate a structured and risk-based governance approach that strengthens ethical conduct, prevents misconduct, safeguards information, and reinforces stakeholder trust across the Group.

CHALLENGES

The Group operates in a complex, multi-jurisdictional regulatory environment where corruption, procurement, and cybersecurity risks continue to evolve. Expanding operations, onboarding new suppliers, and increasing digitalisation heightens exposure to governance and data protection risks. Sustaining high awareness levels across all employee categories, ensuring consistent ABMS implementation across subsidiaries, and maintaining robust third-party oversight require continuous monitoring, investment, and leadership commitment.

OUTLOOK

Looking ahead, the Group will continue to strengthen governance maturity by progressing towards the transition to ISO 37001:2025, expanding coverage of corruption risk assessments, enhancing vendor integrity engagement, and heightening data privacy and cybersecurity resilience. Ongoing capability building through ABMS training, Compliance Function Unit (CFU) modules, and digital governance systems will reinforce a culture of integrity and ensure sustained regulatory compliance across Malaysia and Indonesia.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

GOAL 3 ACHIEVING OPERATIONAL ECO-EFFICIENCY

Goal 3 focuses on strengthening environmental protection and advancing sustainability excellence by doing more with less. It centres on improving operational efficiency while minimising, and, where possible, eliminating environmental impacts through waste reduction, lower energy consumption, and reduced greenhouse gas (GHG) emissions.

The Group prioritises SDGs 3, 6, 7, 12, and 13 under this goal, with SDGs 15 and 16 serving as underlying enablers. As these SDGs are closely linked to environmental stewardship, they also contribute to Pillar 2: Planet of the UN-Malaysia Cooperation Framework and to B+HR's clean, safe, and healthy environment.

Effective implementation of best practices under Goal 3 enhances our operational resilience, strengthens stakeholder trust, and reinforces our reputation as a responsible business partner. It also improves collaboration across our supply chain and with key business partners. Conversely, poor management of environmental matters may expose the Group to operational inefficiencies, environmental harm, and legal and regulatory risks.

Mapping to Our Sustainable Business		
Material Matters:	Key Risks:	Outcomes:
- M6 Environmental Compliance - M7 Greenhouse Gas & Climate Change - M8 Resource Efficiency	- R1 Geopolitic Risk - R3 Customer, Product and Services Risk - R4 Strategic Risk - R6 Environmental Sustainability Risk - R8 People Risk - R9 Legal and Regulatory Risk - R10 Climate Risk	SDGs Supporting B+HR • Right to a clean, safe and healthy environment • Right to health and safety of employees and communities



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

ENVIRONMENTAL GOVERNANCE, MANAGEMENT AND OVERSIGHT

Pharmaniaga has established a structured environmental governance and management framework to ensure regulatory compliance, effective oversight and continual improvement across the Group. Our Malaysia logistics and distribution operations, together with our manufacturing operations, are certified to ISO 14001:2015 Environmental Management Systems (EMS), providing a structured approach to identifying, assessing, controlling, monitoring and reporting environmental risks and impacts.

To support the implementation and operational oversight of the EMS, Environmental, Health, and Safety (EHS) committees (also referred to internally as SHE committees) have been established, comprising both employee and employer representatives. These committees oversee management review meetings that address key matters, including environmental and safety performance, targets, incidents, and accidents and continuous improvement initiatives. These meetings are attended by top management, department heads and representatives from all subsidiaries, ensuring effective oversight and accountability.

Environmental performance outcomes and key issues identified at the subsidiary level are reported to the Sustainability Department for consolidation and monitoring at the Group level. A Boustead Sustainability Pack Report is submitted monthly to the Sustainability (ESG) Department to enable ongoing performance tracking and the identification of areas requiring improvement. Key environmental matters are reported to Management and escalated to the Board Sustainability Committee (BSC) for oversight of environmental risks, performance and improvement priorities at the Group level.

ENVIRONMENTAL POLICY

Excerpt Of The Environmental, Health And Safety (EHS) Policy

Our Commitments

- ▶ Full legal compliance and provide a set of SHE framework and objectives.
- ▶ Foster stakeholder consultation and participation.
- ▶ Foster a safe and healthy working environment and prevent work-related injuries, ill health, and environmental risks.
- ▶ Protect the environment, prevent pollution, eliminate hazards, and reduce SHE risks.
- ▶ Adopt continuous improvement for SHE management systems and performance.

The Group’s Environmental Policy reflects its commitment to full compliance with all applicable environmental laws, regulations, and policy requirements. We recognise our responsibility to contribute meaningfully to addressing global environmental challenges, including climate change, biodiversity loss, and resource depletion, particularly amid increasing environmental awareness and evolving stakeholder expectations.

To support this commitment, the Group has established a clear Environmental Policy with defined principles to guide responsible decision-making, operational practices, and continuous environmental improvement across all business activities.

Following the gazettment of the Energy Efficiency and Conservation Act (EECA) on 26 November 2024, which applies to facilities with annual energy consumption of 21,600 GJ or more, the Group assessed its operational exposure and identified two manufacturing entities — PLS and PMB — as falling within the Act’s scope.

In response, a Registered Energy Manager (REM) has been appointed and energy management practices are being implemented at both sites to support compliance. An Energy Committee has been established to oversee performance and in 2025, the Group introduced a dedicated Energy Policy to formalise a structured approach to energy monitoring, efficiency improvement, and alignment with climate-related commitments. The policy will be progressively rolled out across all sites, commencing with SI.

100%
of our manufacturing sites
are certified to
ISO 14001:2015
Environmental Management
Systems (EMS)



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

M6 ENVIRONMENTAL COMPLIANCE

In FY2025, the Group recorded no environmental compliance incidents, regulatory fines, or environment-related stakeholder complaints, reflecting the effectiveness of our compliance framework and monitoring processes.

Environmental compliance is a fundamental aspect of our operations. As a responsible corporate citizen, we recognise that our diverse business activities may have environmental impacts. Accordingly, we maintain full compliance with all applicable environmental laws, regulations, and standards governing our operations, services, and products. This approach underpins our commitment to environmental protection and to integrating sustainable practices across the Group. The SHE Committee also provides timely updates to subsidiaries on new or revised regulatory obligations, ensuring sustained compliance and continuous improvement.

0
Incident
of Environmental
non-compliance

MALAYSIA	INDONESIA
Environmental Quality Act 1974 (Act 127)	Peraturan Pemerintah Republik Indonesia Nomor 22 Tahun 2021 Tentang Penyelenggaraan Perlindungan dan Pengelolaan Lingkungan Hidup
Environmental Quality (Clean Air) Regulations 2014	
Environmental Quality (Industrial Effluent) Regulations 2009	Peraturan Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia Nomor 5 Tahun 2021 Tentang Tata Cara Penerbitan Persetujuan Teknis dan Surat Kelayakan Operasional Bidang Pengendalian Pencemaran Lingkungan
Environmental Quality (Sewage) Regulations 2009	
Environmental Quality (Scheduled Wastes) Regulations 2005	Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor 1 Tahun 2021 Tentang Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup
Environmental Quality (Refrigerant Management) Regulations 2020	
Environment Quality Gas Supply Act 1993	
Guidelines for Environmental Noise Limits and Control 2021	
Energy Efficiency Conservation Act 2024	



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

MONITORING SYSTEMS

At each operating site, designated SHE committee representatives actively monitor regulatory compliance and support the consistent implementation of environmental requirements within the relevant jurisdiction. The committees also provide timely updates to subsidiaries on new or revised regulatory obligations, ensuring sustained compliance and continuous improvement.

Environmental parameters are monitored at the site and subsidiary levels through established environmental monitoring systems and management review processes. Performance data is consolidated and reviewed by Management to identify trends, opportunities for improvement, and corrective actions. Key updates are reported to the BSC to support effective oversight and decision-making.

An environmental checklist ensures compliance with prescribed environmental parameters and supports effective performance tracking, risk mitigation, and timely corrective actions. The monitoring framework plays a critical role in maintaining operational safety, strengthening environmental performance, and preventing non-compliance.

Key Environmental Monitoring Areas include:

- Effluent Discharge
- Noise Boundary Levels
- Dark Smoke Observation and Measurement
- Isokinetic Stack and Air Emission Monitoring
- Energy Consumption
- Air and Water Emissions
- Scheduled Waste Storage, and Inventory
- Scheduled Waste Management
- Ambient Air Quality Monitoring

STRENGTHENING ENVIRONMENTAL KNOWLEDGE AND SKILLS

290
Employees
participated in and
completed
733 hours
of Environmental
Training

As part of the Group’s commitment to environmental sustainability, Pharmaniaga continues to invest in environmental training and capacity building for its employees. In 2025, the Group completed 733 hours of environmental training, equipping employees with the knowledge and competencies required to support sustainability initiatives across operations.

A total of 290 employees participated in training programmes conducted by external service providers. The training covered key environmental topics, including Chemical Spillage Training, Air Emission and Boundary Training, and Scheduled Waste Management, with an emphasis on regulatory compliance, resource efficiency, and the adoption of sustainable operational practices.

These programmes strengthen employee awareness and technical capability in environmental management, reinforce compliance with applicable environmental requirements, and support

the Group’s broader environmental stewardship and continuous improvement objectives.



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

M7 GREENHOUSE GAS AND CLIMATE CHANGE

A 2°C increase above pre-industrial levels is associated with severe adverse impacts on the natural environment and human health and poses a risk of catastrophic global climate change. Accordingly, the international community has committed to limiting global warming to well below 2°C, while pursuing efforts to cap the increase at 1.5°C.

The Group monitors climate-related performance and allocates the necessary resources to ensure that subsidiaries contribute towards Group-wide targets and achieve the intended outcomes. This structured approach supports operational resilience and reinforces the Group’s commitment to responsible climate stewardship.

For more information on climate change please go to pages 65 to 75.

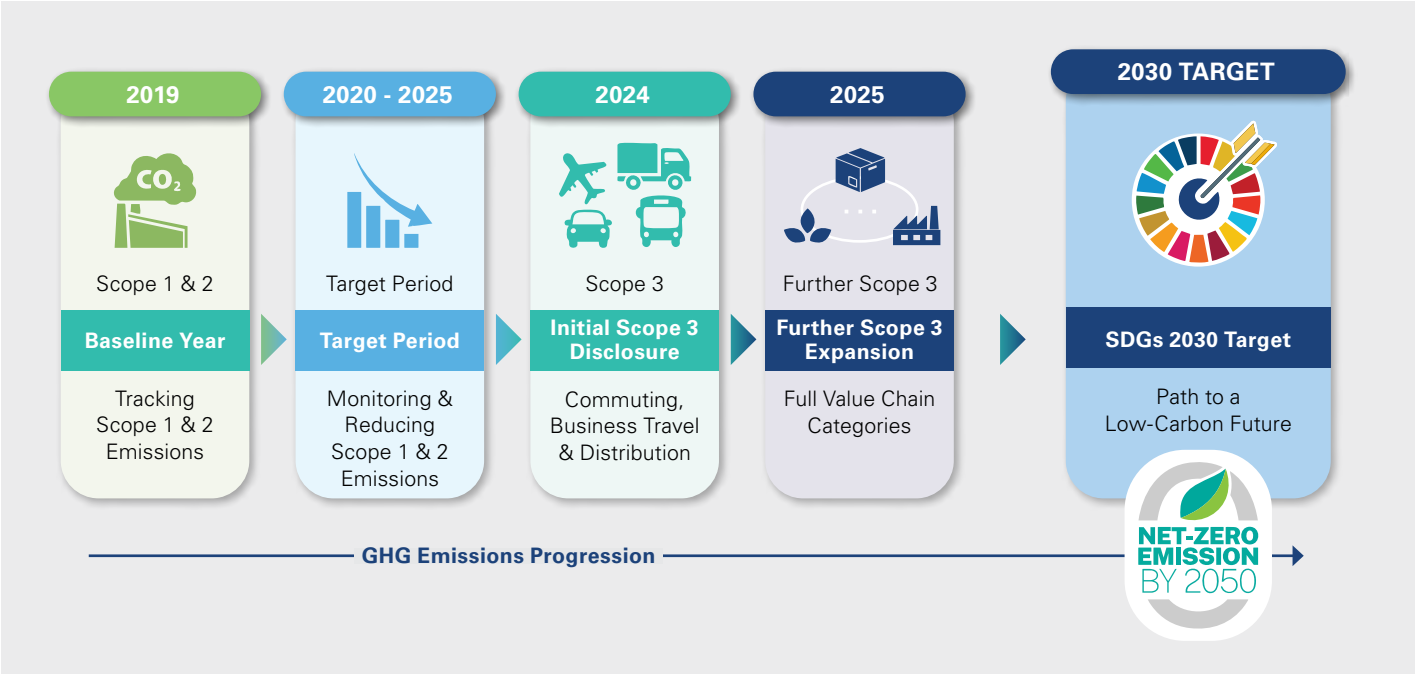
GHG TARGET METRICS AND PERFORMANCE

The Group established a medium-term GHG emissions reduction target for 2020–2025, using 2019 as the baseline for Scope 1 and Scope 2 emissions, and has consistently monitored and disclosed performance to enhance transparency and accountability.

As part of its low-carbon transition, the Group progressively expanded its emissions inventory to enhance value-chain coverage. Scope 3 disclosure commenced in 2024, covering employee commuting, business travel, and downstream transportation and distribution, with additional material categories incorporated in 2025 to improve completeness and data quality.

GHG EMISSION PROGRESSION

The Group’s climate strategy aligns with Malaysia’s Nationally Determined Contribution (NDC) to reduce emissions intensity by 45% by 2030 (relative to 2005) and supports national decarbonisation through energy efficiency initiatives. This pathway is further reinforced by the Group’s aspiration to achieve Net Zero Carbon Emissions by 2050, in line with Malaysia’s national ambition.



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

National Climate Commitment	Malaysia’s Target	Pharmaniaga Alignment	Strategic Link
Nationally Determined Contribution (NDC)	45% reduction in GHG emissions intensity (per GDP) by 2030 compared to 2005	2025 Target: Reduce electricity consumption intensity from the grid by 15% vs a 2019 baseline and continue reducing Scope 1 and 2 emissions 2030 Target: To be announced in FY2026	Supports national decarbonisation through operational energy efficiency and lower carbon intensity
Expansion of Renewable Energy & Energy Transition (NETR)	Increase renewable energy penetration and accelerate low-carbon transition	Solar installations, energy efficiency initiatives, LED retrofits, and inverter upgrades	Contributing to reduced grid dependence and lower Scope 2 emissions
Value Chain Decarbonisation	Broader economy-wide emissions coverage	Progressive inclusion of Scope 3 categories (2024–2025 expansion, including upstream and downstream emissions)	Aligns with enhanced national transparency and whole-of-economy approach
National Aspiration: Net Zero GHG as early as 2050	Economy-wide Net Zero by 2050	2050 Target: Net Zero Carbon Emissions	Long-term decarbonisation pathway aligned with national ambition

In establishing its emissions reduction pathway, the Group considers national decarbonisation scenarios, the Malaysian Renewable Energy Roadmap (MyRER), and recognised international guidance, including the GHG Protocol and science-based methodologies. Target refinement will follow the completion of a climate analysis and the validation of current solar and energy efficiency programmes in 2026, aligning with cost optimisation and energy efficiency KPIs.

GHG EMISSIONS DATA

Carbon emissions increased from 2023 to 2025 due to operational expansion and pre-commercial activities, particularly the commissioning and validation of Pharmaniaga LifeScience’s biopharmaceutical facilities, which required significant energy before full production. Expansion in Indonesia, including the registration of 13 new products in 2025, also contributed to higher energy consumption. The Group continues to implement efficiency measures to manage carbon intensity as operations scale.

Total GHG Emissions (tCO ₂ e)				
Types of Emissions	2019 Baseline	2023	2024	2025
Scope 1	9,257.96	6,576.49	5,603.89	5,468.58
Scope 2	28,245.64	29,081.55	30,328.97	31,796.69
Scope 3	-	-	4,129.46	89,207.19
Total carbon emissions (Scope 1 and 2)	37,503.60	35,658.04	35,932.86	37,265.27
Total carbon emissions (Scopes 1, 2, and 3)	-	-	40,062.32	126,472.46

Reference: GHG Framework: GHG Emissions Protocol Calculation Tools
Emission Factor: Grid Emission Factor (GEF) Malaysia, 2022, Malaysia Energy Information Hub (MEIH)
DEFRA, UK Government GHG Conversion Factors for company reporting Version 1.0, 2025
Kementerian Energi dan Sumber Daya Mineral Direktorat Jenderal Ketenagalistrikan, Faktor Emisi GRK 2019

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

The increase in the 2025 total GHG emissions was mainly driven by expanded Scope 3 reporting. Scope 1 emissions continued to decline, while Scope 2 emissions reflected operational expansion and higher energy demand.

Scope 3 emissions management remains a priority, with initiatives focused on optimising transportation, reducing supply chain waste, and conducting ESG supplier assessments. To strengthen reporting, Pharmaniaga subscribed to Bursa Malaysia’s Centralised Sustainability Intelligence (CSI) platform to enhance vendor emissions data management. GHG-related training has been extended to vendors. A total of 69 vendors participated in a GHG training session organised by Bursa Malaysia, supporting improved data readiness and emissions management capabilities across the supply chain.

GHG Emissions Scope 3 by category in 2025 (tCO ₂ e)			
Source		2024	2025
Upstream	Category 1 Purchased Goods and Services	-	9,419.08
	Category 2 Capital Goods	-	1,853.82
	Category 5 Waste Generated in Operations	-	583.67
	Category 6 Business Travel	262.61	335.99
	Category 7 Employee Commuting	3,098.34	2,445.03
Downstream	Category 9 Downstream Transportation and Distribution	768.51	2,678.26
	Category 10 Processing of Sold Products	-	53,367.55
	Category 11 Use of Sold Products	-	18,347.46
	Category 12 End-of-Life Treatment of Sold Products	-	176.33
TOTAL		4,129.46	89,207.19

In 2025, Scope 3 emissions were significantly influenced by the inclusion of Category 10 (Processing of Sold Products) and Category 11 (Use of Sold Products), which represent major downstream emission sources in the pharmaceutical value chain.

GHG Emissions Intensity – Scope 1 and 2 (tCO ₂ e/RM million of revenue)	2019 Baseline	2023	2024	2025
	13.30	10.56	9.56	9.46

Despite higher absolute emissions, GHG intensity improved from 13.30 in 2019 to 9.46 in 2025, reflecting stronger revenue performance and improved carbon efficiency. The Group remains committed to its Net Zero Carbon ambition.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

DECARBONISATION AND CLIMATE TRANSITION PROGRAMMES

Since 2022, the Group has implemented its Decarbonisation Programme to accelerate the adoption of low-carbon solutions across its operations. The programme is designed to deliver measurable reductions in energy use and greenhouse gas emissions by deploying energy-efficient technologies, renewable energy solutions, and improved energy management practices.

— 2020 to 2025 Target —

Climate Change Target: Group reduction target of absolute greenhouse gas (GHG) emissions by 15% by 2024, using 2019 as the baseline.

Current Progress: As of 2025, absolute GHG emissions have been reduced by 1.3% compared to the 2019 baseline.

GHG Intensity Achievement: In addition to absolute reductions, GHG emissions intensity (tCO₂e per RM million in revenue) has significantly improved, with a 29.32% reduction from 2019 to 2025.

Key Distinction: While absolute GHG emissions reduction is the primary target, the decrease in GHG intensity reflects improved efficiency in emissions per unit of revenue.

Progressing to our Climate Journey

Scope 1 Performance: Scope 1 emissions have declined consistently since the 2019 baseline year.

Scope 2 Focus Area: Greater focus is being directed towards improving Scope 2 emissions performance, which has trended upwards over the same period.

Key Transition Action: Solar panel systems are being installed at six subsidiaries, with an expected emissions reduction of 5% to 15% at each site, subject to system performance and operational conditions.

Next Step: A revised emissions reduction target will be established in 2026 based on the measured performance of these installations.

At present, the Group does not apply a carbon pricing mechanism; however, we are monitoring relevant policy developments and are aware of the direction of carbon pricing as part of our longer-term decarbonisation planning.

ENERGY MANAGEMENT

Energy management is a strategic focus for Pharmaniaga, particularly in addressing Scope 2 emissions. The Group actively monitors and optimises energy use across its operations to enhance efficiency, reduce carbon intensity, and support climate objectives.

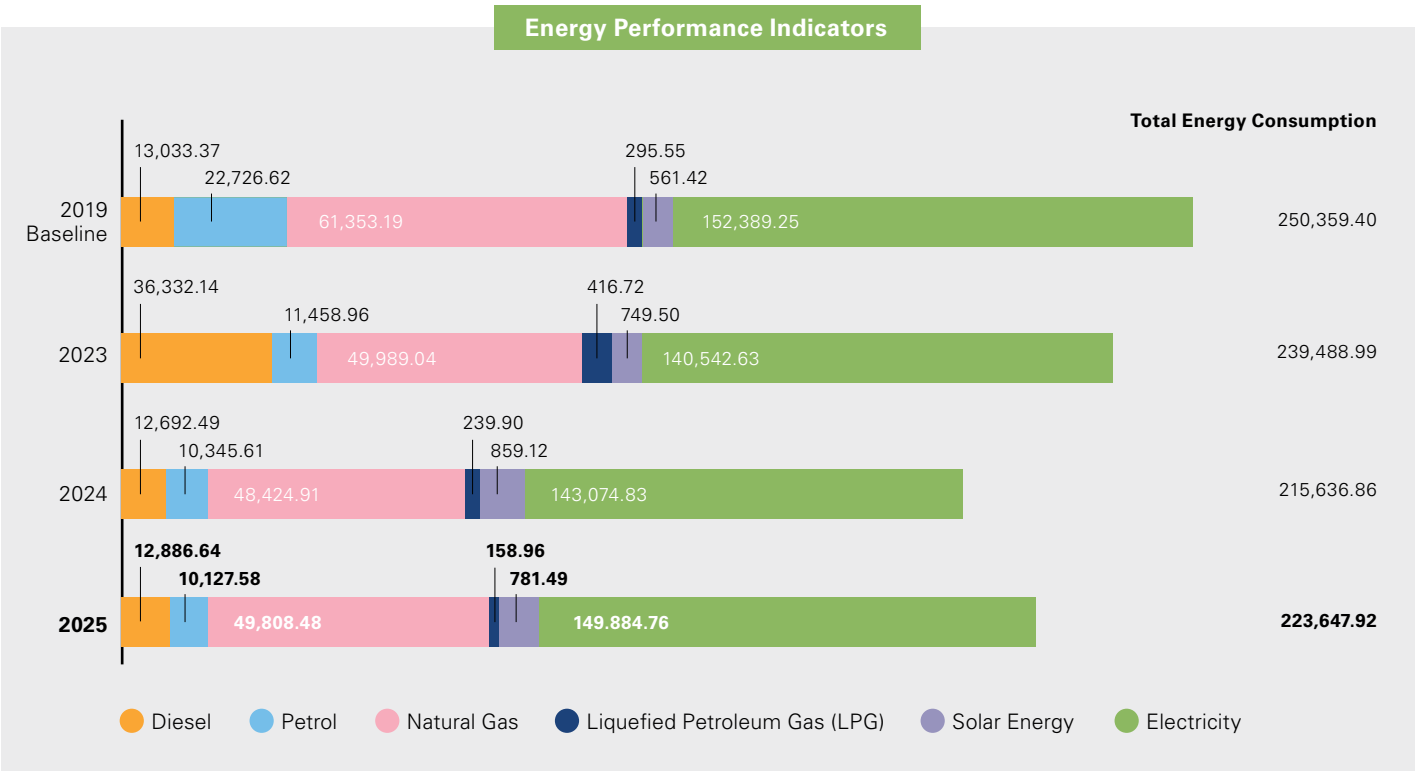
Key initiatives include installing solar photovoltaic systems at selected subsidiaries, implementing energy-saving technologies, and tracking consumption patterns, all of which contribute to the Group’s progress towards Net Zero Carbon.

A 36% reduction in energy intensity has been achieved since 2019, reflecting our ongoing efforts to optimise energy consumption, implement efficiency measures, and integrate renewable energy solutions across operations.

36%
reduction
in Energy
Intensity
since 2019

Energy Intensity (GJ/RM mil Revenue)	2019 Baseline	2023	2024	2025
	88.76	70.92	57.36	56.78

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY



The Group is progressively enhancing its logistics data management capabilities to support the monitoring of fuel efficiency and environmental performance across distribution operations. At present, payload fuel economy is not systematically tracked, and this metric is under evaluation as part of ongoing ESG data enhancement initiatives.

GREEN PROGRAMMES & GOVERNMENT INCENTIVES ENGAGEMENT

We continue to actively explore government grants and green incentive programmes to support the implementation of decarbonisation and energy efficiency initiatives across its operations.

The Group has engaged with the Malaysian Investment Development Authority (MIDA) to explore the applicability of the Industrial Development Fund (IDF/IDAF) and other green-related incentive schemes to support energy efficiency improvements, low-carbon technologies, and sustainability-related capital investments.

In parallel, Pharmaniaga has held discussions with vendors offering energy audit and energy efficiency solutions under SEDA-supported programmes and has directly engaged with SEDA to understand available and upcoming programmes that may be tapped by the Group, including initiatives related to energy audits, solar deployment, and energy performance improvement.

While certain incentive programmes may have limitations for PLC/GLC entities, the Group has shared this information with the Vendor Development Programme (VDP) team to communicate with vendors and encourage them to independently explore applicable MIDA and SEDA incentives for their facilities and operations.

Looking ahead to 2026, the Group plans to enhance structured engagement with vendors through the VDP to support vendor participation in energy efficiency and decarbonisation initiatives. This approach is expected to strengthen vendor sustainability performance and, in turn, improve Scope 3 emissions management and overall ESG performance.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

RENEWABLE ENERGY INITIATIVE (CLIMATE TRANSITION 1)

Year-on-year, the Group's renewable energy programme focuses on a solar Photovoltaic (PV) System Project. The project is implemented under a decarbonisation programme with no upfront capital expenditure by the Group. In addition, the initiative is eligible for tax incentives under the Green Incentive Tax Exemption (GITE) and Green Investment Tax Allowance (GITA), supporting the financial viability of the transition to renewable energy.

To ensure effective implementation and governance, a steering committee has been established comprising representatives from relevant departments. The committee provides strategic oversight, coordination, and guidance throughout the planning, execution, and monitoring phases of the solar energy project, ensuring alignment with the Group's sustainability objectives and performance targets.

The installation of solar PV systems supports the Group's transition to a lower-carbon energy mix by reducing reliance on grid electricity and mitigating exposure to energy price volatility and transition risks associated with carbon-intensive energy sources, as illustrated in the table below:



INSTALLATION OF SOLAR PHOTOVOLTAIC SYSTEMS

- Generates approximately **6,000 MWh** of solar electricity annually
- Avoids approximately **4,550 tCO₂e** of GHG emissions per year
- Implemented via a Solar Power Purchase Agreement (SPPA) with **no upfront cost**
- Aims to reduce **Scope 2 emissions** and increase the share of renewable energy in operations
- **Installation completed at six operating sites:**
 - Pharmaniaga Logistics Sdn. Bhd., Section 7, Shah Alam
 - Pharmaniaga Logistics Sdn. Bhd., Section 15, Shah Alam
 - Pharmaniaga Manufacturing Berhad, Bangi
 - Pharmaniaga LifeScience Sdn. Bhd., Puchong
 - InspiraPharma Sdn. Bhd., Sungai Petani
 - InspiraPharma Sdn. Bhd., Seri Iskandar
- **Commissioning** is targeted for **Q1 2026**

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

Renewable Energy Performance

Period	Solar Energy Generated (GJ)	Avoided Emission (tCO2e)	Energy Cost Saved (RM)	Solar Energy Investment (RM)
2025	781.49	168.02	RM220,047.43	An initial investment of RM963,699.00 was made in 2019 for the solar installation project. In 2025, the solar capacity was further expanded through an SPPA arrangement, which required no capital investment by the Group
2024	851.22	183.01	RM1,130,665.00	
2023	749.50	157.81	RM233,654.00	
2022	767.48	137.10	RM75,933.00	
2021	768.68	158.22	RM193,460.00	
2020	834.03	171.67	-	
2019	561.42	115.56	-	
Total	5,313.82	1,091.39	RM1,853,759.43	

ELECTRIC VEHICLE (EV) INITIATIVE (CLIMATE TRANSITION 2)

In line with the Group's Decarbonisation Programme, we recognise that transportation is a significant contributor to greenhouse gas emissions. As part of our sustainable mobility strategy, the Group has begun integrating electric vehicles (EVs) into its operations to reduce emissions from logistics and distribution.

We have initiated a pilot project deploying two electric vans for last-mile distribution in selected areas of the Klang Valley. This proof-of-concept initiative enables the Group to assess operational performance, the potential for emissions reductions, and the cost implications of EV adoption. The pilot project serves as a foundation for the potential expansion of low-emission transport solutions as part of the Group's longer-term decarbonisation efforts.



ELECTRIC VANS DEPLOYMENT

- Piloted the deployment of **two electric vans**
- Used for **last-mile distribution** in selected areas of the Klang Valley
- **Avoided 2,043.54 litres** of diesel consumption
- **Avoided 5.25 tCO₂e** of Scope 1 emissions
- Supports the **reduction of transport-related Scope 1 emissions**

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

ENERGY EFFICIENCY INITIATIVES (CLIMATE TRANSITION 3)

Improving energy efficiency is key to reducing greenhouse gas (GHG) emissions, particularly direct emissions from fossil fuel combustion and indirect emissions from electricity consumption. The Group continues to implement energy efficiency initiatives across its operations to reduce energy use, lower operating costs, and minimise environmental impact.

The initiatives outlined below reflect the Group’s ongoing efforts to enhance energy performance, support its decarbonisation objectives, and reduce overall energy consumption and associated GHG emissions. This transition supports reductions in emissions intensity and absolute energy consumption across Scope 1 (fuel combustion) and Scope 2 (purchased electricity). In FY2025, a total of 10 energy efficiency initiatives were implemented across the Group’s subsidiaries. Among these, three manufacturing operations invested approximately RM415,800 in projects to enhance energy efficiency and optimise energy use.

Cost Saving from
Energy Efficiency
Programme:

RM 1,011,740.89

Energy Efficiency Initiatives – Metrics and Outcomes

Entity	Initiative	Cost Saved (RM / year)	Energy Saved (GJ)	Emissions Avoided (tCO ₂ e)
Seksyen 7 Bukit Raja	Upgrade of the HVAC system at the Block C warehouse from an air-cooled to a water-cooled system, replacing the inefficient chiller	RM974,916.00	563.98	0.12
PMB, Bangi	Installation of motion sensors at the main office, corridors, production entrance, and surau	RM6,057.40	40.06	8,612.30
	Upgrade to a high-efficiency electric motor – PAHU 3 (main building HVAC)	RM2,811.90	18.75	4.03
	Upgrade to a high-efficiency electric motor – AHU 8 S1 (main building HVAC)	RM8,211.46	54.74	11.77
	Combination of chillers for production and the main office	This initiative is currently implemented, and performance data will be disclosed in the 2026 reporting cycle		
IPMSB Seri Iskandar	Optimisation of the raw material warehouse layout	RM8,000.00	66.98	14.40
IPMSB Sungai Petani	Replaced non-inverter Air Conditioning Split Units (ACSU) with inverter-type units	RM11,744.13	15.27	33.38

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

M8

RESOURCE AND EFFICIENCY

Effective resource management focuses on achieving greater output with the same or fewer inputs. Recognising its importance, the Group understands that inefficiencies in material use and waste management may expose our operations to operational, legal, and reputational risks.

Accordingly, we remain committed to the prudent and responsible management of resources to enhance operational efficiency and cost-effectiveness. By prioritising resource optimisation across our value chain, we mitigate risks, strengthen business resilience, and support sustainable practices that deliver long-term value for both the Group and the environment. Through this structured and metrics-based approach, the Group seeks to enhance operational efficiency, manage environmental risks, and support its broader sustainability objectives under Goal 3.

WASTE MANAGEMENT

Our waste management approach focuses on minimising waste generation through sustainable practices, streamlined processes, and responsible resource management across our operations.

We continuously assess and, where appropriate, adopt innovative technologies to enhance waste-handling efficiency and demonstrate our commitment to environmental stewardship. The Group actively promotes the 3R principle — reduce, reuse, and recycle; to minimise waste sent for disposal and encourage resource recovery.

As a preventive measure, the Group conducts regular internal and external audits to evaluate the effectiveness of its waste management practices. These audits assure that our environmental management systems comply with, and where practicable exceed, applicable statutory and regulatory requirements, while supporting continuous improvement.

PROMOTING CIRCULAR ECONOMY

Pharmaniaga advances circular economy practices through packaging optimisation, material substitution, and digitalisation initiatives aimed at reducing virgin material use and minimising packaging waste.

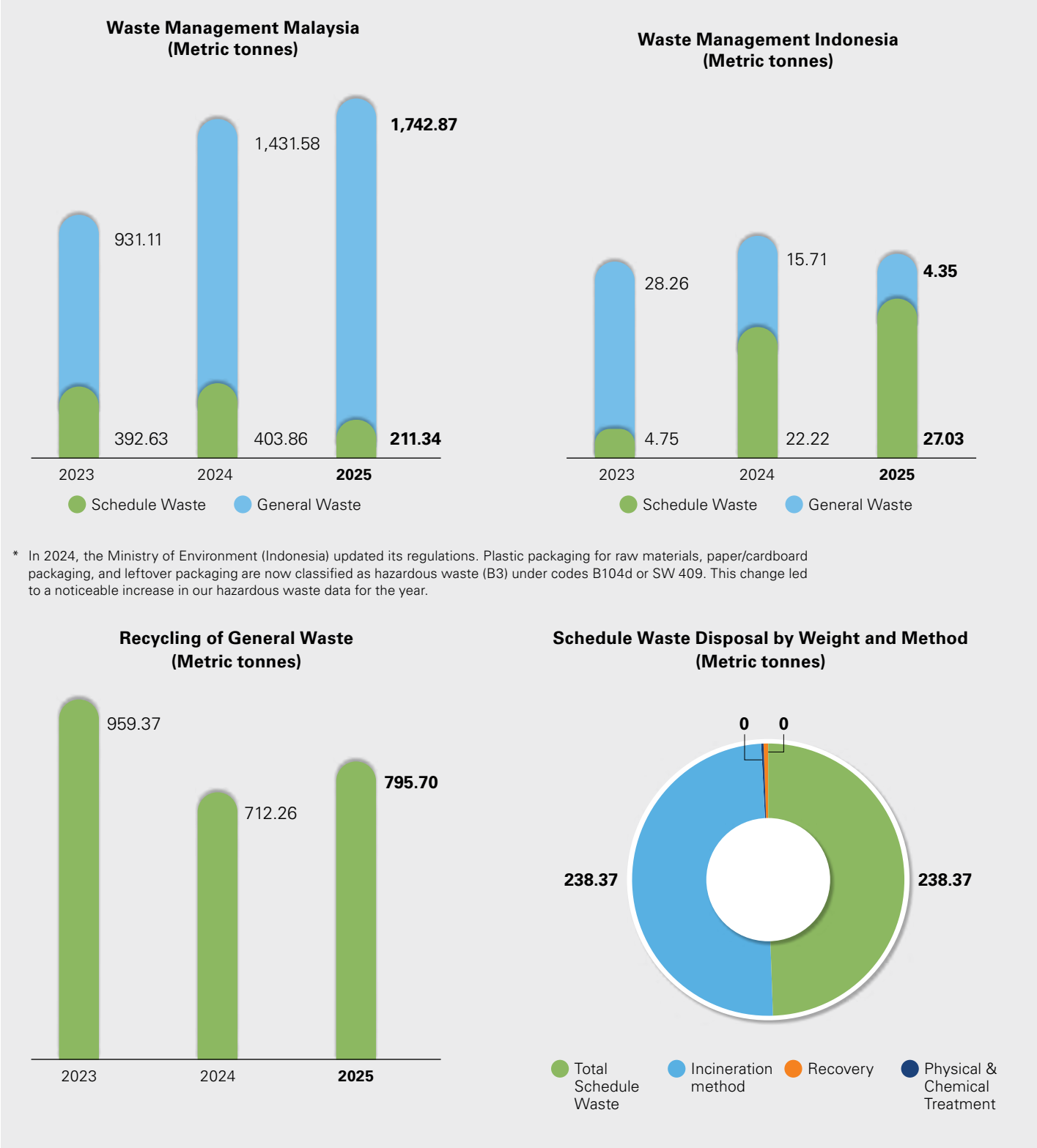
REDUCED PACKAGING PROGRAMMES

The key focus areas include increasing the use of environmentally preferable packaging materials, replacing paper-based product inserts with electronic labelling, and strengthening segregation and recycling practices across manufacturing and logistics operations. These initiatives reduce material intensity, lower waste generation, and improve resource efficiency across the product life cycle.

Entity	Initiative	Objectives	Outcomes
PMB, Bangi	Use of Grey Back Box board material for product packaging	Increase use of environmentally friendly grey-back box material by 16,000 kg per year	Grey-back box material usage: 116,724 kg
	Substitution of paper package inserts with electronic labelling (QR code)	Implement electronic labelling (QR code) for 13,000,000 cartons	Total electronic labelling implemented: 15,272,180 cartons
InspiraPharma Sungai Petani	Adoption of QR codes for product information in place of paper inserts	Eliminate paper-based product inserts and leaflets Reduce consumption of natural resources	Avoided 2,620,000 pcs of paper packaging through the implementation of electronic product information.
PLSB Kuching	Segregation and delivery of recyclable materials to recycling centres	Recycle carton boxes, plastic wrapping, and pallets	Recorded a 161% increase in recycled waste, rising from 4.95 MT in 2024 to 12.93 MT in 2025

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

WASTE DATA

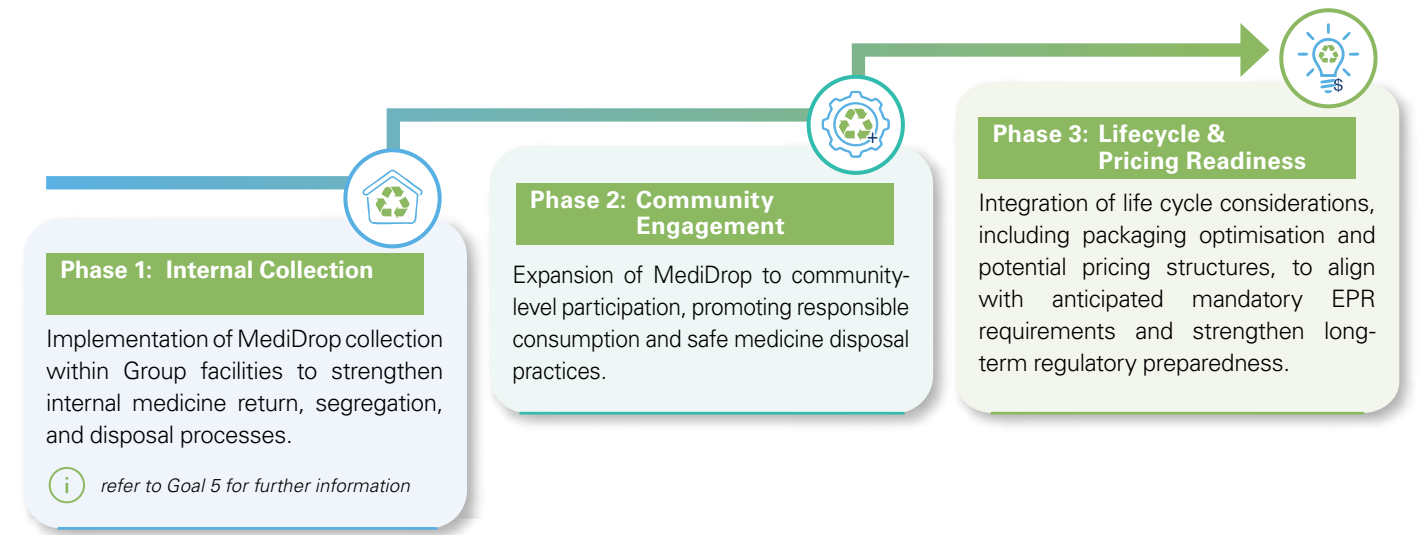


GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

RESPONSIBLE PRODUCT STEWARDSHIP & EXTENDED PRODUCER RESPONSIBILITY (EPR)

In 2025, Pharmaniaga supported the Ministry of Health Malaysia’s (MOH) safe medicine disposal initiative, MyMediSafe, by implementing the MediDrop programme. This initiative reflects the Group’s commitment to responsible product stewardship across the product life cycle — from packaging design and distribution to safe end-of-life disposal — and forms the foundation of its Extended Producer Responsibility (EPR) approach.

Pharmaniaga’s phased EPR roadmap is structured as follows:



The MediDrop programme is currently at Phase 1, which focuses on establishing internal collection points and strengthening medicine return and disposal management within the Group’s facilities. Phase 2 and Phase 3 are planned to be implemented from 2026 onwards as part of the programme’s progressive expansion.

In parallel, the Group continues to enhance packaging material efficiency, promote recycling programmes, and reduce material intensity across operations, supporting circularity throughout the product life cycle.

WATER MANAGEMENT

Clean water is essential to the Group’s operations, and any disruption to supply may affect operational continuity and productivity. The Group also recognises the potential risks its operations may pose to surrounding water bodies if not properly managed.

To mitigate water-related risks, the Group complies with all applicable laws and regulations, including Standards A and B under the Environmental Quality (Industrial Effluents) Regulations 2009. Water-efficiency initiatives are implemented across operations, including conservation measures, rainwater harvesting, and water recycling. Usage is monitored at all sites, and any deviations from expected patterns are promptly reported to management for appropriate action.

Targets and Performance

Using 2019 as the baseline year, the Group set a target to achieve a 15% reduction in potable water consumption by 2025. To support this target, the manufacturing operation in Sungai Petani implemented and expanded a rainwater harvesting system, investing RM27,000. The Group is also exploring further investments to implement water conservation initiatives across other subsidiaries.

As a result of these efforts, potable water consumption was reduced by 53.89 megalitres, equivalent to a 16.14% reduction, surpassing the Group’s 2025 target and demonstrating measurable progress in improving water stewardship and reducing reliance on freshwater resources.

2025 TARGET

15% reduction
in potable water consumption

2025 ACHIEVEMENT

16.14% reduction
in potable water consumption

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

Water Conservation Initiatives

The Group continues to reduce water consumption across all sites, particularly in water-intensive operations, and water-stressed areas.

- ▶ Process Optimisation
- ▶ Training and Awareness
- ▶ Rainwater Harvesting
- ▶ Water Recycling and Reuse
- ▶ Water-Saving Devices and Technologies
- ▶ Collaboration with Stakeholders

Where practicable, alternative water sources are used for non-critical applications to reduce reliance on freshwater resources. All Malaysian operations source water from local municipal councils, while one operating site in Indonesia utilises groundwater supported by in-house treatment and monitoring systems.

RAINWATER HARVESTING AND WATER RECYCLING

Year-on-year, the Group has increased its water harvesting and recycling capacity, reflecting ongoing efforts to reduce reliance on potable water and strengthen water sustainability across operations, as illustrated in the table below.

	2023	2024	2025
Water Recycling (Megalitre)	11.06	8.71	14.67
Rainwater Harvesting (Megalitre)	0.15	0.22	0.13

PARTNERSHIPS

As a member of the United Nations Global Compact Malaysia & Brunei (UNGCMYB), Pharmaniaga actively supports initiatives that address water security and the role of businesses in sustainable water management. We supported their initiative in conducting the inaugural Future Leaders of Water Sustainability (FLOWS) 2024 symposium, reinforcing our commitment to water stewardship.

In addition to water-focused engagements, the Group also advocates for broader environmental and climate-related partnerships. In 2025, a sponsorship worth RM10,000 was provided to the International Conference on Low Carbon Asia (ICLCA) Sarawak to advance dialogue and knowledge-sharing on low-carbon solutions, circular economy practices, and sustainable development. The sponsorship reflects the Group’s commitment to strengthening environmental awareness and supporting collaborative platforms that contribute to Malaysia’s low-carbon transition.

At the Errita facility, groundwater is utilised due to the limited availability of potable water. In addition, the Group has installed dedicated water piping at the site to provide controlled access for surrounding communities, supporting responsible water sharing while safeguarding operational water needs. This initiative demonstrates the integration of environmental water stewardship with community well-being considerations.



 refer to Goal 5 for further information

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

WATER STRESSED AREA

We typically avoid operating in regions experiencing water stress. However, one of our operations in Bandung, Indonesia, is located in an area at medium-to-high risk of water stress. In response, we have implemented stringent water management measures, including vcompliance with government-imposed water withdrawal restrictions and regular water quality reporting to the authorities. At the same site, we have also implemented a water recycling programme, enabling us to transform wastewater into a valuable resource.

Group Water Withdrawal or Consumption (Megaliters)			
Type of water	2023	2024	2025
Ocean/Sea, Subsurface, Quarry water, external wastewater	0	0	0
Purchased or Potable Water	273.50	296.25	268.93
Groundwater (well, boreholes)	15.35	14.46	11.12
TOTAL CONSUMPTION	288.85	310.71	280.05

All its operation in Indonesia, PT Errita Pharma has strengthened its environmental management practices following previous challenges in wastewater management. This has resulted in an improvement in its *Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup* (PROPER) rating from RED to BLUE, as assessed by the *Kementerian Lingkungan Hidup dan Kehutanan* (KLHK), Indonesia.

As part of these improvements, a water recycling system has been implemented, enabling treated wastewater to be reused as a resource within operations. This initiative supports reduced reliance on freshwater sources and demonstrates the Group’s commitment to continuous improvement in water stewardship, particularly in water-stressed areas.

WATER DISCHARGE

The Group is committed to the responsible management of water resources and the discharge of wastewater and effluent across all operations. Discharge of water through public sewage and effluent performance are monitored at the site level through established environmental management and monitoring systems. Water parameters were within specifications prescribed by environmental agencies and authorities.

Currently, water discharge disclosure by all manufacturing sites as the existing flowmeters and monitoring equipment at other facilities have limited capability to measure discharge volumes.

Water Discharge/Water Disposal (Megalitres)			
Discharge Destination	2023	2024	2025
Ocean/ Sea discharge, surface water discharge, subsurface discharge	0	0	10.37
Off-Site Water Treatment Effluent	9.69	9.23	0.21
Other discharge (Public Sewer)	0	0	3.69
TOTAL DISCHARGE	9.69	9.23	14.27

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

WATER RISK MANAGEMENT AND STAKEHOLDER ENGAGEMENT

Pharmaniaga recognises water-related risks as a key operational and sustainability concern, particularly at sites operating in water-stressed areas. To mitigate these risks, investments have been made in rainwater harvesting infrastructure, including at InspiraPharma, Sungai Petani, with an investment of RM27,000; installation was completed in 2025. Data collection for performance monitoring is scheduled to commence in 2026. Other sites have existing rainwater harvesting systems that are currently underutilised; further investments are planned in 2026 to optimise use and improve water efficiency.

At operations relying on groundwater, such as PT Errita, contingency measures are in place to ensure supply continuity, including the ability to purchase water if groundwater sources are disrupted. PT Errita also engages with relevant stakeholders on water management practices and community water needs (refer to Goal 5). Similarly, InspiraPharma in Seri Iskandar sources water from other states during long-term supply interruptions, ensuring operational resilience and stakeholder alignment.

These measures reflect Pharmaniaga’s proactive approach to managing water risks, optimising resource use, and engaging with stakeholders at sites where water stress could impact operations.

CHALLENGES

As the Group progresses on its environmental sustainability journey, several challenges remain. Operational expansion and pre-commercial activities may increase energy demand, potentially affecting short-term emissions performance. Strengthening Scope 2 emissions management remains a key challenge due to reliance on grid electricity. In addition, improving the completeness and quality of environmental data across subsidiaries, including expanding monitoring infrastructure such as flowmeters for water discharge. The evolving regulatory landscape, including the implementation of EECA, will also require enhanced energy management capabilities and ongoing compliance efforts. Addressing water-related risks at sites located in water-stressed areas will remain an important priority for the Group.

OUTLOOK

Looking ahead, Pharmaniaga will continue to strengthen its environmental performance by advancing energy efficiency, renewable energy adoption, and responsible resource management across its operations. Key priorities include commissioning the solar photovoltaic systems installed at six operating sites, enhancing energy management practices, and refining the Group’s greenhouse gas (GHG) reduction targets following the completion of climate scenario analysis in 2026. The Group will also continue to improve water stewardship, expand circular economy initiatives, and strengthen Scope 3 emissions management through deeper engagement with suppliers and logistics partners. These initiatives support the Group’s long-term ambition to achieve Net Zero Carbon emissions by 2050 while improving operational eco-efficiency.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

GOVERNANCE

The Group’s governance structure oversees the identification, assessment, and management of climate-related risks and opportunities, enabling stakeholders to understand how these matters receive appropriate oversight and attention at both Management and the Board levels.

THE BOARD’S OVERSIGHT ON CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Group recognises climate change and environmental sustainability as its corporate risk. The Management is responsible to implement sustainability strategies and targets approved by the Board. The Board Risk and Investment Committee (BRIC) and the Board are informed of the identification, assessment, and management of climate change and environmental sustainability risks on a quarterly basis.

As the Group advances its sustainability agenda and further integrates climate-related risks and opportunities into its business considerations, the BRIC and the Board play a critical role in providing effective sustainability and climate oversight to support informed strategic and risk-based decision-making. This ensures that climate considerations are integrated into the strategic direction, budget allocation, and business planning, supporting the Group’s long-term resilience and sustainability objectives.

BRIC Roles and Responsibilities

BRIC plays an important role in overseeing the Group’s approach to risk management, including climate-related and environmental sustainability risks. In the context of an ERM framework and emerging guidance from regulators, such as the government, and global frameworks, such as the TCFD, BRIC is generally expected to provide strategic oversight, ensure integration into risk processes, and monitor the effectiveness of climate risk governance. BRIC must provide oversight and accord sufficient priority in resources to manage risks faced by the Group. BRIC roles and responsibilities are outlined as below:

— Governance Area — BRIC Roles & Responsibilities —	
Risk Management: • Enterprise Risk Management (ERM) • Corruption Risk Management (CRM)	i) Review and recommend the overall risk management strategies, frameworks, and policies for the Board’s approval; ii) Monitor and review the Risk Management Committee’s periodic reports on key risk profiles and risk management activities; and iii) Obtain assurance from Management that the risk management and internal control systems are operating adequately and effectively.
Business Continuity Management (BCM)	i) Ensure the Group adopts a sound and effective BCM Policy in order to safeguard the Group’s interests; and ii) Ensure that the BCM Policy is periodically reviewed and updated to reflect changes in the operating environment.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

— Governance Area —

BRIC Roles & Responsibilities

Investments and Projects	i) Review all investment and project business cases in accordance with established thresholds in the approved Limits of Authority (LOA), including but not limited to the following: a) Evaluate the potential risks and mitigating action plans associated with potential investment and/or divestments project; b) Monitor and review the implementation and effectiveness of mitigating action plans post-approval and highlight key risks to the Board; c) Evaluate the potential risks associated with funding options and costs, investment returns, and make recommendations to the Board for approval of the investment or project; d) Review investment or project proposals considered significant, including but not limited to: • New lines of business (e.g. businesses outside existing sectors, expansion across industry value chains within the current sector, and/or new sectors); or • New territories and countries (e.g. expansion of existing businesses into new markets or territories). e) Review the financial investment portfolio of the Company. This includes, but is not limited to, existing and new mergers and acquisitions, new partnerships, divestments, corporate exercises, and large capital expenditure projects; f) Oversee current and future capital and financial resource requirements; g) Conduct an annual performance evaluation of the Group’s investment activities; h) Monitor the fundraising activities of the Group; i) Review the progress of due diligence and the implementation of potential investments, divestments, and/or projects; j) Review the Group’s strategic plan developed by Management in its effort to enhance shareholder value.
Other Responsibilities	i) Monitor ongoing awareness programmes on ERM, CRM, and BCM; and ii) Carry out any other function that may be delegated by the Board, which would be beneficial to the Group.

STRATEGY

In support of the Malaysian Renewable Energy Roadmap (MyRER) and the national aspiration to achieve Net Zero Carbon emissions by 2050, the Group has aligned its sustainability targets with its business objectives through its Decarbonisation Programme and energy efficiency initiatives under the Sustainability Roadmap (2016–2030). These initiatives promote responsible operations, enhance resource efficiency, reduce greenhouse gas (GHG) emissions, and strengthen regulatory compliance.

The Group conducts annual GHG reviews to assess climate-related risks and track progress against its decarbonisation targets, forming the foundation for future IFRS S2-aligned climate metrics and transition disclosures.

Climate considerations are integrated into financial planning through budget allocations towards renewable energy, energy efficiency, adaptation measures, and evolving sustainability reporting requirements. These investments are intended to enhance operational resilience, cost efficiency, regulatory compliance, and long-term value creation while mitigating climate-related risks.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

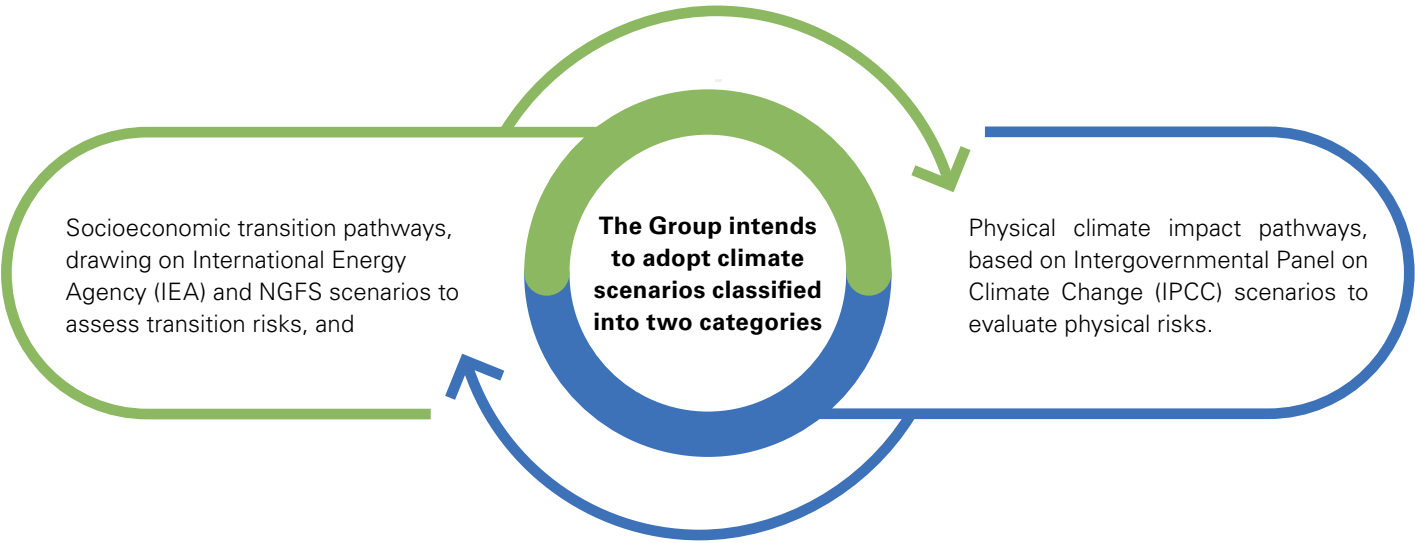
CLIMATE-RELATED RISKS AND OPPORTUNITIES

Based on the physical climate-related risks identified in FY2024, the Group continued to conduct climate risk assessments in 2025 by evaluating the likelihood of these identified risks across all logistics and distribution sites in Malaysia and Indonesia.

Going forward in the year 2026, the Group will further identified climate-related risks and opportunities that may influence its business, strategy, and financial planning across short, medium, and long-term horizons, in line with the TCFD recommendations. The time horizons are defined as short term (<3 years), medium term (3–10 years), and long term (>10 years), based on impact and benchmarking against industry standards in the local and international pharmaceutical sectors. These assessments focus on identifying potential physical and transition risks, as well as opportunities arising across all time horizons.

To further enhance its climate resilience, the Group will engage external experts and consultants to undertake both qualitative and quantitative climate scenario analyses to assess its climate resilience. This assessment will evaluate how climate-related risks and opportunities may evolve under different climate scenarios and across various time horizons. The analysis will adopt a 1.5°C pathway aligned with the Paris Agreement and will be conducted in accordance with IFRS S2 standards and requirements, thereby strengthening the Group’s climate-related risk and opportunity disclosures. The climate scenario analysis will consider impacts across short, medium, and long-term time horizons. The following scenarios set by the Network for Greening the Financial System (NGFS) will be used in the scenario analysis:

— Scenario —	Assumed Temperature Rise	Climate Change Policies
Current Policies	Over 3°C by 2100	Only policies currently in place will be retained.
Delayed Transition	1.8°C by 2050	CO ₂ emissions will not decrease in the 2020s, and strong policies will be introduced in the 2030s to limit warming to 2°C.
Net Zero 2050	Below 1.5°C	Aim to limit global warming to 1.5°C and reduce global CO ₂ emissions to net zero around 2050 through strict emission reduction policies and innovation starting in the 2020s.



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

These risk categories will be assessed under varying degrees of global climate action. The Group plans to apply climate scenarios to evaluate how transition and physical risks may evolve under different pathways, generating forward-looking insights to support strategic planning and risk management.

The assessment will support the identification of potential impacts on operating costs, budget expenditure, asset values, supply chain resilience, and market positioning over time. The Group’s climate-related risks and opportunities, as well as the time horizons, are depicted in the table below:

◌ Short term: < 3 years ◌ Medium term: 3 – 10 years ◌ Long term: > 10 years			
Category	Risk / Opportunity	Potential Impact	Time Horizon for Impact
Physical Risk Direct impacts of climate change to the Group’s sites and operations due to extreme weather events (acute), and long-term shifts in climate patterns (chronic).	1) Acute is define as sudden and extreme events such as: • Floods • Landslides • Heatwaves • Storms • Cyclones • Wildfires	Disruption of raw material supply	●
		Destruction of assets	●
	2) Chronic is define as long-term environmental changes such as: • Rising temperatures • Sea-level rise • Water scarcity • Changing rainfall patterns	Interruption in the distribution of products and services	●
		Health and safety risks to employees	●
		Increases in temperature leading to a rise in energy consumption	●
		Power and communication outages.	●
		Increased operating costs (cooling, water usage)	●
		Gradual degradation of assets	●
		Reduced workforce productivity	●
		Site viability issues	●

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

◌ Short term: < 3 years ◌ Medium term: 3 – 10 years ◌ Long term: > 10 years			
Category	Risk / Opportunity	Potential Impact	Time Horizon for Impact
Transition Risk Arise from the shift towards a low-carbon and climate-resilient economy.	1) Policy and Regulation More stringent environmental emissions can make it more expensive for businesses to sustain. i.e: Carbon taxes, emissions reporting requirements.	Stricter Regulations: Stricter laws and regulations can increase compliance, operating and capital expenditure.	●
		Compliance Failure: Non-compliance can lead to fines, lawsuits and shutdowns.	●
	2) Market Shift The Group must adapt when consumers demand green products, which could increase costs. i.e: Changes in customer preferences.	Consumer Expectations: Consumers’ growing environmental consciousness necessitates increased transparency and sustainability, which presents a substantial operational burden.	●
		Market Competition: Market saturation in the green sector can make it more challenging to be noticed and compete.	●
	3) Technology Advancement New green technologies can make current ones outdated, leading to more technology investments. i.e. Obsolescence of carbon-intensive assets.	Regulatory Pressures: Stricter laws and regulations will require investments in cleaner technologies and raise costs.	●
		Technological Adaptation: Staying updated with the latest eco-friendly technology can be challenging and costly.	●
	4) Reputation & Legal Ignorance and failure to comply with, the new environmental rules may tarnish the Group’s image and cause legal implications. i.e: Climate relate litigation, stakeholders pressure and ESG scrutiny.	Reputational damage: Managing public perception and trust is crucial to identifying and monitoring risks that could bring negative attention to the Group.	●

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

○ Short term: < 3 years ● Medium term: 3 – 10 years ● Long term: > 10 years			
Category	Risk / Opportunity	Potential Impact	Time Horizon for Impact
Opportunities Climate-related opportunities are the potential positive impacts related to climate change on an organisation.	1) Innovation in Drug Development	Pharmaceutical companies can improve medicines and therapies to treat new illnesses related to climate change.	●
	2) Market Expansion	Pharmaceutical companies can create opportunities to expand their reach to areas affected by climate-related health issues.	●
	3) Implementation of Sustainability Initiatives	Sustainability offers the opportunity to change for the better, helps the Group to comply with new requirements, and attracts new investors.	●
	4) Enhancing Supply Chain Resilience	This presents an opportunity for the Group to invest in disaster-resistant infrastructure and diversified logistics.	●
	5) Operational resilience and efficiency through climate adaptation	Strengthening warehouses, optimising delivery routes, and integrating risk-mitigation technologies demonstrate the Group's dependability as a pharmaceutical provider, particularly during crises.	●
	6) Sustainability Reporting Requirement	Good, transparent reporting can enhance the Group's reputation	●
	7) Tax Incentives	Receive tax breaks through eco-friendly purchasing.	●
	8) Green Finance	Taking advantage of green financing can help fund eco-friendly projects.	●
	9) Carbon Markets	The Group can trade carbon to reduce emissions or create new revenue streams.	●
		GITA Asset: Provides green technology purchase tax breaks.	●
		GITA Project: Provides green technology project tax breaks.	●
	11) Community Engagement	Collaboration with the local communities and NGOs can strengthen the Group's reputation.	●

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

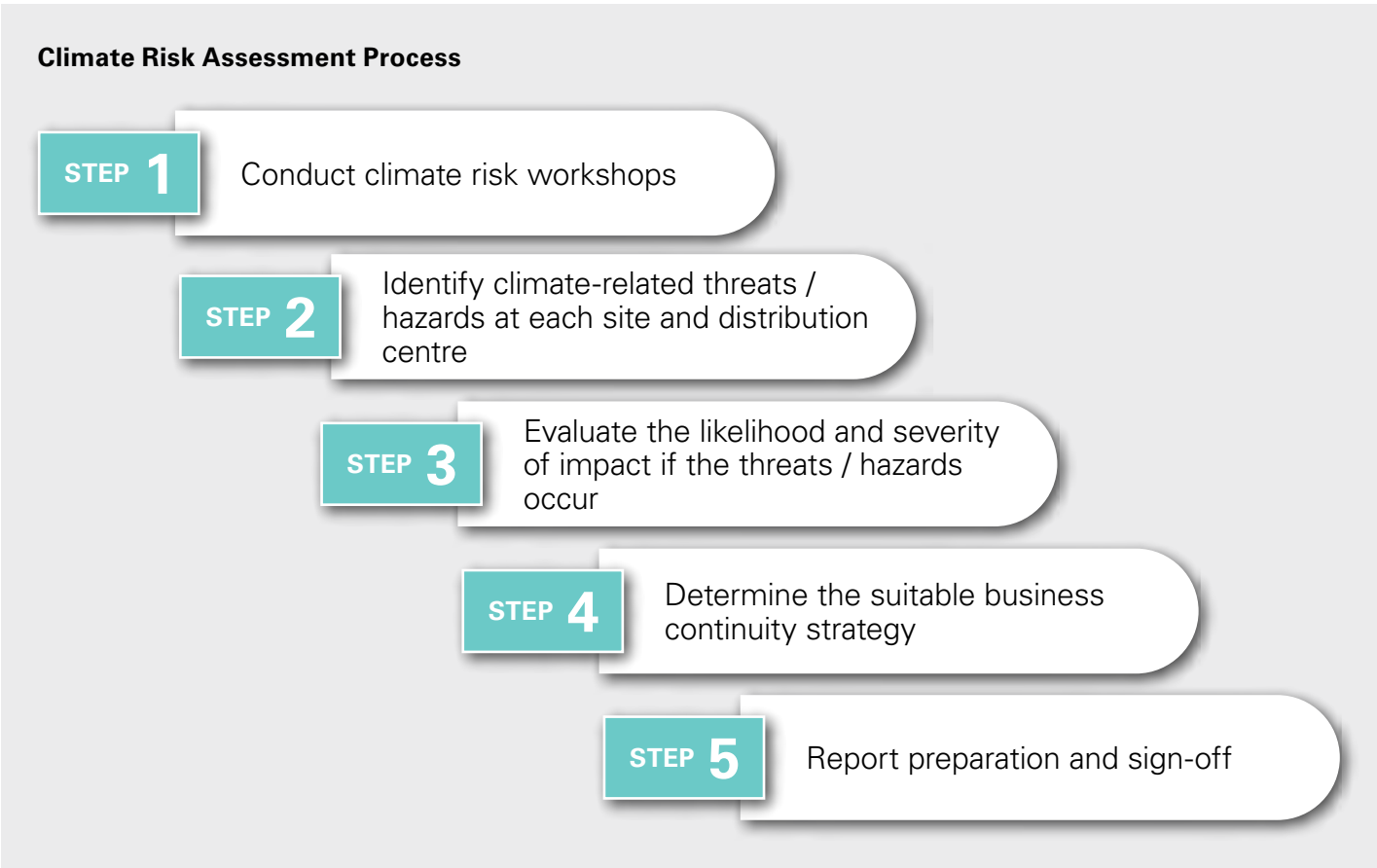
RISK MANAGEMENT

In 2025, Pharmaniaga has established a comprehensive BCM Standard Operating Procedure (SOP) that details out climate-related risk categories and processes for climate risk assessments to be adopted across its operations in Malaysia and Indonesia. The climate-related risk assessment was guided by our ERM Framework to ensure a structured and consistent approach to identifying, analysing, evaluating, and mitigating potential risks to the business.

Climate change is managed as one of the Group's corporate risks and is reported to the Board and the BRIC on a quarterly basis. The reporting covers both physical and transition climate-related risks. In reviewing these reports, the BRIC oversees the monitoring and mitigation of climate-related risks, including assessing movements in risk trends, risk ratings, and target levels, with the objective of minimising potential adverse impacts on the Group for oversight and governance, ensure effective climate resilience and robust risk management.

In line with our commitment to TCFD-aligned disclosures, the Risk Management team conducted a climate risk assessment for the year 2025, encompassing all subsidiaries within our Malaysia and Indonesia operations. This assessment evaluated the likelihood of potential climate-related hazards and their prospective impacts on Group operations, including operational, financial, and strategic dimensions.

The Climate Risk Assessment (CRA) for 2025 was undertaken in alignment with the annual review of the Business Impact Analysis (BIA) and the BCP. The CRA review exercise was completed for Malaysia's logistic and distribution and Indonesia Operations. The assessment followed a structured process, covering:



GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

From our evaluation, we observed minor variations in climate scenarios across our operations in Malaysia and Indonesia, primarily stemming from their distinct geographic settings. The climate scenarios identified include the following:

MALAYSIA OPERATIONS 		INDONESIA OPERATIONS 	
1. Flood	6. Heatwaves	1. Flood /Tsunami	6. Heatwaves
2. Earthquake	7. Thunderstorms /Typhoon	2. Drought /Wildfire	7. Earthquake /Tremors
3. Tsunami	8. Sea-Level Rise / Coastal Erosion	3. Fallen Tree	8. Strong Wind
4. Droughts		4. Landslide / Sinkhole	9. Volcanic Eruptions
5. Soil Erosion / Sinkholes		5. Sea-level Rising	10. Thunderstorm /Typhoon / Hurricane

MALAYSIA SITE	Medium Risk	High Risk	Very High Risk
Northern Distribution Centre	Flood	Wildfire	
Bukit Raja Distribution Centre	Flood, heatwave		
S15 Distribution Centre	Flood, heatwave		
S23 Distribution Centre	Flood, heatwave		
Sarawak Distribution Centre	Drought, soil erosion		
Sabah Distribution Centre	Typhoon	Sea-level rise, soil erosion, flood	

INDONESIA BRANCHES	Medium Risk	High Risk	Very High Risk
PT MPI			
Banda Aceh		Flood, typhoon, earthquake	
Pekan Baru	Wildfire		
Siantar	Earthquake, flood		
Bandung	Earthquake		
Medan		Earthquake, flood	
Jambi	Flood	Earthquake	
Bandar Lampung	Flood	Earthquake	
Jakarta 2	Flood		
Jakarta 1		Flood	
Malang		Earthquake	
Makassar	Flood		
Yogyakarta		Earthquake, volcanic eruption	
Jember	Earthquake		
Solo	Earthquake		
Palu		Earthquake	
Kediri	Earthquake	Volcanic eruption	
Purwokerto		Volcanic eruption	
Manado	Earthquake, flood		
Purwakarta	Earthquake		
Palembang		Drought	
Samarinda	Flood		Wildfire
Pontianak		Flood	
Bekasi	Flood		Earthquake
Bogor	Flood		Earthquake
Mataram	Flood	Earthquake	
Sidoarjo	Flood, earthquake		
PT Errita		Strong wind	

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

As a result of climate change, Malaysia is experiencing an increasing frequency of extreme weather events, particularly floods. In Indonesia, natural hazards such as earthquakes, floods, volcanic eruptions, and typhoons present significant risks. These events posed threats to manufacturing facilities, transportation, warehouses, and distribution centres, potentially leading to structural damage, supply chain disruptions, delivery delays, and higher operational costs.

Based on the climate risk assessment, the Group has identified six (6) key impact indicators, as outlined below:



Employee

Business operations can be significantly impacted by the absence of key personnel due to natural disasters or the effects of extreme weather events. For instance, there might be a rise in absenteeism caused by health problems or injuries.



Work Area

Warehouse, manufacturing plants, office premises, and research & development (R&D) facilities may be at risk due to natural disasters or the effects of extreme weather events, and infrastructure damage that could prolong operational downtime.



Raw Material

Natural disasters or the effects of extreme weather events can disrupt the supply of raw materials and delay production and distribution, leading to supply chain bottlenecks. Whereas, climate-induced migration and resource scarcity can lead to geopolitical tensions, affecting global supply chains.



System

Business operations can be impacted when critical systems infrastructure is disrupted due to natural disasters or the effects of extreme weather events, and infrastructure damage that could prolong operational downtime.



Asset

Natural disasters or the effects of extreme weather events can cause significant damage to facilities and equipment, leading to long-term disruptions.



Distribution

Natural disasters or the effects of extreme weather events can disrupt transportation routes, leading to the delays in distribution times, inability to supply and higher fuel consumption.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

Based on the CRA, we have identified potential events and threats that may affect our business and operations. These threats could have significant implications for the Group, including operational disruptions, financial losses, reputational damage, and the loss of stakeholders' trust, as outlined below:

OPERATIONAL DISRUPTION



Extreme weather events can disrupt day-to-day operations by damaging infrastructure and production facilities.

Climate change can affect the availability of raw materials and the efficiency of transportation networks.

These can halt production and cause significant downtime, which can lead to delays and the imposition of penalties.

REPUTATIONAL DAMAGE



Companies that fail to address or mitigate their environmental impact may be perceived as irresponsible or negligent.

This can tarnish a brand's reputation, especially among customers and financial institutions that prioritise sustainability.

A company involved in environmental destruction or seen as contributing to climate change can face backlash from stakeholders.

FINANCIAL LOSS



Climate-related events can cause direct financial loss by damaging assets and halting operations, thereby increasing operational costs.

The Group may also experience increased insurance premiums or find it harder to secure insurance if premises classified as high climate risk areas.

Additionally, prolonged extreme heat would increase energy costs to maintain the required temperature.

Investors may be unwilling to invest in companies exposed to high climate risks, which could affect the Group's ability to raise capital.

LOSS OF STAKEHOLDERS' TRUST



If a company is unable to effectively manage climate risks or causes environmental harm, customers may lose trust in the brand.

Investors are becoming more discerning about climate-related risks and if a company fails or takes insufficient action to mitigate them, investors might pull their funds or choose not to invest.

GOAL 3: ACHIEVING OPERATIONAL ECO-EFFICIENCY

BCM ROLES

By integrating CRA into its BCM framework, the Group is better positioned to anticipate, prepare for, and respond to climate-related disruptions, thereby safeguarding business continuity and supporting long-term sustainability.

For FY2025, the CRA review was completed across all six logistics and distribution centres in Malaysia and 38 operational sites in Indonesia. In addition, other BCM initiatives undertaken during FY2025 included a comprehensive review of BCP documents and the completion of BCP testing across all six logistics and distribution centres in Malaysia. Going forward, the Group will extend BCP document development and BCP testing to its Indonesia operations.

BCM therefore plays a critical role in climate risk management by enhancing the Group's preparedness and response capabilities in addressing climate-related disruptions. Key roles of BCM include the following:

EMBEDDING BCM IN THE ORGANISATION'S CULTURE



RISK IDENTIFICATION AND ANALYSIS

BCM involves identifying climate-related risks, including extreme weather events, sea-level rise, earthquakes, and temperature fluctuations to better understand organisational climate risk exposure.



BUSINESS IMPACT ANALYSIS (BIA)

BCM includes conducting a BIA to assess the potential impact of climate-related disruptions on critical business functions. This analysis helps prioritise resources and develop strategies to mitigate these impacts.



BC ADAPTATION STRATEGIES

BCM encourages the development of climate adaptation strategies, including relocating facilities, investing in resilient infrastructure, and diversifying supply chains, while supporting flexible work arrangements.



CONTINUOUS MONITORING AND REVIEW

BCM entails continuous monitoring of climate risks and periodic reviews of the BCM plan to ensure its ongoing effectiveness. This enables the organisation to stay prepared for evolving conditions and emerging threats.



STAKEHOLDER ENGAGEMENT

BCM promotes engagement with stakeholders, including employees, customers, suppliers, and regulators, to enable a coordinated response to climate risks and strengthen overall organisational resilience.

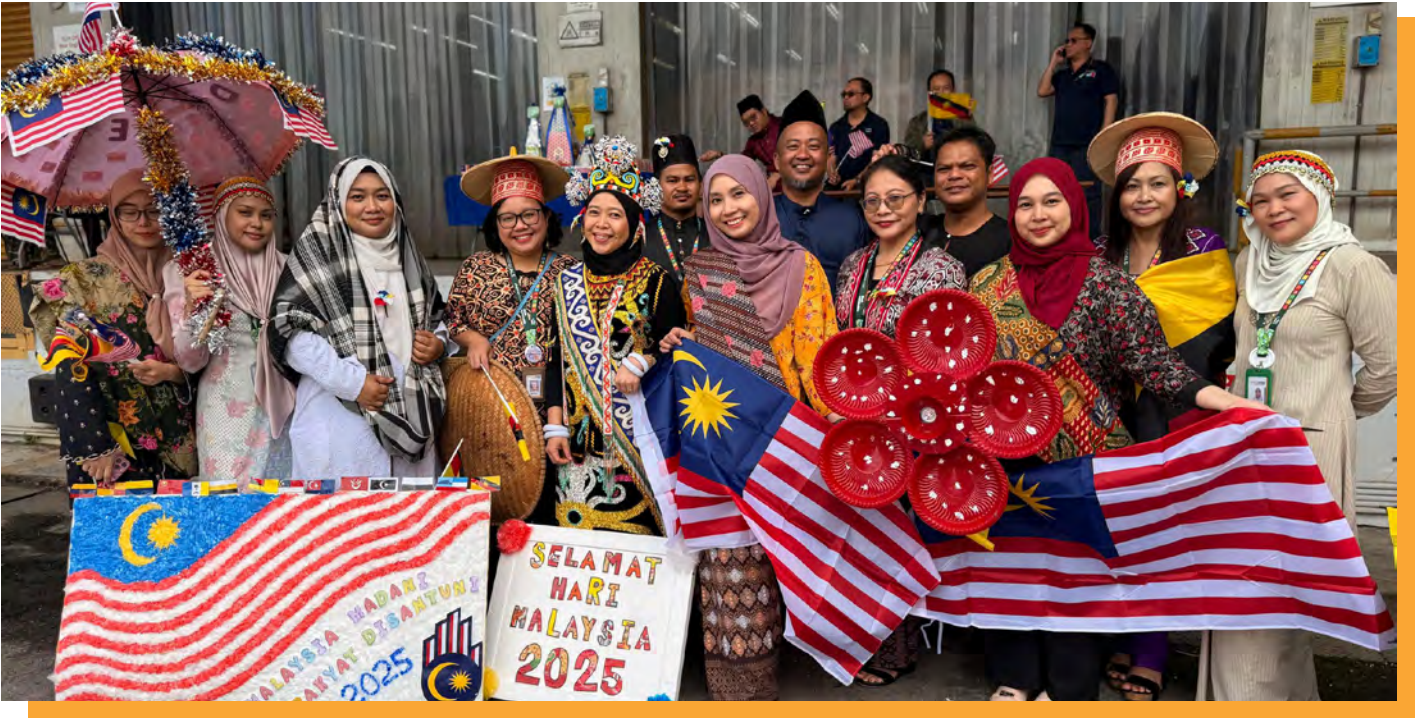
GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

GOAL 4 CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

Creating a sustainable, high-performance culture requires continuous commitment and remains a significant priority for the Group. We strive to foster an environment that consistently supports high productivity aligned with organisational goals, while safeguarding employee well-being and development.

Goal 4 focuses on protecting fundamental human rights and ensuring the health and safety of our employees and stakeholders. Through fair and decent work, equitable income, and opportunities for growth, this goal aims to empower employees to reach their full potential while attracting, developing, motivating, and retaining talent whose skills and capabilities support long-term organisational success.

Mapping to Our Sustainable Business		
Material Matters:	Key Risks:	Outcomes:
M9 Talent Management M10 Health & Safety	R1 Geopolitic Risk R4 Strategic Risk R8 People Risk R9 Legal and Regulatory Risk	SDGs  Supporting B+HR - Labour rights (fair wages, fair working hours) - Right to safe and healthy working conditions - Freedom from discrimination and harassment - Right to equal opportunity and development



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

POLICIES AND COMMITMENTS

The Group has implemented human rights policies and preventive measures to promote the fair and equitable treatment of employees and stakeholders across all operations, including Indonesia. These policies are publicly and internally accessible, communicated in English and Bahasa Malaysia, and supported by established grievance channels introduced during employee induction.

Gender Diversity Policy

Sexual Harassment Policy

Work From Home Policy

Workplace Bullying Policy

Safety and Health Policy

Employee Code of Ethics and Conduct

Elimination of Child Labour

Elimination of Slave Labour

Elimination of Excessive Working Hours

Recruitment of Disabled Employees

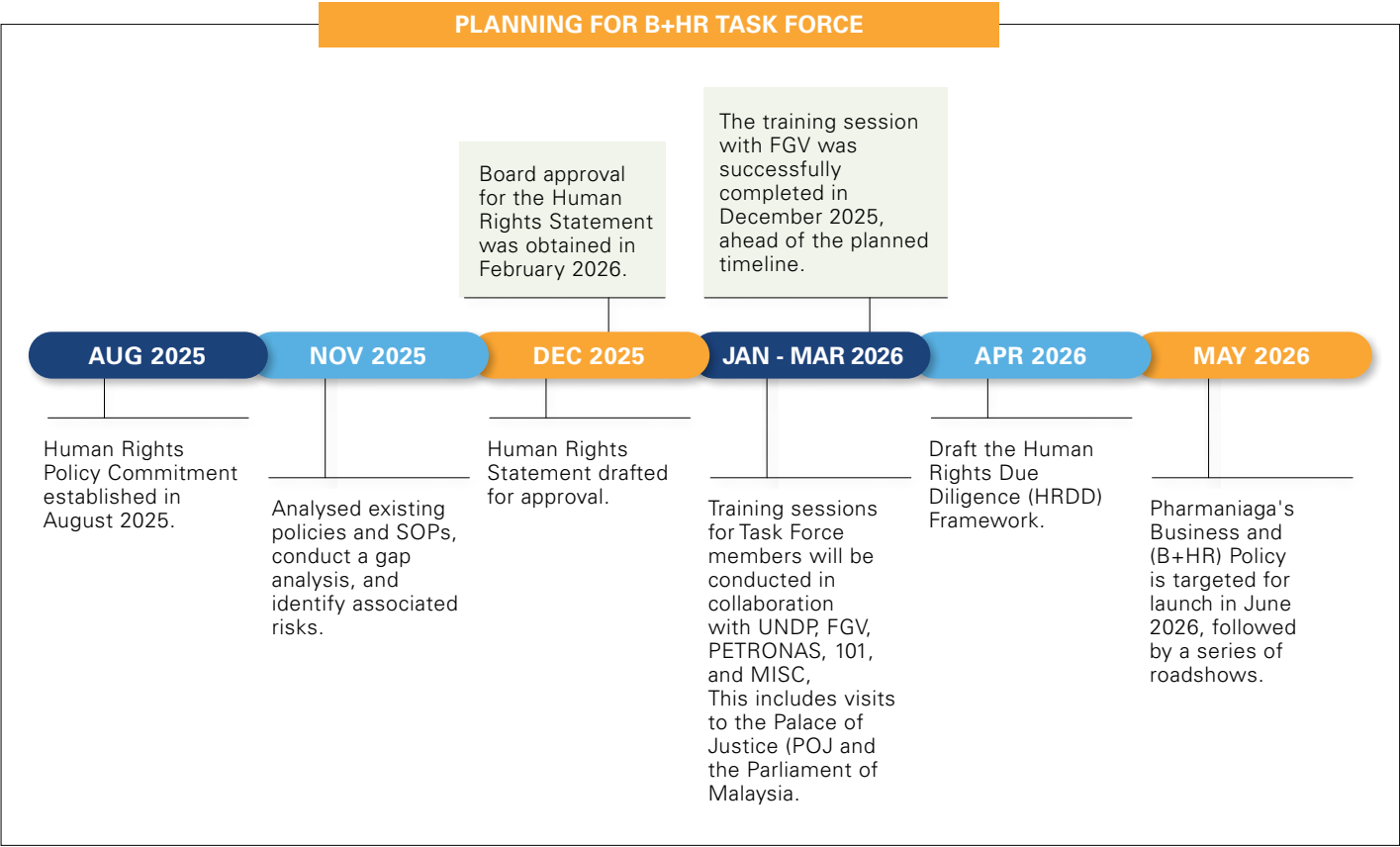
Right to Freedom of Association

Employment of Underprivileged Groups

Human Rights Policy
(Under Development)

The B+HR Task Force, comprising representatives from 16 departments across six divisions, leads the development and integration of the Group’s Human Rights Policy across operations and business partners. Its responsibilities include conducting gap analyses, identifying human rights risks, developing the Human Rights Statement and HRDD Framework, strengthening contractual clauses, and ensuring cross-functional alignment.

The policy statement was signed in February 2026, and the Task Force is undergoing structured training and stakeholder engagement to support its formal launch and implementation in June 2026.



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

M9 TALENT MANAGEMENT

The Group fosters a performance-driven, people-centric culture by recognising employee rights and contributions through fair and equitable reward practices and by supporting continuous capability development aligned with business strategy and employee aspirations.

LEARNING AND DEVELOPMENT FRAMEWORK

We have implemented a structured learning and development framework to ensure workforce capability for current and future roles, supporting organisational competitiveness and leadership continuity. Programmes focus on job-relevant technical skills, soft skills, and leadership development to strengthen accountability, behaviours, and management effectiveness. Educational advancement is supported through the Continual Education Programme (CEP), which provides assistance for employees pursuing tertiary qualifications to build long-term capability and internal talent pipelines.

Training conducted, and related training investments, are as shown below:

Compliance & Development	Develop employees' capabilities to perform their current and future work activities to remain competitive.
Soft Skills	Enhance employees' behaviours, attitudes, and aptitudes to fulfil their current roles, embed accountability, and develop leadership potential.
Continual Education Programme (CEP)	Provide educational support to employees who wish to pursue tertiary education.

Key Initiatives and Progress

In FY2025, workforce capability was strengthened through structured learning and leadership initiatives, including the launch of PharmaLead in August 2025, a structured succession programme covering 235 high-potential talents. The programme serves as a key mechanism for identifying critical talent and ensuring future leadership continuity.

In addition, Hack the Future 2025 was implemented to drive innovation-led growth. The initiative enables employees to develop scalable business ideas and solutions aligned with the Group's future growth direction, with a targeted revenue potential of RM50 million by 2030.

Hackathon Highlights

107
participants

7 shortlisted
out of 24 proposals

6 final projects
progressing to the final stage

Targeted Revenue
RM50 million
by 2030



These initiatives supported leadership readiness, functional skill development, and long-term organisational sustainability. Talent and succession planning were enhanced through Position-to-Competency mapping and competency-based assessments, improving visibility into internal talent and enabling targeted development planning to reinforce leadership continuity.

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

SUBSIDIARY-LEVEL CAPACITY BUILDING

At PT Eritta, two female employees from the Human Resources and Supply Chain functions participated in capacity-building initiatives by pursuing Bachelor's degrees in Management.

At PLS, capability building focused on operational and safety competencies through sponsorship for Chargeman Competent Person certification, Safety and Health Officer (SHO) training, and the nomination of five employees for Lean Six Sigma Green Belt certification.

Training Investment (RM)		
	In-House Training	External Training
2023	RM301,822	RM586,656
2024	RM1,155,199	RM802,774
2025	RM740,723	RM670,793

PERFORMANCE REVIEW AND SUCCESSION PLANNING

A structured communication platform enables employees and management to identify training needs through one-to-one performance reviews, with agreed development actions embedded into individual Performance Management Systems (PMS). This process supports continuous development, strengthens employee engagement and retention, and guides the implementation of the Management Development Programme (MDP) in line with the Group's talent and succession planning framework.

PMS Evaluation		
Gender	% Completed Evaluation	The PMS evaluation completion shows balanced participation across genders, with male employees accounting for 51.77% and female employees 48.23% of completed evaluations, broadly reflecting the Group's overall workforce composition.
Female	48.23	
Male	51.77	

RECRUITMENT CHANNELS

The Group HR and its subsidiaries adopt a multi-channel recruitment approach to attract diverse talent.

Social Media Platforms

The Group leverages digital platforms such as LinkedIn, Facebook, Indeed, BrioHR, and Instagram to share job vacancies, company updates, and employer branding content, enabling broader outreach to potential candidates.

Networking and Industry Events

Participation in networking sessions, industry conferences, and professional association meetings enables the Group to connect with experienced professionals and strengthen relationships within the healthcare and pharmaceutical ecosystem.

Recruitment Companies

For highly specialised and senior leadership roles, the Group collaborates with established recruitment agencies to access niche expertise and executive talent.



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

BENEFITS AND REMUNERATION

We believe that nurturing our employees' needs and welfare will improve their overall well-being, increase productivity, and foster a shared commitment to the Group's success. We comply with all statutory and regulatory benefit requirements during employment and retirement. The Group's remuneration is benchmarked against industry peers and living standards, structured above the minimum wage, and aligned with internal equity. We also advocate for equal pay and equal work. Male employees are granted paternity leave, and female employees are entitled to 98 consecutive days of paid maternity leave, including off-days, rest days, and public holidays, as defined in the Employment Act 1955. This approach reflects our commitment to providing fair, responsible, and sustainable compensation that supports employees' basic needs and overall well-being.

Additionally, we honour employees who have worked with the company for 10 to 35 years with the Long Service Award for their loyalty, contributions, and commitment.

Employee Benefits

Financial Assistance	Leave Support
• Car loan interest subsidy* • Medical benefits • Employee insurance (Group Term Life & Group Personal Accident Insurance) • Tuition subsidies (dependent children) • Higher education entrance subsidies (dependent children) • Retirement gifts • 15% EPF employer contribution after 2 years of service • Bereavement donations • Childbirth assistance • Celebratory cash or gifts for an employee's first marriage	• Birthday leave • Marriage leave • Paternity leave • Maternity leave • Compassionate leave • Hajj and pilgrimage leave • Special leave
	Well-Being Support
	• Flood relief assistance • Flexible working hours • Work-from-home (WFH) • Fruit baskets for hospitalised employees

* Additional benefits at the Indonesia site

EMPLOYEE ENGAGEMENT

At Pharmaniaga, employee engagement is viewed as fundamental to strengthening governance and driving sustainable value creation. The Do It Right Always (DIRA) campaign, launched in 2018 and originally established to promote compliance, was rebranded in 2023 to serve as a platform for employee engagement and the embedding of ESG values across the organisation.

In 2025, the Group organised various employee engagement initiatives under the DIRA campaign, including the Eid-al-Fitr office decoration contest, ESG lanyard distribution, Governance Day, Chinese New Year "Snap & Win" contest, and Deepavali Kolam design contest, among others.



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

SAFEGUARDING HUMAN RIGHTS

Pharmaniaga recognises the importance of incorporating human rights, social responsibility, and sustainability issues into our business operations. We believe that human rights are universal and serve as a moral compass in pursuing our goals. Therefore, we treat our stakeholders equitably and do not discriminate against our employees or stakeholders on the basis of age, gender, ethnicity, religion, disability, or nationality. We abide by the Employment Act 1955 and all relevant labour laws, and we strive to embed fair labour practices across our business operations in the countries where we operate.

National Laws	International Guidelines
▶ Employment Act 1955 (Act 265)	▶ Children's Rights to Good Health and Education
▶ Children and Young Persons (Employment) Act 1966 (Act 350)	▶ International Bill of Rights
▶ Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446)	▶ UN Guiding Principles on Business and Human Rights
▶ Anti-Trafficking in Persons and Anti-smuggling of Migrants Act 2007 (Act 670)	▶ OECD Guidelines for Multinational Companies

The Group targets zero incidents of labour practice and human rights violations and maintained this performance in 2025 on a year-on-year basis. To further institute human rights across the Group, we adhere to national laws and regulations, as well as commit to the following international guidelines:

Number of substantiated complaints concerning human rights violations

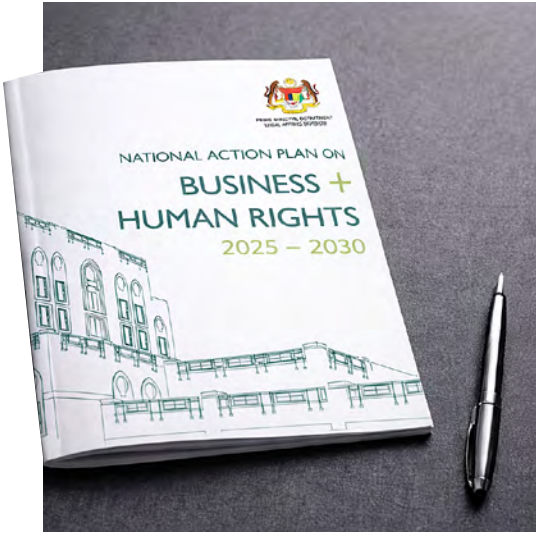
FY2023
FY2024
FY2025

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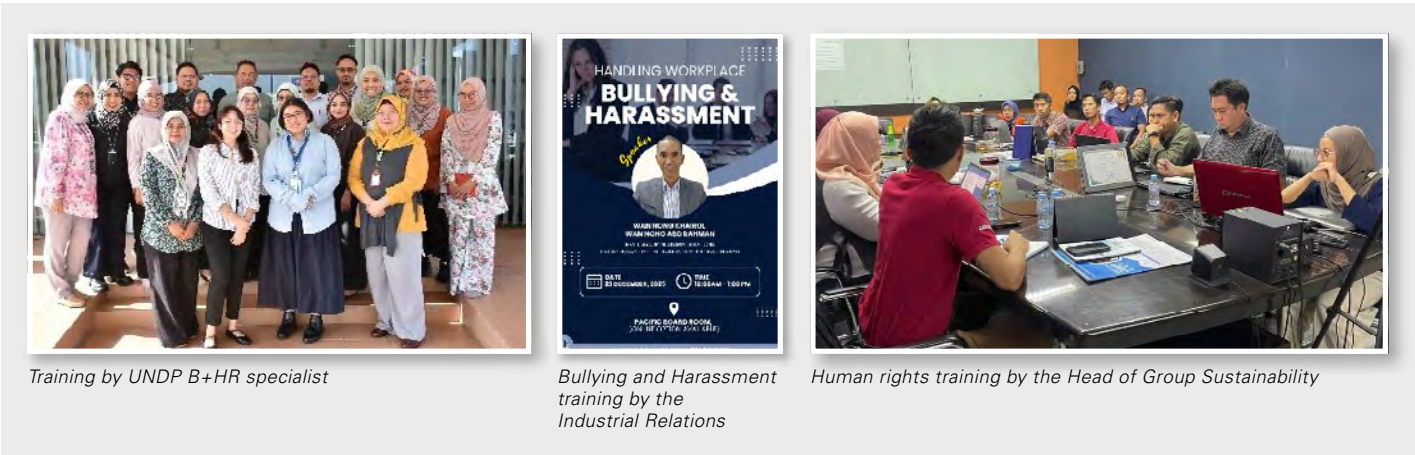
These commitments guide our policies, risk management, and operational practices to respect and protect human rights across our workforce, supply chain, and the communities where we operate.

During the year under review, Pharmaniaga advanced the development of its Business and Human Rights (B+HR) Policy as part of its commitment to responsible business conduct and to alignment with the National Action Plan, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Bill of Human Rights, and applicable national regulations. A formal Human Rights Policy commitment was established in August 2025, supported by a structured implementation roadmap involving cross-functional departments, with a full policy rollout targeted for June 2026.

The policy and its supporting procedures will be translated into Bahasa Malaysia and Bahasa Indonesia to enhance accessibility, understanding, and effective implementation among relevant employees and stakeholders across the Group.



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE



Human Rights Training

Key progress achieved as at December 2025 includes the refinement of the Human Rights Policy statement following cross-functional Task Force consultation and the development of proposed human rights clauses for incorporation into contractual arrangements, including the supply chain, and the integration of human rights requirements into relevant policies and Standard Operating Procedures (SOPs).

To ensure the Group consistently achieves zero incidents of labour practice and human rights violations, we have planned structured training based on the B-HR risk assessment. In FY2025, targeted human rights training and capacity-building programmes were delivered to employees in Malaysia and Indonesia. Such training programmes are also targeted to include value chain partners. The programmes on bullying and harassment prevention and general business and human rights (B-HR) awareness were delivered by a UNDP B+HR specialist and reached 52 participants in Malaysia and Indonesia.

The training included dedicated modules for managers on formal grievance mechanisms and the effective handling, escalation, and resolution of grievance reports, including cases of bullying and harassment. These measures support timely access to remedy, strengthen management accountability, and promote consistent grievance handling in line with the Group’s human rights and workplace conduct standards.

Collectively, these initiatives support the effective implementation of the Group’s human rights commitments, enhance governance and oversight of human rights risks across operations and the value chain, and drive continuous improvement in social sustainability performance.

Modern Slavery and Child Protection

In line with Malaysia’s commitments under the Convention on the Rights of the Child, the Group upholds the Children’s Rights and Business Principles, ensures the safety of children’s medicines, and maintains robust age-verification processes. The Group complies with the Children and Young Persons (Employment) Act 1966. The Group strictly prohibits child labour and employs only workers aged 18 and above in its Malaysian and Indonesian operations, in line with applicable local labour laws and international minimum age standards. Compliance is monitored through standard recruitment and verification procedures to mitigate child labour risks across operations, and the company has recorded no child labour incidents since its inception.

We strive to eliminate modern slavery or forced labour when hiring foreign workers by adhering to the Anti-trafficking in Persons and Anti-Smuggling of Migrants Act 2007 and the Employees’ Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446).

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

Freedom of Association & Collective Bargaining

The Group respects and upholds employees’ rights to freedom of association and collective bargaining, in compliance with the Industrial Relations Act 1967 and the Trade Unions Act 1959. These rights are embedded in the Employee Handbook and relevant Company policies.

In 2025, 9.75% of employees were covered by a Collective Agreement. The Group reviews and revises its Collective Agreements every three years to support constructive industrial relations, maintain a safe and healthy workplace, support employee development and maintain a harmonious long-term working relationship with unionised employees.

The union representatives conduct quarterly site visits and engagement sessions with employees as required. As at year end, the Seri Iskandar site was in the collective agreement negotiation phase, while negotiations at the Sungai Petani site remain ongoing following the formal recognition of the union, National Union of Employees in the Pharmaceutical Industry of Malaysia (NUPCIW), on 3 December 2024.

Employees who are not covered by Collective Agreements receive reasonable working conditions, and terms of employment as stated in the Employee Handbook include prescribed rules, benefits, and salary ranges and structures.

	2023	2024	2025
No. of Union members	237	223	202
% of Union members out of the total number of employees	11.79	11.17	9.75
% of Union members out of the total number of non-executives	22.51	21.80	19.84
Note: Only employees in Malaysia are union members			

The gradual decline in union membership as a percentage of total employees over FY2023–FY2025 reflects changes in workforce composition, including increased hiring in executive and professional roles and a greater reliance on individual employment contracts. Despite this trend, the Group continues to respect employees’ rights to freedom of association and maintains constructive engagement with union representatives. The Group remains committed to providing fair and equitable employment conditions for both unionised and non-unionised employees through established policies, structured remuneration frameworks, and transparent employee engagement mechanisms.

ATTRITION RATE AND RETURN TO WORK

The Group recorded an overall improvement in workforce stability in 2025, particularly in Malaysia.

Workforce Attrition Rates (%)			
Country	2023	2024	2025
Malaysia	22.18	12.26	9.13
Indonesia	15.42	18.57	14.98

100%
return to work
after 12 months
of parental leave

The downward trend in 2025 demonstrates the Group’s continued commitment to talent retention, employee well-being, and organisational stability across key markets. Meanwhile, return-to-work outcomes following parental leave remained strong, with a 100% return rate recorded in FY2023 and sustained performance in FY2024 and FY2025.

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

DIVERSITY AND INCLUSION

We make hiring and promotion decisions based on merit and do not discriminate against employees regardless of age, gender, ethnicity, religion, disability, or nationality. Among the diverse groups that enrich our workforce are hiring People with Disabilities (PWDs). We have also enhanced the Work-from-Home (WFH) policy to better support mothers who need to care for their children.

EQUAL WORK AND PAY

At Pharmaniaga, entry-level executive salaries and remuneration are determined by job role, qualifications, competencies, and market benchmarks, without differentiation by gender. Male and female employees in comparable entry-level executive positions receive equal remuneration for equal work, in line with the principle of pay equity. The Group regularly reviews its compensation structure to ensure fairness, consistency, and competitiveness, reinforcing its commitment to gender equality and non-discriminatory remuneration practices.

In 2025, there were zero reported incidents of discrimination among employees. We recognise the importance of having diverse representation in our leadership. In light of the need to improve the number of women in prominent roles, the Sustainability Board Committee and the company will take the necessary measures to ensure that at every possible event, diversity will be accounted for in the appointment of Board members and employees as part of our effort to achieve 30% ratio objective set by the Malaysian Code on Corporate Governance (MCCG). We are currently at 30% (calculated based on the full Board, excluding alternate directors).

For detailed disclosure regarding employee diversity performance data, refer to the Pharmaniaga website or Prescribe Table (page 98-103) and Performance Table (104-115).

% of Directors by Ethnicity	2023	2024	2025
Malay	88.90	83.40	90.00
Chinese	0.00	0.00	0.00
Indian	0.00	0.00	0.00
Other Ethnic Minorities	11.10	8.30	10.00
Non-Malaysian	1.00	8.30	0.00

Number and % of Employees by Ethnicity	2023		2024		2025	
	Number	%	Number	%	Number	%
Malay	1,771	50.44	1,766	50.89	1845	52.15
Chinese	66	1.88	68	1.96	69	1.95
Indian	85	2.42	80	2.31	79	2.23
Other Ethnic Minorities	78	2.22	75	2.16	79	2.23
Non-Malaysian	1,511	43.04	1,481	42.68	1466	41.44
Total	3,511	100.00	3,470	100.00	3538	100.00

Employment Type	2023		2024		2025	
	Number	%	Number	%	Number	%
Permanent	3,085	87.87	2967	85.50	3149	89.00
Fixed term/Temporary	426	12.13	503	14.50	389	11.00
Total	3511	100.00	3470	100.00	3538	100.00
Employees with Disability	4	0.11	4	0.12	3	0.08

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

M10 HEALTH AND SAFETY

The Group is committed to achieving zero fatalities and year-over-year improvement in the Lost Time Injury Rate (LTIR) by strengthening hazard identification, enhancing safety controls, and fostering a strong safety culture through continuous training, monitoring, and preventive measures.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Group implements a comprehensive Occupational Health and Safety Management System (OHSMS). The OHSMS provides a structured framework for identifying, assessing, controlling, monitoring and reporting workplace health and safety risks. The standard guides consistent implementation across business units and supports high safety standards throughout procurement, manufacturing, storage, and distribution activities, serving both public and private healthcare sectors.

The Group's Health and Safety Policy outlines commitments across planning, implementation, operation, audit, and review processes. Key elements include leadership accountability, worker participation, hazard identification and risk assessment, compliance with legal and regulatory requirements, emergency preparedness, incident investigation, and continual improvement to strengthen workplace safety performance.

HEALTH AND SAFETY POLICY

Our commitments:

- ▶ Identify hazards and risks and eliminate them wherever possible.
- ▶ Continually improve performance and fulfil regulatory and stakeholder requirements.
- ▶ Inculcate a safety and health culture via awareness, training programmes, consultations, and participation of all stakeholders and related parties.

The Group
4 manufacturing
and
7 logistics centres
are certified
ISO 45001:2018

HEALTH & SAFETY GOVERNANCE

In line with the Group's commitment to safeguarding employee well-being, the Safety, Health and Environment (SHE) Committee provides oversight of workplace health and safety matters. The Committee convenes quarterly meetings to review and discuss health and safety performance, including incidents, accidents, and emerging risks.

Issues raised by both employer and employee representatives are formally tabled to the SHE Committee Chairperson and are reviewed and addressed through structured discussions, ensuring appropriate follow-up actions and continuous improvement in workplace safety governance.

- 1 Reports of hazards to SHE Committee
- 2 Registration of hazards in Internal Hazards Form
- 3 Identification and communication of hazards solution with the relevant department for necessary actions
- 4 A follow-up measure to ensure the hazards no longer pose a risk
- 5 Mitigation action has been resolved



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

HIRARC

The Group conducts Hazard Identification, Risk Assessment and Risk Control (HIRARC) / Hazard Identification, Risk Assessment and Determining Control (HIRADC) assessments prior to the commencement of work at all operational sites to identifying, assessing, controlling, monitoring and reporting potential health and safety risks. Employees are required to promptly report identified hazards to the SHE Committee for further assessment.

The SHE Committee manages reported hazards in accordance with the hierarchy of controls, ensuring that risks are addressed systematically and effectively. These measures are implemented to provide a safe, healthy, and conducive working environment for all employees.

HEALTH AND SAFETY INCIDENT REPORTING AND PREVENTIVE MEASURES

The Group maintains a structured health and safety incident reporting framework to ensure that all incidents, near misses, and unsafe conditions are promptly reported, recorded, and investigated. Employees are encouraged to report incidents immediately to their supervisors or the SHE Committee to enable timely assessment and response.

Reported incidents are subject to root cause analysis, with corrective and preventive actions implemented in accordance with the hierarchy of controls. Lessons learned from investigations are communicated across relevant sites, and risk assessments, procedures, and training programmes are updated to prevent recurrence. Through continuous monitoring, follow-up, and review, the Group strengthens workplace safety performance and fosters a proactive safety culture.

TRAINING PROGRAMMES

The Group ensures that employees participate in ongoing health and safety training programmes throughout the year. These programmes are designed to enhance awareness, strengthen competency, and keep employees informed of current best practices and applicable regulatory requirements related to workplace health and safety.

Safety Spotlight

Climate Emergency Response & Preparedness Drill

Following the tornado incident, the Company conducted an emergency response drill at the Indonesian site to strengthen preparedness.

The natural disaster simulation involved 208 employees, including security, Fire Response, and First Aid teams, and covered alarm activation, evacuation, fire suppression, and first aid procedures. Full accountability was achieved with a maximum evacuation time of 3 minutes and 20 seconds.

These training programmes are supported by site facilities, including the newly built convention hall at the MPI Indonesia site (soft opening: 12 July 2025), which provides a centralised location for large-scale employee training, internal meetings, and company events.

Case Study

PMB HIRARC Assessment

A HIRARC identified excessive noise levels at PMB Energy Centre 1 arising from nearby boilers and air compressor systems. Audiometric testing indicated abnormal hearing conditions among several boilermen. As a corrective measure, a dedicated Boilerman Room with an acoustic-controlled environment was constructed to minimise prolonged noise exposure, reduce occupational health risks, and prevent hearing impairment.

Training is structured into the following categories:

General Programmes: Covering mandatory regulatory and statutory requirements applicable across the Group.

Site-Specific Programmes: Tailored to location-specific and job-related hazards, including risks such as noise exposure, cutting and machinery-related injuries, manual handling, and other operational hazards identified through risk assessments.

Health Check Programmes: Occupational health surveillance programmes to protect employee well-being and enable early detection of work-related health risks. These include audiometric testing for employees exposed to noise hazards, health monitoring for employees handling or exposed to chemicals, and ergonomic assessments to detect potential adverse health effects at an early stage.

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

Health and Safety Data

Health & Safety: Number of employees trained on health and safety standards		
Period	Total Number of Employees	Total Number of employees trained on health and safety standards
2023	2,006	759
2024	1,993	919
2025	3,538	1,236

Employee Health and Safety Performance	2023	2024	2025
Frequency Rate	2.79	1.77	2.65
Lost time injury frequency rate (LTIFR)	1.54	1.77	2.35
Lost time incident rate (LTIR)	0.31	0.35	0.47
Accident Rate	5.70	3.46	5.12
Fatality	0	0	0

LTIR is calculated by dividing the total number of accidents resulting in LTI by the total number of hours worked at the end of the reporting period * 200000

The Group recorded one contractor accident case. No fatalities were reported for either employees or contractors. In addition, three cases of occupational ill health were recorded during the year.

EMPLOYEE WELLBEING

While economic indicators remain important measures of quality of life, they do not fully reflect overall employee well-being. In today’s work environment, well-being extends beyond financial security to encompass a holistic work-life balance that addresses employees’ personal, physical, emotional, social, and professional needs.

In support of this, the Group has reviewed and enhanced its employee benefits to promote a healthier work-life balance. These include leave entitlements for marriage, paternity, maternity, bereavement, and religious observances, as well as the introduction of flexible working hours and Work-from-Home (WFH) arrangements, where operationally feasible.

Well-being Programmes

Employee Social and Sports Activities

The Group also encourages social connection and teamwork by organising sports and social activities, providing employees with opportunities to network, strengthen relationships, and foster team spirit. Mental well-being is supported through various workshops and seminars such as “Your Mind Matters” and “Stress Management: Building a Resilient Mind – A Guide to Mental Wellness” and relevant apps such as DASS -21 survey, PlusVibes. These initiatives aim to support employee mental health and well-being, with 24/7 access offered.



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMANCE WORKFORCE

QESHA Week

In line with observed trends in employee health and safety performance, Pharmaniaga has actively organised a series of QESHA events across various locations to raise awareness, strengthen knowledge, and promote safe workplace practices among employees. These initiatives focus on integrating safety, health, environmental, and quality practices into daily operations, encouraging participation, and reinforcing a culture of care and compliance. Activities included audiometry testing, Noise Conservation Training, chemical spillage control training, health screenings, safety quizzes, and interactive safety games.

During QESHA Week, the subsidiaries' manufacturing sites engaged key stakeholders, including Universiti Kuala Lumpur, the Malaysian Armed Forces, Safetyware Solution, the local fire department, and the Social Security Organisation (PERKESO).



CHALLENGES

As the Group grows and workforce composition evolves, maintaining consistent implementation of human rights, safety, and people management practices across multiple sites and jurisdictions remains a key challenge. Balancing operational demands with enhanced training, engagement, and safety performance improvement, particularly in light of fluctuating injury rates and changing union representation, requires sustained leadership focus and resource allocation. In addition, strengthening supply chain human rights oversight, increasing diverse representation at senior levels, and sustaining low attrition amid a competitive talent market will require ongoing collaboration, capability building, and robust governance mechanisms.

OUTLOOK

The Group will continue strengthening its people-centric culture by embedding the Human Rights Policy, enhancing HRDD processes, and investing in leadership development, employee well-being, and safety performance across all operations. Focus remains on sustaining low attrition, achieving zero human rights violations and fatalities, and maintaining diverse and inclusive representation in line with governance commitments.

GOAL 5: BUILDING A BETTER SOCIETY

GOAL 5 BUILDING A BETTER SOCIETY

Achieving a truly sustainable society requires strategies grounded in strong social responsibility. Goal 5 focuses on managing sustainable impacts across the supply chain and within the communities where we operate, to support inclusive and sustainable economic growth. This goal reflects our responsibility to leave no one behind, in line with the transformative promise of the SDGs.

Mapping to Our Sustainable Business		
Material Matters:	Key Risks:	Outcomes:
M11 Supporting Local Businesses M12 Corporate Responsibility	R3 Customer, Product and Service Risk R4 Strategic Risk R6 Environmental Sustainability Risk R8 People Risk R10 Climate Risk	SDGs 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 Supporting B+HR • Labour rights (fair wages, fair working hours) • Right to safe and healthy working conditions • Freedom from discrimination and harassment • Right to equal opportunity and development



GOAL 5: BUILDING A BETTER SOCIETY

M11 SUPPORTING LOCAL BUSINESSES

Local businesses form the backbone of regional economies by generating employment, fostering innovation, and sustaining vibrant communities. Guided by this objective, we advance Goal 5 by enhancing the livelihoods of our communities and suppliers. Through programmes that upskill local vendors and suppliers, we expand their business opportunities and support the creation of resilient jobs. Beyond economic impact, our support for local businesses also contributes to broader community development in health, education, and social welfare.

LOCAL PURCHASING

We prioritise local vendors wherever possible; however, when materials or services are unavailable locally, we engage foreign suppliers to ensure operational continuity and quality standards. In FY2025, 81% of total procurement spend was sourced from local suppliers, compared to 80% in FY2024 and FY2023. This growth reflects our ongoing commitment to strengthening the local supply chain and ensuring that our procurement activities continue to contribute significantly to the domestic economy.



Indicator	2023	2024	2025
Total procurement spend all suppliers	RM1,983,076,500	RM2,618,110,206	RM2,828,640,530
Total procurement spend on local procurement	RM1,590,921,162	RM2,087,753,505	RM2,291,594,054
Local procurement spend (%)	80%	80%	81%

VENDOR DEVELOPMENT PROGRAMME (VDP)

Our VDP supports the Ministry of Health’s (MOH) agenda to strengthen Malaysia's pharmaceutical industry by helping vendors enhance their capabilities and secure public grants for initiatives such as manufacturing innovative local equipment. Pharmaniaga aspires to enable local vendors to acquire the knowledge and competence to compete with foreign counterparts in terms of services and product offerings. To this end, we have implemented initiatives to upskill our homegrown suppliers, with the aim of further expanding their business opportunities.

The VDP strategically supports Bumiputera pharmaceutical manufacturers through two key focus areas:

- ▶ Skim Anak Angkat (SAA): A mentorship-based programme to develop and nurture Bumiputera vendors.
- ▶ Skim Panel Pembuat Bumiputera (SPPB): A panel system to ensure priority procurement from qualified Bumiputera manufacturers.

GOAL 5: BUILDING A BETTER SOCIETY

In 2025, we have completed the following programmes under VDP

Programme	Objective	Output
Geran Inovasi & Pengkomersialan Vendor (GIPV)	Support local VDP vendors in business growth through innovation and commercialisation funding	3 vendors applied for the grant 1 vendor was awarded the grant
Program Pembangunan Kapasiti & Keupayaan Vendor (PPKV)	Enhance local vendors' capacity and capability to support sustainable business growth, market expansion and participation in the national vendor development programme.	14 vendors participated 14 vendors were successfully awarded upon completion and evaluation
Vendor Capacity Building & Training Programme	Strengthen vendor competencies and readiness to meet quality, regulatory, governance, and operational requirements while supporting long-term sustainability	6 training sessions conducted 21 vendors trained

ESG IN THE SUPPLY CHAIN

In response to evolving sustainability risks, regulatory and stakeholder expectations, we apply strengthened environmental and social due diligence standards across our supply chain to assess performance, mitigate risks and improve transparency.

Human Rights

The Group integrates human rights requirements into supplier contracts and applies human rights screening as part of its vendor vetting and onboarding processes. Suppliers and vendors are required to acknowledge and commit to the Group’s Human Rights Policy, thereby supporting risk-based due diligence, accountability, and continuous improvement of human rights practices across the value chain.

In parallel, and in line with the Group’s commitment to human rights and inclusive healthcare, Pharmaniaga supports initiatives that enhance accessibility to medicines for vulnerable and underserved groups, including persons with disabilities. The adoption of Braille labelling on selected product packaging reflects the Group’s approach to embedding inclusivity considerations into product design and patient safety practices, contributing to equitable access to healthcare. Details of products with Braille labelling are disclosed under Goal 1 (Patient Safety, Access & Product Responsibility).

Animal Welfare and Ethical Medical Testing

In the year under review, the Group formalised its commitment to ethical animal testing, ensuring that all research and testing activities across the Group and its supply chain are conducted responsibly, transparently, and in compliance with applicable regulatory and ethical standards, with due regard for animal welfare and the prevention of cruelty.

ETHICAL ANIMAL TESTING & WELFARE COMMITMENT STATEMENT

Pharmaniaga is committed to responsible, ethical, and scientifically sound testing practices. We confirm that our generic pharmaceutical products do not undergo animal testing.

For biopharmaceutical products, certain animal studies are required by regulatory authorities to ensure product safety, quality, and efficacy. These tests are carried out at licensed and accredited external facilities, in compliance with Malaysian and international regulatory standards and animal welfare guidelines.

Pharmaniaga remains committed to upholding ethical research, minimising animal use wherever possible, and supporting the adoption of scientifically validated non-animal alternative methods.

GOAL 5: BUILDING A BETTER SOCIETY

Environmental Partnership

We collaborate closely with our suppliers and partners to strengthen environmental performance across our supply chain through responsible sourcing, clear sustainability expectations and continuous improvement initiatives.

In FY2025, the Group began introducing biodiversity-focused initiatives as part of its environmental sustainability efforts.

One such initiative is early-stage engagement with a non-profit organisation focused on social forestry and biodiversity conservation, aimed at supporting ecosystem restoration and creating positive socio-economic outcomes for local communities. As part of this initial engagement, the Group supported the programme by purchasing 300 bottles of sambal produced by an Orang Asli community participating in the initiative.

M12

CORPORATE RESPONSIBILITY

Pharmaniaga views the broader community, including local employees, businesses, local governments, and civil society, as key partners in building resilient and sustainable communities. To guide our contributions, we have formalised a Donation Policy that provides a clear framework for donations and sponsorships, reflecting our commitment to strong corporate governance and ethical corporate responsibility practices, including a strict prohibition on political donations.

OUR COMMUNITY FOCUS

Our corporate responsibility efforts focus on advancing community health, welfare and education while also addressing urgent community needs as they arise. In delivering these initiatives, we collaborate with various organisations to maximise positive impact. The breakdown of our corporate responsibility initiatives across our operations in Malaysia and Indonesia for the year under review is presented below.

Indicator	2023	2024	2025
Total amount invested in the community	RM3,628,684	RM2,948,464	RM1,312,658
Total number of beneficiaries reached	4,150	1,104	152,271

The increase in beneficiaries for FY2025 reflects a change in data collection. Previous reporting followed a one-to-one ratio between investments and beneficiaries. Current reporting now tracks the actual number of individual recipients reached, providing a more accurate representation of community impact despite the lower investment total.

With improving financial performance, the Group aims to scale up its community contributions, reinforcing its commitment to advancing community well-being and sustainable social impact.

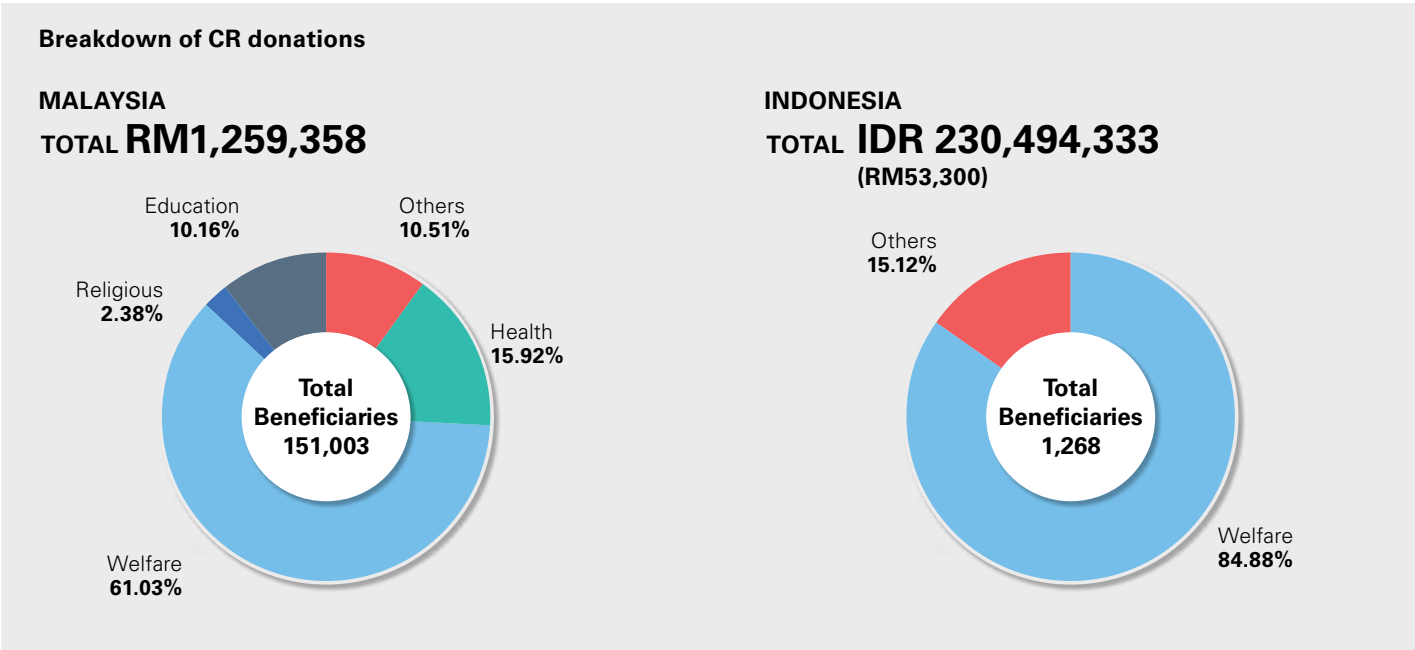
BIODIVERSITY AND NATURAL ECOSYSTEMS

Pharmaniaga is committed to protecting biodiversity and natural ecosystems.

We minimise the environmental impact of our operations, support conservation initiatives, collaborate with communities and partners, and promote sustainable resource management.

We strive to protect nature, strengthen ecosystem resilience, and contribute to long-term environmental well-being.

GOAL 5: BUILDING A BETTER SOCIETY



GOAL 5: BUILDING A BETTER SOCIETY

SKUAD OPERASI SIHAT (SOS) VOLUNTEER TEAM

As part of our commitment to deepening relationships with key stakeholders, Pharmaniaga partnered with the Armed Forces Fund Board (LTAT) for the *Minggu Bersama Pencarum 2025 Jelajah Utara*. This strategic initiative involved a roadshow across four northern army bases in Kedah, Perlis, Penang, and Perak, engaging approximately 10,000 personnel. A dedicated Skuad Operasi Sihat (SOS) team, comprising 36 volunteers from various Pharmaniaga sites, managed interactive booths, providing essential health screenings and corporate information. This participation successfully bolstered our brand presence and strengthened our connection with the military community.

Total number
of employee
volunteers:
172

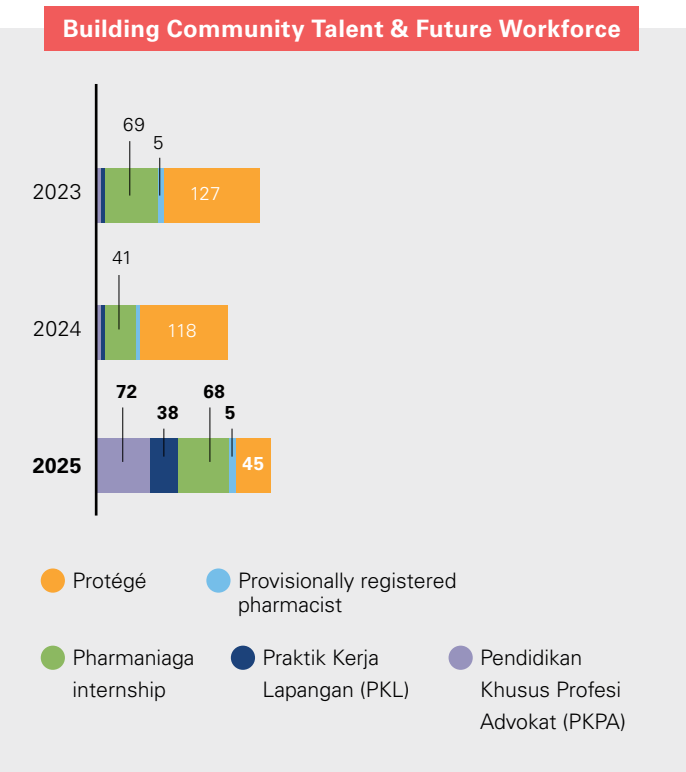
Beyond targeted stakeholder events, Pharmaniaga continues to foster a robust culture of social responsibility through its annual Blood Donation Drive, supporting national healthcare objectives. In 2025, our employees demonstrated high levels of engagement, with 136 employees successfully qualified as blood donors, directly contributing to the National Blood Bank’s reserves and reinforcing our commitment to community health and resilience.



INTERNSHIP PROGRAMME

The Group’s internship programme provides practical work experience to fresh graduates from various disciplines, particularly those aligned with the healthcare sector. Professional training and education for graduating entrepreneurs (Protégé) span multiple fields of study, while the internship programme for provisionally registered pharmacists is designed to build a sustainable talent pipeline for the healthcare industry.

During the year under review, the programme was expanded to include two mandatory Indonesian initiatives: *Praktik Kerja Lapangan* (PKL), an internship for vocational and university students, and *Pendidikan Khusus Profesi Advokat* (PKPA), a certification programme required for law graduates. The inclusion of these programmes ensures comprehensive reporting that reflects key academic and professional entry requirements in the Indonesian market.



GOAL 5: BUILDING A BETTER SOCIETY

CHILDREN’S RIGHTS TO GOOD HEALTH

The Group is committed to safeguarding children from exploitation and any form of work that may hinder their growth and development. This commitment is embedded in our core business practices, strategic social investments and philanthropy, advocacy efforts, and partnerships within the healthcare sector. In collaboration with industry peers, we are in the research and development stage of a six-in-one (hexavalent) combination vaccine for childhood immunisation, which supports the government’s National Immunisation Programme (NIP) through the group’s expansion into the biopharmaceutical segment.

Complementing these development efforts, Pharmaniaga continues to contribute to children’s health by supplying essential paediatric vaccines and immunisation-related products in line with national immunisation and public health programmes.

Product Category	Product Name	Indication / Use	Relevance to Children
Pneumococcal Conjugate Vaccine (PCV)	Pneumosil (PCV10)	Prevention of pneumococcal disease	Routine childhood immunisation
Varicella (Chickenpox) Vaccine	Skyvaricella	Prevention of chickenpox	Childhood immunisation
Hepatitis B Vaccine	Euvax B	Prevention of Hepatitis B infection	National childhood immunisation
Influenza Vaccine	Skycellflu	Prevention of seasonal influenza	May be administered to children and high-risk groups
Covid-19 Vaccine	Coronavac	Prevention of COVID-19	Subject to national immunisation guidance

These efforts support children’s right to health and access to essential medicines, in line with the Group’s Human Rights Policy and national public health priorities.

To strengthen medicine security and supply resilience, the Group adopts a phased strategy in which critical vaccines and medicines are first registered for trade, followed by progressive localisation through technology transfer and local manufacturing (including fill-and-finish and, where feasible, upstream production). This approach supports Malaysia’s long-term vaccine security, reduces reliance on imports, and enhances readiness to meet national childhood immunisation needs.

In parallel, the Group remains firm in its stance against child labour and actively promotes children’s rights to health and education. Our initiatives include maintaining orphanages, donating pharmaceutical products and sponsoring schools to improve access to essential healthcare and education for vulnerable children.

COMMUNITY HEALTH

In FY2025, the Group supported community health through preventive care and outreach initiatives, including corporate flu vaccination programmes across multiple sites as well as school outreach activities. These initiatives complement the Group’s broader efforts to promote healthier communities and strengthen public health resilience. The programmes were implemented in collaboration with healthcare professionals and partners, reinforcing Pharmaniaga’s role in supporting Malaysia’s preventive healthcare agenda.

Spotlight

Community Health & Outreach 2025 – Key Highlights

- Corporate Flu Vaccination conducted across 18 locations within Pharmaniaga and Boustead Group
- 1,655 participants registered
- 1,296 employees and partners vaccinated
- Programme period: 24 October – 17 December 2025

School Outreach Programmes

- Conducted in Langkawi and Cyberjaya
- Focused on promoting health awareness and preventive care among students

GOAL 5: BUILDING A BETTER SOCIETY

EMERGENCY & PUBLIC HEALTH READINESS – MEDICINE SECURITY

The Group supports national public health preparedness and emergency response by strengthening medicine security and ensuring continuity of supply for critical therapies. In response to concerns over insulin availability in Malaysia, Pharmaniaga has actively participated in national procurement processes, including tender participation to supply human insulin products on behalf of the Ministry of Health. Through process validation, expansion of its insulin programme and participation in government tenders, the Group is working to secure sustainable sources of essential diabetes treatment, contributing to improved access and stability of supply for patients in need.

WATER STEWARDSHIP

Pharmaniaga is committed to responsible water management and ensuring that water resources are used efficiently and sustainably across its operations.

In Indonesia, PT Errita integrates community considerations into its water management practices by providing two water outlets at its main gate for access by surrounding communities, alongside the use of groundwater for production operations. This initiative supports daily water needs of nearby residents while reflecting the Group’s commitment to responsible water stewardship and positive community impact.



MEDIDROP: SAFE MEDICINE DISPOSAL PROGRAMME

Launched on 25 September 2025 during DIRA Governance Day, MediDrop supports the Ministry of Health Malaysia’s (MOH) initiative for the responsible handling of unused and expired medicines. The programme aims to protect public health and the environment through proper disposal practices. The initiative also supports circular economy principles by preventing the improper disposal of pharmaceuticals and reducing potential environmental contamination.



Collected
80.6kg of
expired medicine

Following an awareness campaign in October 2025, an initial collection at Pharmaniaga Bukit Raja recovered 44.5 kg of medication. To expand the programme’s reach, collection boxes were distributed to 10 sites for independent collection activities throughout Q4 2025.

As the first phase of Pharmaniaga’s voluntary product stewardship, this initiative aligns with Extended Producer Responsibility (EPR) principles, demonstrating the Group’s commitment to national public health and responsible post-consumer medicine management. Through these initiatives, Pharmaniaga contributes to inclusive growth, community well-being, and responsible supply chain practices, reinforcing our role as a trusted healthcare partner in building a better society.



GOAL 5: BUILDING A BETTER SOCIETY



CHALLENGES

Delivering Goal 5 remains subject to evolving regulatory expectations, supply chain disruptions, cost pressures and the need to balance affordability with responsibility. Strengthening ESG oversight across a diverse supplier base, ensuring consistent human rights compliance, and sustaining community investment amid fluctuating financial performance require continuous governance focus and resource allocation. In addition, building local vendor competitiveness to match global standards and scaling impact across multiple geographies presents operational and capacity-related challenges that the Group continues to address through structured programmes and stakeholder collaboration.

OUTLOOK

Looking ahead, Pharmaniaga will continue to strengthen Goal 5 by deepening responsible supply chain practices, expanding vendor capability development, and enhancing community impact programmes across Malaysia and Indonesia. We aim to further embed human rights due diligence, environmental stewardship, and ethical sourcing standards into procurement processes, while scaling initiatives through stronger partnerships with suppliers, regulators, and community stakeholders, to drive inclusive economic growth, improve medicine security, and contribute meaningfully to national healthcare resilience.

PRESCRIBED TABLE
(BURSA ESG PLATFORM)

Pharmaniaga Berhad
BMLR Transition Period

Date & Time: 2026-04-15_16:30:21
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti- corruption	Percentage of employees who have received training on anti-corruption by employee category: Senior Management	Percentage	58.50	—	External (Reasonable)	
Anti- corruption	Percentage of employees who have received training on anti-corruption by employee category: Middle Management	Percentage	91.20	—	External (Reasonable)	
Anti- corruption	Percentage of employees who have received training on anti-corruption by employee category: Executive/ Non - executive	Percentage	46.30	—	External (Reasonable)	
Anti- corruption	Percentage of operations assessed for corruption-related risks	Percentage	8.700	—	External (Reasonable)	
Anti- corruption	Confirmed incidents of corruption and action taken	Number	0	—	External (Reasonable)	
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,312,658	—	External (Reasonable)	
Community/ Society	Total number of beneficiaries of the investment in the communities	Number	152,271	—	External (Reasonable)	
Community/ Society	Employee participated in community impact programmes	Number	172	—	External (Reasonable)	
Diversity	Age group by Employee Category: Senior Management Under 30	Percentage	1.54	—	External (Reasonable)	

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Pharmaniaga Berhad
BMLR Transition Period

Date & Time: 2026-04-15_16:30:21
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Age group by Employee Category: Senior Management Between 30-50	Percentage	58.46	—	External (Reasonable)	
Diversity	Age group by Employee Category: Senior Management Above 50	Percentage	40.00	—	External (Reasonable)	
Diversity	Age group by Employee Category: Middle Management Under 30	Percentage	110	—	External (Reasonable)	
Diversity	Age group by Employee Category: Middle Management Between 30-50	Percentage	75.27	—	External (Reasonable)	
Diversity	Age group by Employee Category: Middle Management Above 50	Percentage	23.63	—	External (Reasonable)	
Diversity	Age group by Employee Category: Executive Under 30	Percentage	25.58	—	External (Reasonable)	
Diversity	Age group by Employee Category: Executive Between 30 - 50	Percentage	65.56	—	External (Reasonable)	
Diversity	Age group by Employee Category: Executive Above 50	Percentage	8.86	—	External (Reasonable)	
Diversity	Age group by Employee Category: Non -Executive Under 30	Percentage	25.71	—	External (Reasonable)	
Diversity	Age group by Employee Category: Non -Executive Between 30-50	Percentage	6.734	—	External (Reasonable)	
Diversity	Age group by Employee Category: Non -Executive Above 50	Percentage	6.95	—	External (Reasonable)	

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Pharmaniaga Berhad
BMLR Transition Period

Date & Time: 2026-04-15 16:30:21
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Gender Group by Employee Category: Senior Management Male	Percentage	84.62	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Senior Management Female	Percentage	15.38	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Middle Management Male	Percentage	67.03	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Middle Management Female	Percentage	32.97	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Executive Male	Percentage	36.88	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Executive Female	Percentage	63.12	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Non-Executive Male	Percentage	68.51	—	External (Reasonable)	
Diversity	Gender Group by Employee Category: Non-Executive Female	Percentage	31.49	—	External (Reasonable)	
Diversity	Percentage of directors by gender and age group: Male	Percentage	70.00	—	External (Reasonable)	Calculated based on the full Board, excluding alternate directors
Diversity	Percentage of directors by gender and age group: Female	Percentage	30.00	30%	External (Reasonable)	Calculated based on the full Board, excluding alternate directors
Diversity	Percentage of directors by gender and age group: 30 and below	Percentage	0	—	External (Reasonable)	Calculated based on the full Board, excluding alternate directors

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Pharmaniaga Berhad
BMLR Transition Period

Date & Time: 2026-04-15 16:30:21
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of directors by gender and age group: 31 - 40	Percentage	0	—	External (Reasonable)	Calculated based on the full Board, excluding alternate directors
Diversity	Percentage of directors by gender and age group: 41 - 50	Percentage	10.00	—	External (Reasonable)	Calculated based on the full Board, excluding alternate directors
Diversity	Percentage of directors by gender and age group: Above 51	Percentage	90.00	—	External (Reasonable)	Calculated based on the full Board, excluding alternate directors
Health and Safety	Number of work-related fatalities	Percentage	0	Zero fatalities	External (Reasonable)	
Health and Safety	Lost time incident rate ("LTIR")	Percentage	0.47	Year-over-year reduction in LTIR	External (Reasonable)	
Health and Safety	Number of employees trained on health and safety standards	Percentage	1,236	—	External (Reasonable)	
Health and Safety	Total hours worked	Percentage	6,801,813	—	External (Reasonable)	
Health and Safety	Number of lost time injuries	Number	18	—	External (Reasonable)	
Labour practices and standards	Total hours of training by employee category: Senior Management	Hours	2,339	—	External (Reasonable)	
Labour practices and standards	Total hours of training by employee category: Middle Management	Hours	33,474	—	External (Reasonable)	
Labour practices and standards	Total hours of training by employee category: Executive and Non- Executive	Hours	109,963	—	External (Reasonable)	
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	10.99	—	External (Reasonable)	

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Pharmaniaga Berhad
BMLR Transition Period

Date & Time: 2026-04-15 16:30:21
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour practices and standards	Total number of employee turnover by employee category: Senior Management	Number	12	—	External (Reasonable)	
Labour practices and standards	Total number of employee turnover by employee category: Middle Management	Number	17	—	External (Reasonable)	
Labour practices and standards	Total number of employee turnover by employee category: Executive	Number	90	—	External (Reasonable)	
Labour practices and standards	Total number of employee turnover by employee category: Non-Executive	Number	289	—	External (Reasonable)	
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	Zero complaints	External (Reasonable)	
Labour practices and standards	Average training hours per employee	Hours	41	32- 40 average training hours	External (Reasonable)	
Labour practices and standards	Total new hires	Number	475	—	External (Reasonable)	
Labour practices and standards	New hires rate	Percentage	13.43	—	External (Reasonable)	
Labour practices and standards	Turnover rate for Malaysia	Percentage	9.13	—	Internal	
Labour practices and standards	Turnover rate for Indonesia	Percentage	14.98	—	Internal	
Supply chain management	Proportion of spending on local suppliers	Percentage	8.100	—	External (Reasonable)	
Supply chain management	Suppliers assessed for environmental impacts	Number	202	100% of new suppliers assessed	External (Reasonable)	

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Pharmaniaga Berhad
BMLR Transition Period

Date & Time: 2026-04-15 16:30:21
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Supply chain management	Suppliers assessed for social impacts	Number	202	100% of new suppliers assessed	External (Reasonable)	
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	Zero complaints	External (Reasonable)	
Materials Management	Total weight or volume of materials that used to produce and package products and services	Metric tonnes	1,001.192	Achieve 100% use of recycled materials in packaging	External (Reasonable)	
Energy Management	Total Energy Consumption	Gigajoules	223,647.91	15% reduction from the baseline	External (Reasonable)	
Waste Management	Total waste generated	Metric tonnes	1,985.59	—	External (Reasonable)	
Waste Management	Total waste diverted from disposal	Metric tonnes	1,747.22	—	External (Reasonable)	
Waste management	Total waste directed to disposal	Metric tonnes	238.37	—	External (Reasonable)	
Emissions management	Scope 1 emissions in tonnes of CO2e	Metric tonnes	5,488.59	15% reduction from the baseline	Internal	
Emissions management	Scope 2 emissions in tonnes of CO2e	Metric tonnes	317,966.9	15% reduction from the baseline	Internal	
Emissions management	Scope 3 emissions in tonnes of CO2e	Metric tonnes	89,207.9	—	Internal	
Water	Total volume of water used	Megalitres	280.05	15% reduction from the baseline	External (Reasonable)	

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SUSTAINABILITY PERFORMANCE DATA

ENVIRONMENTAL

Indicator	Bursa Indicator	Unit of Measurement	2019	2023	2024	2025
EMISSIONS						
I. GHG EMISSIONS						
SCOPE 1						
Stationary Combustion						
Diesel - Gen Set	C11(a) Emission Management - Scope 1	tCO ₂ e	11.18	6.60	6.50	15.83
Petrol - Gen Set				2.50	3.11	3.79
Diesel - Boiler			435.43	285.96	224.29	224.69
Diesel - Forklift			-	-	-	3.20
Petrol - Forklift			-	1.68	1.22	-
Natural Gas - Boiler			3,164.84	2,578.63	2,790.66	2,808.71
Liquefied Petroleum Gas (LPG) - Stoves & Forklift			20.20	27.30	15.80	10.47
Total Stationary Combustion					3,631.65	2,902.67
Fugitive Emission						
Refrigerant	C11(a) Emission Management - Scope 1	tCO ₂ e	3,463.82	436.12	1,287.00	1,135.97
Total Fugitive Emission			3,463.82	436.12	1,287.00	1,135.97
Mobile Combustion						
Diesel - Heavy good vehicle	C11(a) Emission Management - Scope 1	tCO ₂ e	117.30	1,990.40	376.30	354.70
Diesel - Light good vehicle			266.48	436.68	224.36	251.16
Diesel - Car			148.16	-	3.36	15.41
Petrol - Heavy Good Vehicle					9.89	0.41
Petrol - Light good vehicle			8.08	145.37	103.68	92.09
Petrol - Car			141.13	390.62	348.06	341.79
Petrol - Motorcycle			1,481.34	271.64	209.66	210.37
Total Mobile Combustion			2,162.49	3,237.70	1,275.31	1,265.93
Sub-total Scope 1			9,257.96	6,576.49	5,603.89	5,468.59
SCOPE 2						
Purchased electricity	C11(a) Emission Management - Scope 2 C11(a) / C11(b)	tCO ₂ e	28,245.64	29,081.55	30,328.97	31,796.69
Sub-total Scope 2			28,245.64	29,081.55	30,328.97	31,796.69
Overall GHG emissions (Scope 1 & 2)			37,503.60	35,658.04	35,932.86	37,265.28
Purchased Goods and Services	C11(a) Emission Management - Scope 3	tCO ₂ e	-	-	-	9,419.08
Capital Goods			-	-	-	1,853.82
Waste Generated in Operations			-	-	-	583.67
Business Travel			-	-	262.61	335.99
Employee Commuting			-	-	3,098.34	2,445.03
Downstream Transportation and Distribution			-	-	768.51	2,678.26
Processing of Sold Products			-	-	-	53,367.55
Use of Sold Products			-	-	-	18,347.46
End-of-Life Treatment of Sold Products			-	-	-	176.33
Sub-total Scope 3			-	-	4,129.46	89,207.19
Overall GHG emissions (Scope 1, 2 & 3)					37,503.60	35,658.04

SUSTAINABILITY PERFORMANCE DATA

ENVIRONMENTAL

Indicator	Bursa Indicator	Unit of Measurement	2019	2023	2024	2025
EMISSIONS						
II. GHG EMISSIONS AVOIDANCE						
Scope 2						
Renewable energy - Solar	C11(a) Emission Management - Scope 2	tCO ₂ e	100.29	157.81	184.71	168.02
Overall GHG Emissions avoidance			100.29	157.81	184.71	168.02
III. GHG EMISSIONS INTENSITY						
Intensity	N/A	tCO ₂ e/ RM million	13.30	10.56	9.56	9.46
Overall GHG Emissions Intensity			13.30	10.56	9.56	9.46
ENERGY						
I. ENERGY SOURCE						
Company facilities						
Diesel	C4(a) Energy Management - Energy Consumption	GJ	5,931.32	3,930.71	3,563.20	3,630.97
Petrol			-	59.01	67.04	59.26
Natural Gas			61,353.19	49,989.04	48,424.91	49,808.48
Liquefied Petroleum Gas (LPG)			295.55	416.72	239.90	158.96
Total energy for company facilities			67,580.06	54,395.48	52,295.05	53,657.67
Company Vehicle						
Diesel	C4(a) Energy Management - Energy Consumption	GJ	7,102.05	32,401.43	9,129.29	9,255.67
Petrol			22,726.62	11,399.95	10,278.57	10,068.32
Total energy for company vehicles			29,828.67	43,801.38	19,407.86	19,323.99
Renewable energy						
Solar Energy	C4(a) Energy Management - Energy Consumption	GJ	561.42	749.50	859.12	781.49
Total renewable energy			561.42	749.50	859.12	781.49
Purchased energy						
Electricity	C4(a) Energy Management - Energy Consumption	GJ	152,389.25	140,542.63	143,074.83	149,884.76
Total Purchased energy			152,389.25	140,542.63	143,074.83	149,884.76
Total Energy			250,359.40	239,488.99	215,636.86	223,647.91
II. ENERGY INTENSITY						
Intensity	N/A	GJ/ RM million	88.76	70.92	57.36	56.78
Total Energy Intensity			88.76	70.92	57.36	56.78

SUSTAINABILITY PERFORMANCE DATA

ENVIRONMENTAL

Indicator	Bursa Indicator	Unit of Measurement	2019	2023	2024	2025
WATER						
I. WATER WITHDRAWAL						
Water withdrawal by source						
Ground water	C9(a) Water Management	megalitres	16.95	15.35	14.46	11.12
Purchased water			316.99	273.50	296.25	268.93
Total withdrawal by source			333.94	288.85	310.71	280.05
Water withdrawal by country						
Malaysia	C9(a) Water Management	megalitres	306.91	262.85	288.97	262.07
Indonesia			27.03	26.00	21.74	17.98
Total withdrawal by country			333.94	288.85	310.71	280.05
Total water withdrawal			333.94	288.85	310.71	280.05
II. WATER RECYCLING						
Water recycled from process	C9(a) Water Management	megalitres	-	8.71	19.72	14.67
Total water recycled			-	8.71	19.72	14.67
III. RAINWATER HARVESTING						
Rainwater harvested	C9(a) Water Management	megalitres	-	0.22	0.14	0.13
Total rainwater harvested			-	0.22	0.14	0.13
IV. WATER WITHDRAWAL INTENSITY						
Intensity	N/A	megalitres/ RM million	0.12	0.09	0.08	0.07
Total water withdrawal intensity			0.12	0.09	0.08	0.07
MATERIAL						
Total Packaging Material used (standard+recycle)	S5(a) Material Management	tonnes	-	1,069.00	833.14	1,001.92
Total material used			-	1,069.00	833.14	1,001.92
Recyled input material as packaging material			220.18	229.44	155.17	289.46
Total recycled input material			220.18	229.44	155.17	289.46

SUSTAINABILITY PERFORMANCE DATA

ENVIRONMENTAL

Indicator	Bursa Indicator	Unit of Measurement	2019	2023	2024	2025
WASTE						
I. DIRECTED TO DISPOSAL						
Hazardous waste						
Malaysia	C10(a)(ii) Waste Management	tonnes	320.54	392.63	403.86	211.34
Indonesia			10.77	4.75	22.22	27.03
Total hazardous waste directed to disposal			331.31	397.38	426.08	238.37
Hazardous waste disposal by weight and method						
Incineration	N/A	tonnes	-	363.03	408.30	238.37
Solidification			-	0.03	-	-
Landfill			-	0.04	-	-
Recovery			-	30.59	8.21	-
Physical and Chemical treatment			-	-	0.04	-
Total hazardous waste disposal by weight and method			-	393.69	416.55	238.37
II. DIVERTED FROM DISPOSAL						
Recycling of non-hazardous waste						
Malaysia	N/A	tonnes	225.99	931.11	696.55	791.35
Indonesia			0.17	28.26	15.71	4.35
Total recycling of non-hazardous			226.16	959.37	712.26	795.70
Reuse of non-hazardous waste			-	599.66	735.03	951.52
Total non-hazardous waste diverted from disposal			226.16	1,559.03	1,447.29	1,747.22
III. TRANSFORMATION OF SCHEDULED WASTE TO ALTERNATIVE RAW MATERIAL						
Sludge (SW204) have been processed to alternative raw material	N/A	tonnes	-	2.25	2.05	1.57
Used of Activated carbon (SW 411) has been processed to alternative material			-	2.38	2.72	1.39
Total transformation of schedule waste			-	4.63	4.77	2.96

SUSTAINABILITY PERFORMANCE DATA

SOCIAL

Indicator	Bursa Indicator	2019		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
EMPLOYEE DISTRIBUTION									
EMPLOYEE DISTRIBUTION BY GENDER									
Male	C3(a) Diversity - Employee by Gender and Age Group	2,166	60.00	2,126	60.55	2,112	60.86	2,146	60.66
Female		1,441	40.00	1,385	39.45	1,358	39.14	1,392	39.34
Total		3,607	100	3,511	100	3,470	100	3,538	100
EMPLOYEE DISTRIBUTION BY AGE									
Under 30 years old	C3(a) Diversity - Employee by Gender and Age Group	948	26.28	905	25.78	866	24.96	848	24.44
30 - 50 years old		2,229	61.80	2,294	65.34	2,296	66.17	2,375	68.44
More than 50 years old		430	11.92	312	8.89	308	8.88	315	9.08
AGE GROUP BY EMPLOYEE CATEGORY									
Senior Management	C3(a) Diversity - Employee by Gender and Age Group								
- Under 30 years old		-	-	-	0.00	0	0.00	1	1.54
- 30 - 50 years old		-	-	-	0.97	36	61.02	38	58.46
- More than 50 years old		-	-	-	0.68	23	38.98	26	40.00
Middle Management									
- Under 30 years old		-	-	-	0.06	4	2.22	2	1.10
- 30 - 50 years old		-	-	-	3.82	135	75.00	137	75.27
- More than 50 years old		-	-	-	1.20	41	22.78	43	23.63
Executive									
- Under 30 years old		-	-	-	6.75	225	26.95	231	25.58
- 30 - 50 years old		-	-	-	14.61	538	64.43	592	65.56
- More than 50 years old		-	-	-	1.85	72	8.62	80	8.86
Non-Executive									
- Under 30 years old		-	-	-	18.97	637	26.59	614	25.71
- 30 - 50 years old		-	-	-	45.94	1,587	66.24	1608	67.34
- More than 50 years old		-	-	-	5.16	172	7.18	166	6.95
GENDER GROUP BY EMPLOYEE CATEGORY									
Senior Management	C3(a) Diversity - Employee by Gender and Age Group								
- Male		-	-	43	74.14	46	77.97	55	84.62
- Female		-	-	15	25.86	13	22.03	10	15.38
Middle Management									
- Male		-	-	116	65.17	121	67.22	122	67.03
- Female		-	-	61	34.27	59	32.78	60	32.97
Executive									
- Male		-	-	305	37.42	311	37.25	333	36.88
- Female		-	-	511	62.62	524	62.75	570	63.12
Non-Executive									
- Male		-	-	1,662	67.56	1,634	68.20	1,636	68.51
- Female		-	-	798	32.44	762	31.80	752	31.49
Total		-	-	3,511		3,470		3,538	

SUSTAINABILITY PERFORMANCE DATA

SOCIAL

Indicator	Bursa Indicator	2019		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
EMPLOYEE DISTRIBUTION									
EMPLOYEE DISTRIBUTION BY CATEGORY									
Senior Management	C3(a) Diversity - Employee by Gender and Age Group	64	1.80	58	1.65	59	1.70	65	1.84
Middle Management		152	4.20	177	5.04	180	5.19	182	5.14
Executive		797	22.10	816	23.24	835	24.06	903	25.52
Non-Executive		2,594	71.90	2,460	70.07	2,396	69.05	2,388	67.50
Total		3,607	100	3,511	100	3,470	100	3,538	100
EMPLOYEE DISTRIBUTION BY NATIONALITY									
Local	N/A	3,595	99.70	3,502	99.70	3,463	99.80	3,531	99.80
Non-local		12	0.30	9	0.30	7	0.20	7	0.20
Total		3,607	100	3,511	100	3,470	100	3,538	100
EMPLOYEE DISTRIBUTION BY COUNTRY									
Malaysia	N/A	2,142	59.40	2,006	57.13	1,993	57.44	2,071	58.54
Indonesia		1,465	40.60	1,505	42.87	1,477	42.56	1,467	41.46
Total		3,607	100	3,511	100	3,470	100	3,538	100
UNION MEMBERS									
Number of Union members	N/A	288	13.44	237	11.79	223	11.19	202	9.75
Total		288	13.44	237	11.79	223	11.19	202	9.75
EMPLOYEE DISTRIBUTION BY EMPLOYMENT TYPE *									
Full Time	C6(b) Contract Employee Distribution	-	-	3,511	100.00	3,470	100.00	3,538	100.00
Part Time		-	-	-	-	0	0	0	0
Total				3,511	100	3,470	100	3,538	100
EMPLOYEE DISTRIBUTION BY EMPLOYMENT CONTRACT *									
Permanent	C6(b) Contract Employee Distribution	-	-	3,085	87.87	2,967	85.50	3,149	89.01
Fixed Term/Temporary		-	-	426	12.13	503	14.50	389	10.99
Total		-	-	3,511	100	3,470	100	3,538	100

SUSTAINABILITY PERFORMANCE DATA

SOCIAL

Indicator	Bursa Indicator	2019		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
NEW HIRES									
NEW HIRES BY GENDER									
Male	N/A	305	56.17	251	61.37	309	64.78	297	62.53
Female		238	43.83	158	38.63	168	35.22	178	37.47
Total		543	100	409	100	477	100	475	100
NEW HIRES BY AGE									
Under 30 years old	N/A	397	73.11	277	67.89	319	66.88	320	67.37
30 - 50 years old		140	25.78	128	31.37	153	32.08	149	31.37
More than 50 years old		6	1.10	3	0.74	5	1.05	6	1.26
Total		543	100	409	100	477	100	475	100
NEW HIRES BY COUNTRY									
Malaysia	N/A	245	45.12	150	36.67	229	48.01	265	55.79
Indonesia		298	54.88	259	63.33	248	51.99	210	44.21
Total		543	100	409	100	477	100	475	100
NEW HIRE RATE									
New Hire Rate	N/A	-	15.05	-	11.65	-	13.75	-	13.43
Total		-	15.05	-	11.65	-	13.75	-	13.43
EMPLOYEE TURNOVER									
TURNOVER BY GENDER									
Male	C6(c) Number of Employee Turnover	277	65.20	410	60.60	326	62.81	266	65.20
Female		148	34.80	267	39.40	193	37.19	142	34.80
Total		425	100	677	100	519	100	408	100
TURNOVER BY AGE									
Under 30 years old	C6(c) Number of Employee Turnover	322	75.76	285	42.10	201	38.73	154	37.75
30 - 50 years old		80	18.82	320	47.27	254	48.94	198	48.53
More than 50 years old		23	5.41	72	10.64	64	12.33	56	13.72
Total		425	100	677	100	519	100	408	100
TURNOVER BY CATEGORY *									
Senior management	C6(c) Number of Employee Turnover	-	-	15	-	12	-	12	-
Middle management		-	-	43	-	17	-	17	-
Executive		-	-	211	-	124	-	90	-
Non-executive		-	-	408	-	366	-	289	-
Total		-	-	677	-	519	-	408	-
TURNOVER BY COUNTRY									
Malaysia	C6(c) Number of Employee Turnover	195	45.90	445	65.70	243	46.82	187	45.83
Indonesia		230	54.10	232	34.30	276	53.18	221	54.17
Total		425	100	677	100	519	100	408	100

SUSTAINABILITY PERFORMANCE DATA

SOCIAL

Indicator	Bursa Indicator	2019		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
EMPLOYEE TURNOVER									
TURNOVER RATE									
Malaysia	C6(c) Number of Employee Turnover	-	-	-	20.51	-	12.26	-	9.13
Indonesia		-	-	-	15.57	-	18.57	-	14.98
ATTRITION RATE									
Malaysia	C6(c) Number of Employee Turnover	-	9.10	-	22.18	-	12.19	-	9.13
Indonesia		-	15.70	-	15.42	-	18.69	-	14.98
TRAINING AND DEVELOPMENT									
I. TRAINING HOURS									
Total hours of training by category									
Senior management	C6(a) Training Hours by Employee Category	1,161	-	1,402	-	2,659	-	2,339	-
Middle management		3,947	-	30,352	-	7,139	-	33,474	-
Executive and Non-executive		48,091	-	49,927	-	88,209	-	109,963	-
Total		53,199	-	81,681	-	98,007	-	145,776	-
Average training hours by category									
Senior management	N/A	41.00	-	24.00	-	45.07	-	35.98	-
Middle management		61.00	-	45.00	-	39.66	-	183.93	-
Executive		60.00	-	27.00	-	50.29	-	66.40	-
Non-executive		26.00	-	20.00	-	19.29	-	20.94	-
Total		188	-	116	-	154	-	307	-
II. TRAINING EXPENDITURES (RM)									
External training									
Technical/Functional/IT Training	N/A	-	-	562,910.00	95.95	756,264.00	94.21	642,163.00	95.73
Soft skills training		-	-	23,746.00	4.05	46,510.00	5.79	28,630.00	4.27
Total		-	-	586,656.00	100	802,774.00	100	670,793.00	100
In-house training									
Technical/Functional/IT Training	N/A	-	-	192,471.00	63.77	339,925.00	29.43	456,166.00	61.58
Soft skills training		-	-	109,351.00	36.23	815,274.00	70.57	284,557.00	38.42
Total		-	-	301,822.00	100	1,155,199.00	100	740,723.00	100
Amount spent by category									
Senior management	N/A	-	-	119,161.00	13.41	144,526.00	7.38	81,721.00	5.79
Middle management		-	-	191,147.00	21.51	201,803.00	10.31	282,889.00	20.04
Executive		-	-	347,060.00	39.06	1,435,139.00	73.30	913,692.00	64.73
Non-executive		-	-	231,110.00	26.01	176,508.00	9.01	133,214.00	9.44
Total		-	-	888,478.00	100	1,957,976.00	100	1,411,516.00	100

SUSTAINABILITY PERFORMANCE DATA

SOCIAL

Indicator	Bursa Indicator	2019		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
BOARD DIVERSITY									
I. BOARD DIVERSITY BY GENDER									
Male Directors	C3(b) Diversity - Directors by Age and Gender	4	66.67	7	77.78	8	72.73	7	70.00
Female Directors		2	33.33	2	22.22	3	27.27	3	30.00
Total		6	100	9	100	11	100	10	100
II. BOARD DIVERSITY BY AGE									
30 and below	C3(b) Diversity - Directors by Age and Gender	-	-	-	-	-	-	-	-
31 - 40 years		-	-	-	-	-	-	-	-
41 - 50 years old		1	16.67	4	44.44	3	27.27	1	10.00
Above 51 years old		5	83.33	5	55.56	8	72.73	9	90.00
Total		6	100	9	100	11	100	10	100
GRADUATE EMPLOYEMENT OPPORTUNITIES									
PROTEGÉ	N/A	65	23	127	63	118	74	45	38
Provisionally Registered Pharmacist		2	1	5	2	0	0	5	4
Pharmaniaga Internship		216	76	69	34	41	26	68	58
Total		283	100	201	100	159	100	118	100
HUMAN RIGHT VIOLATION *									
Cases reported concerning human rights violation	C6(d) Human Right Violation	0	-	0	-	0	-	0	-
HEALTH AND SAFETY									
Occupational Health and Safety Performance									
Hours worked	C5(a) Work Related Fatality	4,130,514	-	7,158,635	-	6,770,675	-	6,801,813	-
Fatality rate		0	-	0	-	0	-	0	-
Accident rate		3.29	-	5.70	-	3.46	-	5.12	-
Frequency rate		1.69	-	2.79	-	1.77	-	2.65	-
Lost Time Injury Frequency Rate	C5(b)LTIR	1.45	-	1.54	-	1.77	-	2.35	-
Lost Time Injury Rate		0.17	-	0.31	-	0.35	-	0.47	-
Training on Health and Safety									
Number of employees trained on health and safety standards	C5(c) Employee trained on Health and Safety	-	-	937	-	1,669	-	1,236	-
Training on Anti-Bullying									
Number of employees trained on anti-bullying and sexual harassment	N/A	-	-	-	-	126	-	52	-

SUSTAINABILITY PERFORMANCE DATA

SOCIAL

Indicator	Bursa Indicator	2019		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
SUPPORTING LOCAL BUSINESSES									
Procurement budget spent on local suppliers									
Budget spent on local suppliers	C7(a) Proportion spending on local suppliers	-	84.00	-	80.00	-	80.00	-	81.00
Beneficiaries benefitting from investment in communities									
Value distributed to communities (RM)	C2(b) Number beneficiaries received distribution	3,372,638.21	-	3,628,683.62	-	2,948,464.00	-	1,312,658	-
Total number of beneficiaries		Details to be referred in Goal 5							
Government Healthcare									
Education Institutes									
Students									
Religion centres									
NGOs									
Vendor Development Programme									
Number of vendors		-	-	23	-	25	-	29	-

SUSTAINABILITY PERFORMANCE DATA

GOVERNANCE

Indicator	Bursa Indicator	Unit of Measurement	2019	2023	2023	2025
ECONOMIC VALUE						
Revenue	N/A	RM million	2,820.5	3,404.5	3,759.0	3,927.8
Profit/Loss before Zakat and Taxation			35.8	-78.2	191.2	74.7
Investment in Community			3.4	3.1	0.5	1.3
CUSTOMER SATISFACTION						
Ministry of Higher Education (MOHE)	N/A		92	97	97	96
Private sector			92	94	95	
COMPLIANCE TO CONCESSION AGREEMENT						
Overall performance to concession agreement	N/A	Percentage	99.6	98.8	93.0	96.3
ANNUAL GENERAL MEETING						
Annual General Meeting: Number of days between the date of notice and date of meeting	N/A	Number	-	31	34	50
Percentage of women on the Executive committee or equivalent.	N/A	Percentage	-	18.2	16.70	30
INTEGRITY AND ANTI-CORRUPTION						
Operation assessed for corruption risks	C1(b) - Operation assesses on Anti-corruption Risk	Percentage	5	85	87	87
Disclosure of total amount of political contributions made	N/A	MYR	-	0	0	0
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	N/A	Number	-	0	0	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	N/A	MYR	-	0	0	0

SUSTAINABILITY PERFORMANCE DATA

GOVERNANCE

Indicator	Bursa Indicator	2023			2024			2025		
		Total Employee	Employee Trained	% Trained	Total Employee	Employee Trained	% Trained	Total Employee	Employee Trained	% Trained
EMPLOYEE TRAINING ON ANTI-CORRUPTION										
Senior Management	C1(a) - Employee Trained on Anti-corruption	53	11	20.8	49	42	86.0	65	38	58.5
Middle Management		111	41	36.9	110	102	93.0	182	166	91.2
Executive and Non-executive		793	381	48.0	2040	1834	90.0	3291	1524	46.3
Indicator		Bursa Indicator	2023		2024		2025			
EMPLOYEE TRAINING ON ANTI CORRUPTION										
Confirmed incidents of corruption		C1(c) Confirmed incident of corruption	0		0		0			
Number of action(s) taken			0		0		0			
NUMBER OF INCIDENTS CONCERNING BREACH OF PRIVACY AND LOSSES OF CUSTOMER DATA										
Man-in-the-middle and phishing links attack		C8(a) Data Privacy & Security	More than 10		More than 10		Incident: 10			
Malware, Virus attacked, Ransomware			Incident : 0 All been handled by Firewall and Endpoint Antivirus		Incident : 0 All been handled by Firewall and Endpoint Antivirus		Incident : 0 All been handled by Firewall and Endpoint Antivirus			
Identified leaks, thefts or losses of data			Incident : 0 Phishing: User put credential on scam website		Incident : 0 Phishing: User put credential on scam website		Incident : 0 Phishing: User put credential on scam website			

SUSTAINABILITY REPORTING FRAMEWORK

The table below describes the interconnectedness of the ESG frameworks that we utilised in this report. These principles-based frameworks are standardised tools that enable us to present information in a structured form and correlate the various indicators to our Goals and regulatory requirements.

NO.	COMMON INDICATORS	SUB-INDICATORS	BURSA INDICATOR	GRI INDICATOR	FTSE INDICATOR/ SASB	PHARMANIAGA FOCUS AREA
1.	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	C1 (a)	205-2: Communication and training about anti-corruption policies and procedures	GAC: Anti-Corruption Theme	Goal 2 : Acting with Integrity
		Percentage of operations assessed for corruption-related risks	C1 (b)	GRI 205-1: Operations assessed for risks related to corruption	GAC: Anti-Corruption Theme	
		Confirmed incidents of corruption & action taken	C1 (c)	205-3: Confirmed incidents of corruption and actions taken	GAC: Anti-Corruption Theme/ 510: Business Ethics	
2.	Community/ Society	Total amount invested in the community	C2 (a)	201-1: Direct economic value generated and distributed	SHR: Human Rights & Community Team	Goal 5 : Building a Better Society
		Total number of beneficiaries	C2 (b)	201-1: Direct economic value generated and distributed		
3.	Diversity	Percentage of employees by gender and age group for each employee category	C3 (a)	405-1 : Diversity of governance bodies and employees 405-2 : Ratio of basic salary and remuneration of women to men	SLS: Labor Standards Theme	Goal 4 : Creating a Sustainable and High-Performance Workforce
		Percentage of directors by gender and age group	C3 (b)	405-1 : Diversity of governance bodies and employees	SLS: Labor Standards Theme	
4.	Energy Management	Total energy consumption	C4 (a)	302-1: Energy consumption within the organization	ECC: Climate Change Theme/ 130: Energy Management	Goal 3 : Achieving Operational Eco-Efficiency
5.	Health & Safety	Number of work-related fatalities	C5 (a)	403-9: Work-related injuries	SHS: Health & Safety Theme/ 320: Workforce Health & Safety	Goal 4 : Creating a Sustainable and High-Performance Workforce
		Lost time incident rate (LTIR)	C5 (b)	403-9: Work-related injuries	SHS: Health & Safety Theme/ 320: Workforce Health & Safety	

SUSTAINABILITY REPORTING FRAMEWORK

NO.	COMMON INDICATORS	SUB-INDICATORS	BURSA INDICATOR	GRI INDICATOR	FTSE INDICATOR/ SASB	PHARMANIAGA FOCUS AREA
5.	Health & Safety (Cont'd)	Number of employees trained on health & safety standards <i>(External Training only)</i>	C5 (c)	403-5: Worker training on Occupational Health and Safety 404-1: Average hours of training per employee	SLS: Labor Standards Theme	Goal 4 : Creating a Sustainable and High-Performance Workforce
6.	Labour Practices & Standards	Total hours of training by employee category	C6 (a)	404: Training and Education	SLS: Labor Standards Theme	Goal 4 : Creating a Sustainable and High-Performance Workforce
		Percentage of employees that are contractors or temporary staff	C6 (b)	401: Employment	SLS: Labor Standards Theme	
		Total number of employee turnover by employee category	C6 (c)	401-1: New Employee hires and employee turnover	SLS: Labor Standards Theme	
		Number of substantiated complaints concerning human rights violations	C6 (d)		SHR: Human Rights & Community Team	
7.	Supply Chain	Proportion of spending on local suppliers	C7 (a)	204-1: Proportion of spending on local suppliers	SHR: Human Rights & Community Team	Goal 5 : Building a Better Society
8.	Data Privacy/ Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	C8 (a)	418-1: Subtianted complaints concerning breaches of customer privacy and loss of customer data	230: Data Security	Goal 1 : Delivering Sustainable Value and Future-Proofing Business
9.	Water	Total volume of water used	C9 (a)	303-3: Water withdrawal 303-4: Water discharge 303-5: Water Consumption	EWT: Water Security Theme/ 140: Water management	Goal 3 : Achieving Operational Eco-Efficiency
10.	Waste Management	Total waste generated and a breakdown of the following:	C10 (a)	306-3: Waste generated	EPR: Pollution and resources themed	Goal 3 : Achieving Operational Eco-Efficiency
		(i) total waste diverted from disposal		306-4: Waste diverted from disposal	EPR: Pollution and resources themed	
		(ii) total waste directed to disposal		306-5: Waste directed to disposal		

SUSTAINABILITY REPORTING FRAMEWORK

NO.	COMMON INDICATORS	SUB-INDICATORS	BURSA INDICATOR	GRI INDICATOR	FTSE INDICATOR/ SASB	PHARMANIAGA FOCUS AREA
11.	Emissions Management	Scope 1 emissions in tonnes of CO ₂ e	C11 (a)	305-1: Direct (Scope 1) GHG Emissions 302-1: Energy Consumption within the organization	ECC: Climate Change Theme/ 110: Greenhouse Gas Emissions	Goal 3 : Achieving Operational Eco-Efficiency
		Scope 2 emissions in tonnes of CO ₂ e	C11 (b)	305-2: Energy indirect (Scope 2) GHG Emissions 302-1: Energy Consumption within the organization	ECC: Climate Change Theme/ 130: Energy Management	
		Scope 3 emissions in tonnes of CO ₂ e Business travel and employee commuting	C11 (c)	305-3: Other Indirect (Scope 3) GHG emissions	ECC: Climate Change Theme/ 410: Product Design & Lifecycle management 430: Supply Chain Management 440: Materials sourcing and efficiency	
SECTOR INDICATORS						
1.	Emissions - Air Quality/ Pollution	Air Emissions include pollutants that have negative impats on air quality ecosystems, and human and animal health.	S4 (a)	305-7: Nitrogen oxides (Nox), sulphur oxides (SOx), and other significant emissions		Goal 3 : Achieving Operational Eco-Efficiency
2.	Materials	Total weight or volume of materials that are used to produce and package products and services	S5 (a)	301-1: Materials used by weight or volume EPR: Pollution and resources themed		
3.	Effluents	Total volume of water (effluent) discharged over the reporting period	S8 (a)	303-2: Management of water discharge-related impacts 303-4: Water discharge		

SUSTAINABILITY DISCLOSURES

GRI CONTENT INDEX

Statement of use	Pharmaniaga has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI used	GRI - Foundation 2021

GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 2: General Disclosures 2021	2-1	Organizational details	About This Report (pp. 4–5); Group Structure (p. 12)	About This Report / Scope & Boundary of Reporting (pp. 2–3)
	2-2	Entities included in the organization’s sustainability reporting	About This Report (pp. 4–5); Group Structure (p. 12)	About This Report / Scope & Boundary of Reporting (pp. 2–3)
	2-3	Reporting period, frequency and contact point	About This Report (pp. 4–5); Group Structure (p. 12)	About This Report / Scope & Boundary of Reporting (pp. 2–3)
	2-4	Restatements of information	Not Available	Sustainability Performance Data (pp. 104–115)
	2-5	External assurance	About This Report (p. 4); Assurance Statement (pp. 92–93)	About This Report (pp. 2–3); Assurance Statement (pp. 130–131)
	2-6	Activities, value chain and other business relationships	About Pharmaniaga (pp. 6–7); Our Value Creating Business Model (pp. 34–35); Stakeholder Engagements (pp. 36–38)	Our Value Creating Business Model (pp. 6–7); Stakeholder Engagements (pp. 8–10)
	2-7	Employees	Our Key Resources (pp. 32–33); Material Sustainability Matters (pp. 39–41); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Material Sustainability Matters (pp. 11–14); Goal 4 – M9 Talent Management (pp. 78–84); Sustainability Targets and Performance (pp. 104–115)
	2-8	Workers who are not employees	Our Key Resources (pp. 32–33); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (pp. 76–88); Prescribed Table (pp. 98–103), Sustainability Performance Data (pp. 104–115)
	2-9	Governance structure and composition	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-10	Nomination and selection of the highest governance body	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-11	Chair of the highest governance body	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-12	Role of the highest governance body in overseeing the management of impacts	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)

SUSTAINABILITY DISCLOSURES

GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-14	Role of the highest governance body in sustainability reporting	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-15	Conflicts of interest	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19); Goal 2 – M5 Acting with Integrity (pp 42,44)
	2-16	Communication of critical concerns	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19); Goal 1 – M1 BCM (pp 25–27); Goal 2 – Acting with Integrity (pp 45)
	2-17	Collective knowledge of the highest governance body	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-18	Evaluation of the performance of the highest governance body	Board at a Glance (pp. 94–95); Profile of Board of Directors (pp. 96–106); Key Management Personnel (pp. 108–109); Profile of Key Management Personnel (pp. 110–115); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Sustainability Governance (pp. 18–19)
	2-19	Remuneration policies	Corporate Governance Overview Statement (pp. 116–127)	https://pharmaniaga.com/investor-relations-2/corporate-governance-2/
	2-20	Process to determine remuneration	Corporate Governance Overview Statement (pp. 116–127)	https://pharmaniaga.com/investor-relations-2/corporate-governance-2/
	2-21	Annual total compensation ratio	Key Risk and Mitigation (p. 54), Corporate Governance Overview Statement (pp. 116–127); Financial Statements (pp. 155-260)	Not available
	2-22	Statement on sustainable development strategy	Managing Director’s Report (pp. 18–23), Sustainability Statement (pp. 78-86)	About This Report (pp. 2–3); Sustainability Achievements and Highlights (pp. 15–17)
	2-23	Policy commitments	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48); Sustainability Governance (pp. 18–23)

SUSTAINABILITY DISCLOSURES

GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48); Sustainability Governance (pp. 18–19)
	2-25	Processes to remediate negative impacts	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Stakeholder Engagements (pp. 8–10); Sustainability Risk Mitigation (pp. 13–14); Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48); Goal 5 – M12 Corporate Responsibility / Human Rights (pp. 92–97)
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48); Goal 5 – M12 Corporate Responsibility / Human Rights (pp. 92–97)
	2-27	Compliance with laws and regulations	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48); Goal 3 – M6 Environmental Compliance (pp. 49–50); Goal 4 – M10 Health & Safety (pp. 85–88)
	2-28	Membership associations	Stakeholder Engagements (pp. 36–38);	Stakeholder Engagements (pp. 8–10); Goal 1 – M4 Sustainable Products & Services (pp. 36–37)
	2-29	Approach to stakeholder engagement	Stakeholder Engagements (pp. 36–38)	Stakeholder Engagements (pp. 8–10)
	2-30	Collective agreements	Not available	Goal 4 – M9 Talent Management (p. 83)
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material Sustainability Matters (pp. 39–41)	Material Sustainability Matters (pp. 11–12)
	3-2	List of material topics	Material Sustainability Matters (pp. 39–41)	Material Sustainability Matters / Materiality Matrix (pp. 12–14)
	3-3	Management of material topics	Sustainability Risk Management Strategy (pp. 40–41)	Sustainability Risk Management Strategy (pp. 13–14); Sustainability Targets and Performance (pp. 21–23)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Chairman’s Overview (pp. 14–17); Managing Director’s Report (pp. 18–23); Chief Financial Officer’s Review (pp. 24–27); 2025 Key Highlights (pp. 10–11)	Sustainability Targets and Performance (pp. 21–23); Sustainability Performance Data (pp. 104–115)
	201-2	Financial implications and other risks and opportunities due to climate change	Our Key Risks and Mitigation (pp. 47–56); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Governance (pp. 81–82); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 51–58); TCFD (pp. 65–75)
	201-3	Defined benefit plan obligations and other retirement plans	Financial Statements (pp. 155–260)	Goal 4 – M9 Talent Management (p. 80)
	201-4	Financial assistance received from Government	Not available	Not available

SUSTAINABILITY DISCLOSURES

GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not Available	Goal 4 – M9 Talent Management (p. 84)
	202-2	Proportion of senior management hired from the local community	Our Key Resources (pp. 32–33); Sustainability Governance (pp. 81–82); Corporate Governance Overview Statement (pp. 116–127)	Goal 4 – M9 Talent Management (p. 84); Sustainability Performance Data (pp.104–115)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Our Value Creating Business Model (pp. 34–35); Stakeholder Engagements (pp. 36–38); Indonesia Operations (pp. 72–77)	Goal 5 – M11 Supporting Local Businesses (pp. 90–91); Goal 5 – M12 Corporate Responsibility (pp. 92–97)
	203-2	Significant indirect economic impacts	Our Value Creating Business Model (pp. 34–35); Stakeholder Engagements (pp. 36–38); Indonesia Operations (pp. 72–77)	Goal 5 – M11 Supporting Local Businesses (pp. 90–91); Goal 5 – M12 Corporate Responsibility (pp. 92–97)
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Stakeholder Engagements (pp. 36–38); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87-92)	Goal 5 – M11 Supporting Local Businesses (p. 90)
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48)
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48)
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance Overview Statement (pp. 116–127); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48)
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Our Key Risks and Mitigation (pp. 47–56); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (pp. 39–48)
GRI 207: Tax 2019	207-1	Approach to tax	Financial Statements (pp. 155–260)	Goal 1 - M4 Sustainable Product and Services (p. 36); Goal 3 - M7 GHG and Climate Change (p. 56)
	207-2	Tax governance, control, and risk management	Financial Statements (pp. 155–260)	About This Report (pp. 2–3); Sustainability Governance (pp. 18–19)
	207-3	Stakeholder engagement and management of concerns related to tax	Financial Statements (pp. 155–260)	Not available
	207-4	Country-by-country reporting	Financial Statements (pp. 155–260)	Goal 1 – M2 Technology and Innovation (p. 30); M4 Sustainable product and services (pp. 34–35); Goal 5 – M12 Corporate Responsibility (pp. 92–92)

SUSTAINABILITY DISCLOSURES

GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Manufacturing (pp. 62–67); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	301-2	Recycled input materials used	Manufacturing (pp. 62–67); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 60–61); Sustainability Performance Data (pp. 104–115)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M7 GHG Climate Change (p. 55); Sustainability Performance Data (pp. 104–115)
	302-2	Energy consumption outside of the organization	Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M7 GHG Climate Change (p. 53); Sustainability Performance Data (pp. 104–115)
	302-3	Energy intensity	Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M7 GHG Climate Change (p. 54); Sustainability Performance Data (pp. 104–115)
	302-4	Reduction of energy consumption	Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M7 GHG Climate Change (p. 55); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	302-5	Reductions in energy requirements of products and services	Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M7 GHG Climate Change (pp. 56–58); Sustainability Performance Data (pp. 104–115)
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 61–64); Goal 5 – M12 Corporate Responsibility
	303-2	Management of water discharge-related impacts	Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 61–64), Sustainability Performance Data (pp. 104–115)
	303-3	Water withdrawal	Not available	Goal 3 – M8 Resource Efficiency (pp. 61–64)
	303-4	Water discharge	Not available	Goal 3 – M8 Resource Efficiency (pp. 61–64)
	303-5	Water consumption	Not available	Goal 3 – M8 Resource Efficiency (pp. 61–64)

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GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not available	Goal 3 – M11 Supporting local business (p. 92)
	304-2	Significant impacts of activities, products and services on biodiversity	Not available	Goal 3 – M6 Environmental Compliance (pp. 49–50); Goal 5 – M 12 Corporate Responsibility (pp. 92–93)
	304-3	Habitats protected or restored	Not available	Not available
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not available	Not available
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Prescribed Table (pp. 87-92)	Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 52–53); TCFD (pp. 65–75); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	305-2	Energy indirect (Scope 2) GHG emissions	Prescribed Table (pp. 87-92)	Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 52–53); TCFD (pp. 65–75); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	305-3	Other indirect (Scope 3) GHG emissions	Prescribed Table (pp. 87-92)	Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 52–53); TCFD (pp. 65–75); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	305-4	GHG emissions intensity	Not available	Goal 3 – M7 Greenhouse Gas & Climate Change (p. 53)
	305-5	Reduction of GHG emissions	2025 Key Highlights (pp. 10–11); Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Target & Performance Table (p. 22); Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 56–58); Sustainability Performance Data (pp. 104 - 115)
	305-6	Emissions of ozone-depleting substances (ODS)	Not available	Not available
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not available	Not available
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	2025 Key Highlights (pp. 10–11); Value creation (pp. 34-35); Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 59–60,68); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	306-2	Management of significant waste-related impacts	2026 Key Highlights (pp. 10–11); Value creation (pp. 34-35); Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 59–60,68); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	306-3	Waste generated	2027 Key Highlights (pp. 10–11); Value creation (pp. 34-35); Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 59–60,68); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)

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GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 306: Waste 2020	306-4	Waste diverted from disposal	2028 Key Highlights (pp. 10–11); Value creation (pp. 34-35); Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 59–60,68); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	306-5	Waste directed to disposal	2029 Key Highlights (pp. 10–11); Value creation (pp. 34-35); Sustainability Achievements and Highlights (p. 79); Prescribed Table (pp. 87–92)	Goal 3 – M8 Resource Efficiency (pp. 59–60,68); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Stakeholder Engagements (pp. 36–38); Our Key Risks and Mitigation (pp. 47–56)	Goal 2 – M5 Corporate Governance and Business Ethics (p. 44)
	308-2	Negative environmental impacts in the supply chain and actions taken	Stakeholder Engagements (pp. 36–38); Our Key Risks and Mitigation (pp. 47–56)	Goal 2 – M5 Corporate Governance and Business Ethics (p. 44); Goal 5 – M11 Supporting Local Businesses (pp. 91–92)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Our Key Resources (pp. 32–33); Sustainability Milestones (p. 78);Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (pp. 79, 83); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Key Resources (pp. 32–33); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (p. 80)
	401-3	Parental leave	Our Key Resources (pp. 32–33); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (p. 83)
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Not available	Not available
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Manufacturing (pp. 62–67); Logistics & Distribution (pp. 68–71); Indonesia Operations (pp. 72–77); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (pp. 85–88); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	403-2	Hazard identification, risk assessment, and incident investigation	Not available	Goal 4 – M10 Health & Safety (p. 86)
	403-3	Occupational health services	Not available	Goal 4 – M10 Health & Safety (pp. 85–89); Sustainability Performance Data (pp. 104–115)
	403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (pp. 86, 88); Sustainability Performance Data (pp. 104–115)

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GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (pp. 86, 88); Sustainability Performance Data (pp. 104–115)
	403-6	Promotion of worker health	Manufacturing (pp. 62–67); Logistics & Distribution (pp. 68–71); Indonesia Operations (pp. 72–77); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (pp.86, 88); Sustainability Performance Data (pp. 104–115)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Manufacturing (pp. 62–67); Logistics & Distribution (pp. 68–71); Indonesia Operations (pp. 72–77); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Governance (pp. 81–82); Sustainability Framework (p. 83); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (pp. 85–89); Sustainability Performance Data (pp. 104–115)
	403-8	Workers covered by an occupational health and safety management system	Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (pp. 80, 85); Sustainability Performance Data (pp. 104–115)
	403-9	Work-related injuries	Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (p. 87); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	403-10	Work-related ill health	Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M10 Health & Safety (p. 87); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	404-1	Average hours of training per year per employee	Our Key Resources (pp. 32–33); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (p. 78), Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Our Key Resources (pp. 32–33); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (pp. 78-79), Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
GRI 404: Training and Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Our Key Resources (pp. 32–33); Sustainability Milestones (p. 78); Sustainability Achievements and Highlights (p. 79); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 4 – M9 Talent Management (p. 79)

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GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Board at a Glance (pp. 94–95); Our Key Resources (pp. 32–33)	Goal 4 – M9 Talent Management (p. 84); Prescribed Table (pp. 98–103); Sustainability Performance Data (pp. 104–115)
	405-2	Ratio of basic salary and remuneration of women to men	Board at a Glance (pp. 94–95); Our Key Resources (pp. 32–33)	Goal 4 – M9 Talent Management (p. 84)
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Our Key Resources (pp. 32–33); Board at a Glance (pp. 94–95); Profile of Key Management Personnel (pp. 110–115)	Goal 4 – M9 Talent Management (p. 81); Goal 2 – M5 Corporate Governance & Business Ethics (p. 43)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Key Resources (pp. 32–33); Board at a Glance (pp. 94–95); Profile of Key Management Personnel (pp. 110–115)	Not available
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Our Key Risks and Mitigation (pp. 47–56); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 4 – M9 Talent Management (pp. 81-82); Goal 2 – M5 Corporate Governance & Business Ethics (p. 43)
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Key Risks and Mitigation (pp. 47–56); Statement on Risk Management and Internal Control (pp. 128–148)	Goal 4 – M9 Talent Management (pp. 77, 81-82); Goal 2 – M5 Corporate Governance & Business Ethics (pp. 43)
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Statement on Risk Management and Internal Control (pp. 128–148)	Goal 4 – M9 Talent Management (p. 82)
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Our Key Risks and Mitigation (pp. 47–56); Statement on Risk Management and Internal Control (pp. 128–148)	Not available
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Stakeholder Engagements (pp. 36–38); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 5 – M11 Supporting Local Businesses (pp. 90–97)
	413-2	Operations with significant actual and potential negative impacts on local communities	Stakeholder Engagements (pp. 36–38); Sustainability Achievements and Highlights (p. 79); Our Approach to Sustainability (p. 80); Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 5 – M11 Supporting Local Businesses (pp. 90–97)
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Stakeholder Engagements (pp. 36–38); Our Key Risks and Mitigation (pp. 47–56)	Goal 2 – M5 Corporate Governance and Business Ethics (p. 44); Goal 5 – M11 Supporting Local Businesses (pp. 91–92)
	414-2	Negative social impacts in the supply chain and actions taken	Stakeholder Engagements (pp. 36–38); Our Key Risks and Mitigation (pp. 47–56)	Goal 2 – M5 Corporate Governance and Business Ethics (p. 44); Goal 5 – M11 Supporting Local Businesses (pp. 91–92)
GRI 415: Public Policy 2016	415-1	Political contributions	Corporate Governance Overview Statement (pp. 116–127)	Goal 5 – M12 Corporate Responsibility (p. 92)

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GRI Standard	Disclosure ID	Disclosure	Integrated Report Topic	Sustainability Report Topic
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 1 – M3 Customer Satisfaction (pp. 32); Goal 1 – M4 Sustainable Products & Services (pp. 33–37)
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Targets and Performance (pp. 84–86); Prescribed Table (pp. 87–92)	Goal 1 – M3 Customer Satisfaction (pp. 32); Goal 1 – M4 Sustainable Products & Services (pp. 33–37)
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Not available	Goal 1 – M2 Technology & Innovation (p. 29); Goal 1 – M3 Customer Satisfaction (p. 32)
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not available	Goal 1 – M2 Technology & Innovation (p. 29); Goal 1 – M3 Customer Satisfaction (p. 32)
	417-3	Incidents of non-compliance concerning marketing communications	Not available	Goal 1 – M2 Technology & Innovation (p. 29); Goal 1 – M3 Customer Satisfaction (p. 32)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Statement on Risk Management and Internal Control (pp. 128–148)	Goal 2 – M5 Corporate Governance & Business Ethics (p. 46)

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SASB CONTENT INDEX

Code	Accounting Metric	Integrated Report Reference	Sustainability Report Reference
HO-DI-110a	Payload fuel economy	Not available	Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 55)
HO-DI-110a.2	Environmental impact of logistics	Managing Director’s Report - Logistics and Distribution (pp. 21–23)	Goal 3 – M7 Greenhouse Gas & Climate Change (pp. 51–58); M8 Resource Efficiency (pp. 59–64)
HO-DI-250a.1	Monetary losses from product safety	Not available	Goal 1 – M3 Customer Satisfaction (pp. 31);
HO-DI-250a.2	Product safety risk mitigation	About Pharmaniaga / Competitive Strengths (pp. 6–9); Managing Director’s Report – Manufacturing (pp. 20–22)	Goal 1 – M3 Customer Satisfaction (pp. 31–32); M4 Sustainable Products & Services (pp. 33–38)
HO-DI-260a.1	Traceability systems	2025 Key Highlights (p. 11)	Goal 1 – M2 Technology & Innovation (pp. 28–30); M4 Sustainable Products & Services (pp. 33–34)
HO-DI-260a.2	Due diligence in supply chain	Stakeholder Engagements (pp. 36–38)	Goal 2 – Acting with Integrity (pp. 43–44); Goal 5 – Supporting Local Businesses / ESG in the Supply Chain (pp. 91–92)
HO-DI-260a.3	Counterfeit alert processes	Not available	Goal 1 – M4 Sustainable Products & Services / Preventing Counterfeit Medicines (pp. 33)
HO-DI-410a.1	Packaging environmental impact	2025 Key Highlights (pp. 11), Key Risk and Mitigation (p 52)	Goal 1 – M2 Technology & Innovation / E-labelling (pp. 29–30); Goal 3 – M8 Resource Efficiency / Reduced Packaging Programmes (pp. 59–61)
HO-DI-410a.2	Product take-back & recycling	Not explicitly reported in current IR sustainability statement pages shown	Goal 3 – M8 Resource Efficiency / Waste Management & Circular Economy (pp. 59–61)
HO-DI-510a.1	Conflict of interest mitigation	Corporate Governance Overview Statement (pp. 116–127)	Goal 2 – Acting with Integrity / Integrity and Transparency in Transactions (pp. 43–44)
HO-DI-510a.2	Monetary losses from unethical practices	2025 Key Highlights (pp. 11); Corporate Governance Overview Statement (pp. 116–127)	Goal 2 – Acting with Integrity / Confirmed Incidents of Corruption and Action Taken (pp. 43)
HO-DI-000.A	Units sold by product category	Not available	Goal 1 – M4 Sustainable products and services (pp. 34);
HO-DI-000.B	Number of medical devices sold by product category	Not available	Goal 1 – M4 Sustainable products and services (pp. 34);

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ASSURANCE STATEMENT



SIRIM QAS INTERNATIONAL SDN BHD
INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by Pharmaniaga Berhad (hereafter referred to as Pharmaniaga) to perform an independent verification and provide assurance of the Pharmaniaga Sustainability Report 2025. The main objective of the verification process is to provide assurance to Pharmaniaga and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to sustainable performance information (subject matter) within the assurance scope which is included in Pharmaniaga Sustainability Report 2025.

The management of Pharmaniaga was responsible for the preparation of the Sustainability Report. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Pharmaniaga's Sustainability Report, and the Integrated Annual Report 2025.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of Pharmaniaga Sustainability Report and its overall presentation against respective frameworks such as UN-SDGs, GRI Standard requirement, IFRS S1 & S2 requirements and other relevant frameworks. The assurance process involves verification of applicable subject matter as presented in the report through these goals i.e., Delivering Sustainable Value and Future-Proofing the Business, Acting with Integrity, Achieving Operational Eco-Efficiency, Creating a Sustainable and High-Performance Workforce, and Building Better Society. In addition to this, we also review and verify the sustainability indicators outlined by Bursa Malaysia to ensure the accuracy, completeness, and reliability of the reported information. The results of this verification process have been systematically tabulated in Appendix 1, Appendix 2 and the Report to Management, with further details provided therein.

The verification was carried out by SIRIM QAS International between February and March 2026, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation made available during the assessment.
- Verifying the data presented in the Sustainability Report, which includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and developing various sections of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in Pharmaniaga Integrated Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.
- The scope of this review excludes GHG emissions and all associated data contributing to Scope 1, Scope 2 and Scope 3 emissions, and any information relating to Pharmaniaga's GHG accounting and reporting.

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- As part of this assurance engagement, the verification team visited Pharmaniaga's corporate office at Kawasan Perindustrian Bukit Raja Selatan, Shah Alam. However, the verification process did not include physical inspections of any of Pharmaniaga's buildings, offices and plants.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, the Conformity Assessment Body (CAB) in Malaysia, is accredited to ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 for the provision of management system certification, product certification, and testing services across its full scope of operational activities. Building on this foundation, SIRIM QAS International is accredited as a Validation and Verification Body (VVB) under ISO/IEC 17029:2019 and ISO 14065:2020, enabling it to provide independent, impartial, and technically robust validation and verification services in accordance with internationally recognized standards. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of Pharmaniaga relating to the accuracy of some of the information contained in the report. In response to the findings, the Sustainability Report was subsequently reviewed and revised by Pharmaniaga. It is confirmed that changes that have been incorporated into the final version of the report have addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in Pharmaniaga Sustainability Report 2025 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The Sustainability Report 2025 presents a reasonable and balanced view of Pharmaniaga Berhad's sustainability performance.

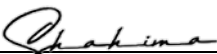
List of Assessors.

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2)	Ms. Kamini Sooriamoorthy	:	Team Member
3)	Ms. Suzalina Kamaralarifin	:	Team Member
4)	Ms. Hazwani Yob	:	Team Member
5)	Ms. Farhanah Ahmad Shah	:	Team Member

Statement Prepared by:

Statement Approved by:


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Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date: 2 April 2026


WAN SHAHIMA BINTI MIOR AHMED SHAHIMI
General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date: 8 April 2026

Note : This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (18 March 2026).



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