

2024

Environmental, Social & Governance Report



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A word from our Chairman

Our Company founder, Sir Graeme Douglas, firmly believed the success of the company lay not only in the financial performance of the enterprise, but also in the positive way in which the company built relationships with its wider stakeholders and communities. Sir Graeme's legacy remains at the heart of our values and the way we conduct business.

Many of our business partner relationships have been in place for many years and the Board of Directors are motivated to deliver the highest quality efficacious products to improve and enhance healthy outcomes.

We recognise and support global initiatives to reduce our impact on the environment and to ensure we are focused on sustainable practices.

DAVID PILKINGTON
Chairman



A word from Jeff Douglas

Douglas Pharmaceuticals has always focused on improving lives. Right from the beginning when my father developed a cough syrup because he couldn't find a product to treat patients over 55 years ago, to the advanced research we are doing today into cancer and severe depression, we have focused on how we can improve patients' health outcomes.

At the heart of our business are our people. I am very proud of the talented and diverse team we have assembled and am committed to developing and supporting them to be the very best they can be.

An important part of our focus on people is our commitment to our community. We support numerous health charities including hospices, Starship children's hospital, Westpac rescue helicopter to name a few, and we continue our commitment to support Athletics New Zealand.

As part of our commitment to being a good corporate citizen, our second ESG report provides a summary of our journey and insights into our plans to grow a more sustainable business. I hope you enjoy reading the report.

JEFF DOUGLAS
Managing Director

About Douglas

Who are we?

Douglas Pharmaceuticals is a New Zealand success story – a rapidly expanding pharmaceutical company with a reputation for high manufacturing standards, quality products, and outstanding client service.

Douglas was founded in 1967 by West Auckland chemist Sir Graeme Douglas who dispensed prescription medicines. In 1980 he turned his hand to manufacturing and by the 1990's he

was successfully researching and developing his own products for the domestic and international markets.

Today Douglas employs almost 700 people and exports to over 40 countries around the world. Douglas has sites in Henderson and Fiji and is New Zealand's largest family-owned healthcare company.

What we do

At Douglas we believe that happy, healthy people deliver sustainable high performance. We believe that together we're on a journey to be our best.

Our mission is to improve lives by providing access to innovative, competitive, and high-quality healthcare solutions. We are building on our already proven capabilities for our strategic pillars of growth and key enablers for success, which include:

- Become a sustainable consumer business renowned for its portfolio of brands that improve lives across New Zealand and Australia.
- Build a leading and globally competitive pharma services business.
- Develop and partner world-leading novel medicines which address clinically unmet needs.

Douglas' Vision for sustainability

For over 55 years we've had great success, but we know to continue growing and thriving in the future, we need to focus on building a sustainable business that is profitable, cares for the planet, and improves peoples' lives. We take our responsibility seriously and work continuously to improve our sustainability performance to achieve the Environment, Social and Governance (ESG) needs.

We align our vision with the concept of double materiality. We understand that our business is not only impacted by the environment and society but can also impact the environment and society that we are all part of. We recognise that businesses have both internal and external impacts related to sustainability and we need to consider not only our financial performance but also our environmental and social impacts when making decisions. This encourages our business in creating sustainable value for shareholders and society as a whole.

Our vision for sustainability can be outlined in the diagram →

AIMS & OUTCOMES

Get to net zero

Become a net zero company by 2050 or sooner. We align our goals and collaborate to achieve them, to help the world get to net zero.

EMBEDDED IN OUR DNA

Care for our planet

For the future of all our stakeholders and our community, we are committed to improving our sustainability performance and protecting the environment.

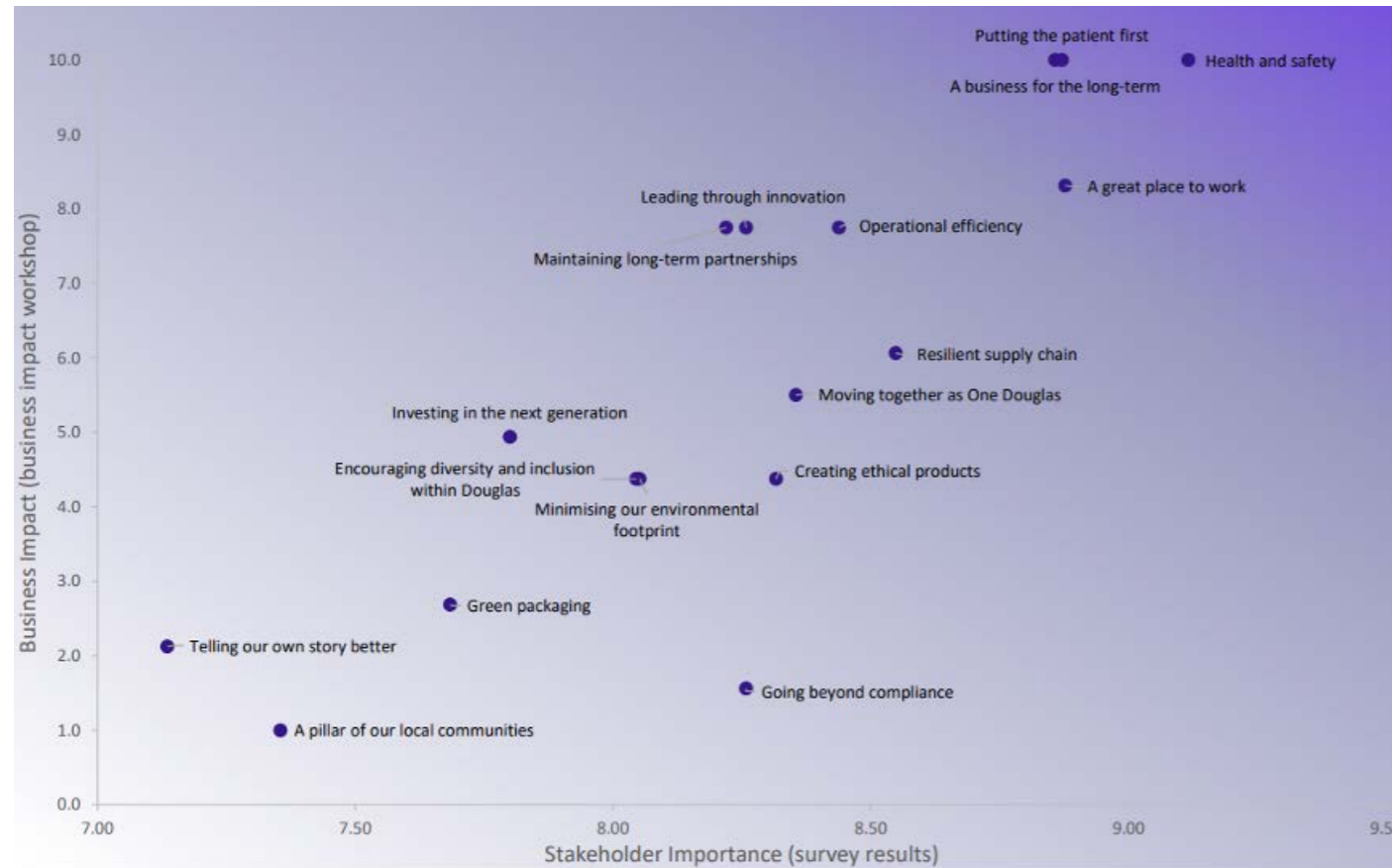
EMPLOYEES, COMMUNITIES & PATIENTS

Improve lives

We value long lasting partnerships by being socially responsible and by promoting the wellbeing and health of our employees, communities and our patients.

Priority ESG Issues

In 2022, we led an in-depth materiality assessment that helped map the ESG focus areas and expectations of our stakeholders. The key priority areas are consistent with our vision and values. We recognise that our priority issues may evolve over time and our cross-functional ESG Steering Group is responsible for identifying and adopting potential goals and targets, and ensuring these align with the United Nations Sustainable Development Goals (UNSDGs).



Our Actions that align with UNSDGs

We identified that our core business activities of pharmaceutical and nutraceutical product development and manufacturing strongly align with two of the United Nations Sustainable Development Goals (SDGs) - (3) Good Health and Well-Being and (9) Industry, Innovation and Infrastructure. Multiple other initiatives or projects within our organisation also have other UNSDG goals in mind, such as (5) Gender Equality.



Good Health and Well-Being



Our mission is to improve lives by providing access to innovative and affordable healthcare solutions.

We are dedicated to manufacturing and distributing high-quality medications and products that cater to diverse global health needs. Leveraging our established expertise, we are exploring new avenues by repurposing existing molecules to treat another disease that it was not originally designed for. Vigilance is paramount, as we consistently monitor and mitigate any potential risks associated with our products.

We believe, as a company, we should not only create good health and well-being through our products. We should also prioritise the good health and safety and wellbeing of our team members as well. Our Safety, Health, Hygiene, and Environment (SHHE) team diligently manages and minimises risks in these domains.

We foster a culture of active participation in health and safety initiatives, aiming to enhance awareness, skills, and representation across the organisation.

Recognising the importance of well-being, we commemorate key events such as Mental Health Awareness Week and Pink Shirt Day, while actively nurturing wellbeing through various activations, communication strategies, and workshops. Our leadership is trained to understand and support our people, enabling them to thrive.

We encourage communication and feedback from all our people through partnering with Workday Peakon. We continually assess employee wellbeing by leveraging the expertise of our team and collaborating with internal subject matter experts, including Naturopaths and Learning Specialists, to provide comprehensive knowledge and resources to promote health and wellbeing.

Industry, Innovation and Infrastructure



We put a huge amount of effort and substantial investment into identifying unmet global healthcare needs, and we work vigilantly to address them to create a healthier world.

Douglas works with universities and innovation organisations around the globe on multiple novel/repurposing projects.

With our purpose-built research and development building in Auckland, we continue investing in upgrading our building infrastructure in both our Auckland site and Fiji site, as well as innovation in more advanced pharmaceutical products for unmet healthcare needs.

Gender Equality



We do not discriminate against people regardless of their race, religion, gender identity, sexual orientation, age, marital status, disability, medical condition, and any other characteristics that are protected by law.

We strive to ensure that all our people receive equal and fair treatment in all Douglas practices. We raise awareness and understanding of the importance of diversity in the workplace through educational activities such as Pink Shirt Day, Pride Month, and partnering with Dignity Ltd. We reward our people for their work with fair pay based on the skills and experience they bring to a role, an internal position sizing framework, and market data comparisons. We have product ranges that extend across the entire population.

Further in this report, within the Environmental, Social and Governance sections, we detail our commitment to these goals and provide further examples on how Douglas supports them.

Governance

Internal Governance

In 2021, an ESG Steering Group was formed to accelerate Douglas's journey of being a good corporate citizen. This cross-functional group is formed of members from both Douglas Pharmaceuticals, Douglas Manufacturing, and Douglas Pharmaceuticals Fiji team members, and is focused on driving positive outcomes for the business.

Endorsement	BOARD		
Strategic Direction	ELT		
Strategy, Goals, Escalation to ELT	ESG STEERING COMMITTEE		
Working group to deliver & track	ENVIRONMENT	SOCIAL	GOVERNANCE

External Audit and Assurance

We engaged with external auditors to ensure that our business and operations are held accountable to laws, regulations, and society standards.



EcoVadis

EcoVadis is a globally recognised sustainability ratings platform that evaluates the environmental, social, and ethical performance of companies across various industries. Through its comprehensive assessment methodology, EcoVadis assesses companies' sustainability practices, supply chain management, labour and human rights policies, environmental impact, and business ethics. By providing businesses with detailed sustainability ratings and performance benchmarks, EcoVadis enables companies to measure their progress, identify areas for improvement, and enhance their sustainability performance. EcoVadis plays a crucial role in promoting transparency, accountability, and responsible business practices, helping companies drive positive environmental and social impact while fostering trust and resilience in the global marketplace.

We have partnered with EcoVadis to audit our ESG performance since 2021 and have received and maintained bronze ratings since then. We have embedded this tool into our ESG programme to focus and guide our ESG priorities to enhance sustainability at Douglas.



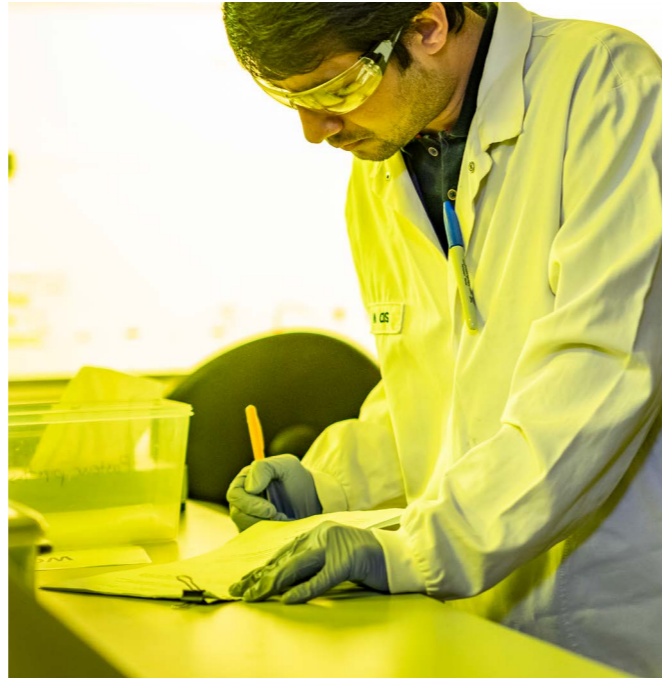
Toitū

Toitū, formerly known as carboNZero, is New Zealand's leading carbon reducing program, providing businesses and organisations with tools and guidance to measure, manage, and mitigate their carbon footprint. Through rigorous carbon accounting methodologies and certification processes, Toitū helps entities identify areas for emissions reduction, implement sustainable practices, and offset unavoidable emissions through verified carbon offset projects. By partnering with Toitū, Douglas demonstrates our commitment to environmental stewardship and contributes to New Zealand's efforts to combat climate change.

We have received the Toitū carbonreduce certification for four years in a row. Our carbon reduction result is disclosed in the Environment section of this report.

Pharmaceutical Supply Chain Initiative (PSCI)

The Pharmaceutical Supply Chain Initiative (PSCI) is a collaborative effort among pharmaceutical companies to promote responsible supply chain management and ethical business practices within the pharmaceutical industry. PSCI aims to improve environmental, social, and ethical performance throughout the pharmaceutical supply chain by establishing common standards and guidelines. Douglas participated in a PSCI audit in 2024.



Quality Assurance

We believe we have a duty to the consumers of our products to ensure that they are of the highest quality, are manufactured in a controlled way by experts in their fields, and that they are effective. We live by the principles of Good Manufacturing Practice, which drives quality across everything we do. This means everything we make is documented, tested, checked, audited, and independently verified before it gets to the consumer. And we can trace every step and person involved in the manufacturing of every single product.

Douglas managed over 45 audits in this financial year conducted by regulatory authorities, our customers, and internally. We also audit our vendors to ensure their product quality and compliance.

Audits are a snapshot of how we and/or our vendors operate, and to confirm the quality systems comply with the applicable standards. However the follow up on findings during audits ensure continuous improvement and elimination of potential nonconformities. The latter supports product quality and patient safety. Audits are essential to ensure we receive the license to make medicines for patients in New Zealand and all other markets we export products to. With full quality in mind, we have had no product recalls over the last 12 months (2023 – 2024).

Our dedicated Quality Assurance team ensures compliance in terms of:

- GMP compliance with laws, regulations, and our internal procedures
- Identifying gaps in our quality system and improving the system
- Customer assurance in our processes
- Identifying gaps with our vendors

The key GMP systems audited are: Quality System, Materials, Laboratory Controls, Facilities & Equipment, Packaging & Labelling and Production.

We are in compliance with the below regulatory authorities:

- US FDA – United States Food and Drug Administration
- Medsafe – New Zealand Medicines and Medical Devices Safety Authority
- TGA – Therapeutic Goods Administration of Australia



Environmental

This section outlines our efforts in reducing our impact to the environment, including reporting on the below information

Climate change mitigation, including scope 1, scope 2 and scope 3 greenhouse gas emissions

Climate change adaptation, including physical and regulatory risks

Water stewardship

Waste reduction and management efforts

Climate Change Mitigation



Douglas recognise New Zealand's effort in combatting climate change and contributing to its effort to mitigate climate disaster. The Board have agreed an absolute carbon reduction of 5% per annum from

our base line of financial year 2020. We have achieved significant improvements from year one by reducing emissions from transportation by switching to hybrid vehicles and reducing the number of air freights required for shipping our raw materials and finished products.



Carbon Emission Results

We conduct annual reporting under the Toitū carbonreduce programme where Toitū facilitate a hybrid of a desktop audit on Douglas' emission data, as well as a walk-through to ensure all sources of emissions are captured. The audits are conducted in accordance with the Programme Verification Guidelines including ISO 14064-3:2019 and the Verification and Sampling Plan. Below covers the 12-month period from 1 April 2022 to 31 March 2023.

As part of the Toitū audit, an assessment of materiality was made against a defined threshold. From this analysis it was concluded that the stated emissions are free from material error. This is our fourth year of reporting under the Toitū carbonreduce programme.

Douglas' total carbon emissions in this financial year remain roughly the same, with a slight reduction across the group level, our production site in Henderson, and our Fiji site. However we are seeing an absolute increase in Category 1 and 2 emissions of 337.05 tCO₂e occurred against base year. The emission increase is from our support site in Henderson due to the commissioning of an additional production facility in our Douglas Innovation Building.

In addition, we also continue to refine our data quality and account for other miscellaneous emissions. We expect an increase in our direct emission as our business continues to grow, and consumption of natural gas is required for manufacturing. Meanwhile, we will continue to reduce our needs to air freight in effort to cut down the scope 3 emission, while also scoping for other opportunities to reduce our scope 1 and 2 emissions.

Despite an increase in absolute emission, a reduction in emissions intensity (for Category 1, 2 and mandatory Category 3 and 4 emissions) of 8.79 tCO₂e/\$M has been achieved based upon a 4-year rolling average, adjusted for inflation. Which demonstrates our continues effort of minimising the burden on the environment while our business continues to grow and thrive.

The emissions by category and the operational GHG emission sources included in this inventory are shown below:

Category (ISO 14064-1:2018)	Scopes (GHG Protocol)	GHG emissions (tCO2e)		
		Base Year 2019/2020	Previous Year 2021/2022	Current Year 2022/2023
Category 1: Direct emissions	Scope 1	1,375.07	1,821.98	2,009.02
Category 2: Indirect emissions from imported energy (location-based method*)	Scope 2	1,234.86	1,163.26	937.96
Category 3: Indirect emissions from transportation	Scope 3	5,049.83	1,436.17	1,592.77
Category 4: Indirect emissions from products used by organisation		218.59	200.02	265.86
Category 5: Indirect emissions associated with use of products from the organisation		0.00	0.00	0.00
Category 6: Indirect emissions from the other sources		0.00	0.00	0.00
Total gross emissions*		7,878.35	4,621.43	4,805.60
Category 1 direct removals		0.00	0.00	0.00
Total net emissions		7,878.35	4,621.43	4,805.60

*Gross and net emissions are reported using a location-based methodology. Contact Douglas Pharmaceuticals Limited for full details.

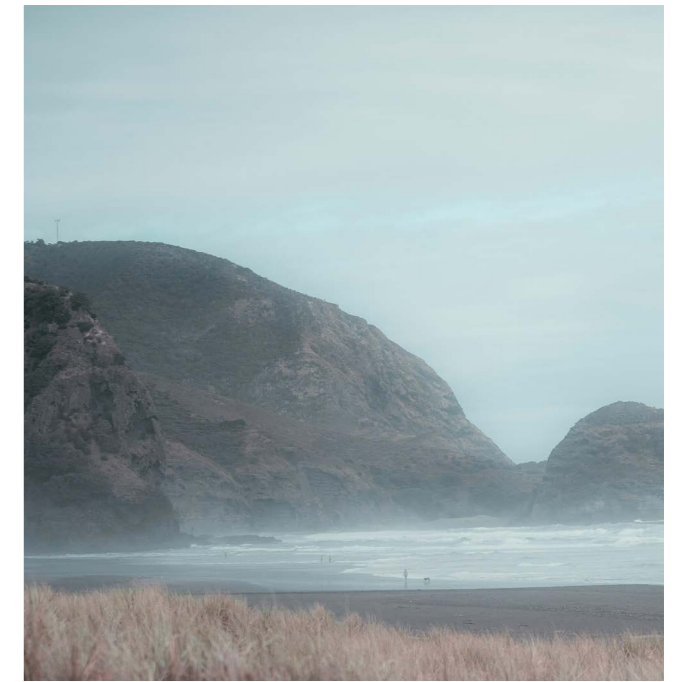
Performance Alignment with Reduction Target

To show our environmental commitment, we have set a 5% linear carbon reduction target to support achieving carbon net zero by 2050 as part of achieving the Toitū carbonreduce certification. This target was derived from Science Based Targets, who set their highest reduction target as 4.2% to halt global temperatures rising to 1.5°C. Douglas' target has been intentionally set higher than this. The graph below tracks our performance against our emission reduction targets:



Climate Change Adaptation

We are aware that climate change can have massive impacts globally, affecting our operations and potentially, the ability to supply to our patients. We are working on adapting to the risks posed by climate change to ensure the continuity of business operations and protect our patients. Additionally, we are addressing transitional risks, which include the financial and economic risks associated with the transition to a low-carbon economy and the measures taken to mitigate climate change.



Physical Risks Fiji

In Fiji, there are rising sea levels and tropical cyclones which are expected to increase in intensity, both of which will affect the livelihood of the Fijian community as weather patterns and events become more unpredictable.

Our Fiji operations were affected by cyclone and flooding in 2024. This impacted our operations as some of our people had their houses flooded, and others were unable to travel to work as roads were flooded and rivers had burst from their banks. We adapted to these risks through the following measures:

- Team members whose houses were flooded were provided with assistance – typically food parcels and blankets. We have set up a fund to provide these items to our people.
- Our Fiji plant is set up to deal with power outages (with two backup generators) and the main generator provides power to the entire site within 10 seconds of a power failure.
- Our team is resilient, and our site is robust.

We also support Fiji's efforts to combat climate change through our people helping to plant mangroves along the coastline.

Physical Risks New Zealand

New Zealand also faces physical risks associated with climate change. These include the direct impacts of extreme weather events, such as storms, floods, and wildfires, on infrastructure, supply chains, and operations. Physical risks can disrupt business activities, lead to property damage, and increase insurance costs for businesses operating in vulnerable areas.

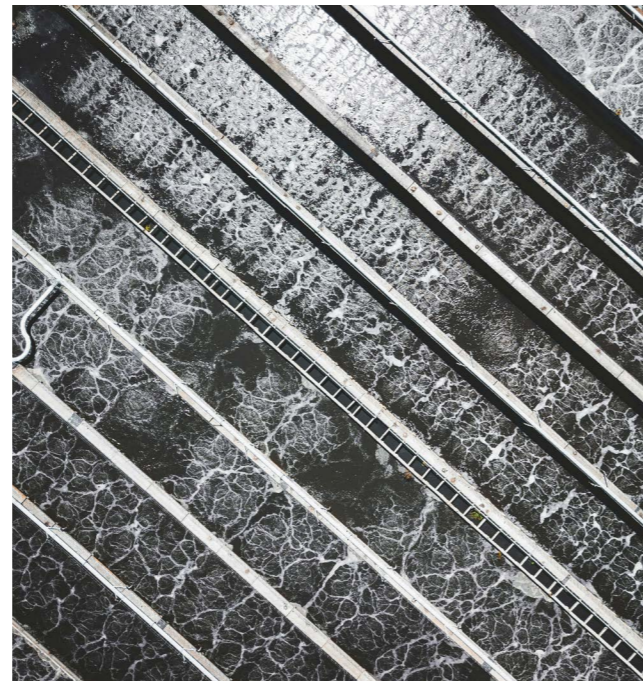
Our New Zealand operations were affected by Cyclone Gabrielle in early 2023, but our sites did not suffer any damage. We have refurbished our back-up power generators and are now equipped with two generators at our Auckland site to run core services should we lose power.

Policy and Regulatory Risks

New Zealand has laws and regulations to combat climate change. These actions and legislations affect energy, transportation, and other sections of big emitters. Douglas commits to take a proactive approach which are highlighted below:

- **Climate Change Response (Zero Carbon) Amendment Act 2019:** This landmark legislation commits New Zealand to reducing greenhouse gas emissions to net zero by 2050, with an interim target of reducing emissions by 10% below 2017 levels by 2030. The Act establishes the Climate Change Commission to provide independent advice on emissions targets, carbon budgets, and policy measures to achieve the country's climate goals. Douglas supports this goal and we have established our own carbon reduction targets accordingly.
- **Renewable Energy Target:** The New Zealand government has committed to reaching net zero for long-lived gases by 2050, set a target that 50% of total energy consumption will come from renewable sources by 2035, and has an aspirational target of 100% renewable electricity by 2030. The government is currently seeking feedback on development of the New Zealand Energy Strategy. Douglas acknowledges the importance of reduce the country's reliance on fossil fuels for electricity generation and promotes the development of renewable energy resources and exploring the opportunity of using solar panel to generate renewable energy.

We will continue to address these climate transition risks with proactive planning, investment in sustainable practices and technologies, and collaboration between government, businesses, and local communities. By identifying and managing risks effectively we strive to build resilience against the impacts of climate change.



Water Stewardship

Through a partnership with Watercare, we have identified various efficiencies with our wastewater. We have set up a Waste and Water Strategies Team headed by our Project Management Office and are working with Watercare on water and trade waste sustainability opportunities. A focus to identify and fix leaks, introduce water saving devices, and maximise our treatment plant efficiency has seen a measured decrease in water usage (detailed below).

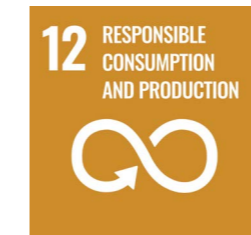
Over the past year, Douglas has reduced its wastewater discharge. We remain committed to continuous improvement in water management through reporting and responsible wastewater treatment to safeguard the environment. Our processes adhere to industry standards, ensuring proper handling and disposal.

	FY22 (m ³)	FY23 (m ³)	FY24 (m ³)
Total Water Intake	31,266	33,082	21,860
Total Wastewater	28,054	27,958	19,843

Waste Management & Recycling

At Douglas, we monitor total weight of waste recovered through recycling across various categories to divert recyclable materials away from landfills. This includes co-mingled materials, soft plastics (including shrink wrap), cardboard, and green waste.

We remain committed to initiating regular supplier meetings to drive continuous improvement around our waste volumes, recycling, and treatment opportunities, including exploring options for recyclable packaging for our products. We disclose our waste and recycling effort below:



Type of Waste (Unit: Metric Tonnes)	FY22 (m ³)	FY23 (m ³)	FY24 (m ³)
Pharma for Security Destruction	51.6	131.2	71.9
Cytotoxic waste	3.1	4.4	25.0
Medical waste	0.4	0.5	1.0
Document waste	2.1	5.1	1.9
Co-mingled Recycled Content	17.5	15.7	5.9
Cardboard	16.4	13.1	12.0
Total Waste Diverted from Landfill	36.0	33.9	19.8
Expired medicine / total volume of products sold	-	-	0.28%

*Waste Data tracked and provided by our sub-contractor, Interwaste. Waste generated by Auckland operations

** Amount of unused or expired medicines (excluding placebo) collected for recycling or waste treatment as a percentage of the total volume of products sold in Each/ml/grams

*** FY is period from 1 April to 31 March of following year



Social

Our Culture

Our aspirational culture statement is exactly that – it’s aspirational. It expresses the very best of the culture we have today, and stretches us towards the culture we aspire to have.

Douglas is dynamic and future focused. We are empowered to do our life’s best work. We have clarity of what’s expected of us, we know how to get things done, and we work together to get there. We are ONE Douglas - together we create a culture of success!

We are curious to learn and constantly challenge the way we do things

We are open and trust people, we do what’s right, we embrace diversity and demand fairness.

We learn from our mistakes, celebrate our wins, and have fun.

We are savvy business-people and we understand the needs of our customers and patients.

We are inspired and coached by self-aware and transparent leaders who challenge us to be our best.

We work hard and smart because we want to be a high performing team and organisation that makes a real difference.

Our Behaviours

Each of us have a role to play, and that is through our behaviours and our actions, every single day. To get crystal clear on what matters most here, we’ve created the I AM Behaviours for everyone, and I LEAD Expectations for people leaders. We reinforce the importance of our behaviours through our performance review process and integrate them into our everyday conversations.

Our I AM Behaviours describe the four critical behaviours that we know will make the biggest difference to our success. It’s about us all knowing which behaviours matter most here at Douglas. Being clear on what they look like in action, so that we know what is expected of us, and what great looks like. This enables accountability for our own performance, development, and success.

I AM curious to learn because I want to be my best

I AM optimistic about change because we need to evolve for the future

I AM driven by continuous improvement because there is always a smarter way

I AM a collaborator because we win together

The I LEAD Expectations provide clarity and consistency for people leaders, so they know what is expected. It covers both leading teams and leading individuals, as both matter equally!

Clarify; We have great conversations so our people understand their “why”, and the impact they have on our Douglas mission and Plan on a Page.

Connect; We are curious about our people, promote diversity of thought, and find opportunities to build a positive culture.

Coach; We support the performance and development of our people by having powerful conversations to enable them to be the best they can be.

Celebrate; We recognise and actively promote our people’s strengths and achievements in meaningful ways.

Culture of Feedback and Transparency

Workday Peakon, our engagement tool, gives our people the chance to confidentially share thoughts, concerns, and ideas with their leaders on a regular basis and shape their experience working at Douglas. Every eight weeks our people have the chance to answer a broad selection of questions that cover how they feel about our company culture, health and safety, wellbeing, work environment, growth and development, leadership, reward and recognition, coworker relationships, and more. This enables us to make micro and macro changes to improve our culture and make Douglas an even better place to work. We are proud to share that, as of June 2024, our Employee Net Promoter Score (eNPS) is +48, which means that we have great loyalty and engagement.

Reward and Recognition

We value great work and celebrate success. We actively promote the achievements of teammates, not just within our teams but with other stakeholders across Douglas. We recognise our strengths and achievements, and we reward people in a way that works for them. We also value loyalty and celebrate tenure through our service anniversary programme.



Safety, Health, Hygiene, & Environment (SHHE)

At Douglas, we believe in improving lives – not only our patients’ but our peoples’ too. We put the Health, Safety and Wellbeing of our people first, so they can thrive.

The image to the right reflects the Health, Safety and Wellbeing Governance at Douglas.



At Douglas we have a dedicated Safety, Health, Hygiene and Environment (SHHE) team who are our go-to for advice and guidance in these areas. The team focusses on the four main pillars defined below:



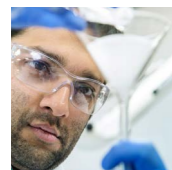
Health & Safety

Design, implement and monitor systems & policies to manage a broad range of health and safety

Also engage, educate and influence workers and management to promote safe and healthy work environments or issues.

Have a good general knowledge of risk and risk controls, and they may have a deeper knowledge of specific industries monitoring / ACC management.

Provides a link between hazardous substance information, occupational hygienist data, health documentation and requirements for worker health & worker rehabilitation & management.



Chemical Compliance and Management

Ensure controls are in place to manage risks from hazardous substances being manufactured, used or stored at work or being transported and disposed of.

By doing:

- Chemical classifications
- Safety Data Sheets
- Chemical Inventory management
- Chemical compliance management, etc.

'Hazardous substances' are defined by legislation using international classifications of materials that are explosive, flammable, oxidising, corrosive, toxic to people or the environment.



Occupational Hygiene

Focus on preventing adverse health effects from workplace exposures.

Anticipate, evaluate and advise on ways to control exposure to workplace hazards - particularly hazards classed as physical (noise, vibration, radiation, temperature), chemical (dust, fumes, vapours, gases) and biological (viruses, bacteria, moulds).

Perform detailed health risk assessments, do active monitoring of workplace stressors, make recommendations on way to controls the identified risks.



Environment

Design, implement and support the business to develop solutions for preventing and or mitigation any environmental exposure risks.

Perform risk assessments, do monitoring where required and make recommendations on ways to controls the identified risks.

The three-year SHHE strategy and annual plan covers topics for each four pillars of work and is directly related to our Douglas Vision for Sustainability through the focus on Improving lives (Health & Safety, Occupational Hygiene and Chemical Compliance and Management pillars) and Caring for our Planet (Chemical Compliance and Management and Environmental pillars).

This high-level strategy can be viewed below:

SHHE Strategy

FY23

Training and education

Improve Douglas employee and contractor knowledge and skills to enable an maintain a safe work environment

- Deliver SHHE Training Programme to new starters and ensure refreshed and new content is available to all in line with regulatory requirements
- Deliver Tiaki talk scripts to People Leaders
- Support the completion of external SHHE trainings
- Improve H&S inductions to incorporate all SHHE aspects and run refresher training courses

Process improvements

Simplify, digitise, integrate and automate systems and processes to align with industry and meet current and future demand

- Move all SHHE processes to a digital platform
- Automate processes by using electronic forms and apps as much as possible
- Obtain applicable ISO certifications
- Stand up the SHHE function for Douglas Fiji (DPFL)

Awareness and engagement

Raise awareness, provide transparency and increase engagement among employees to drive a positive SHHE culture

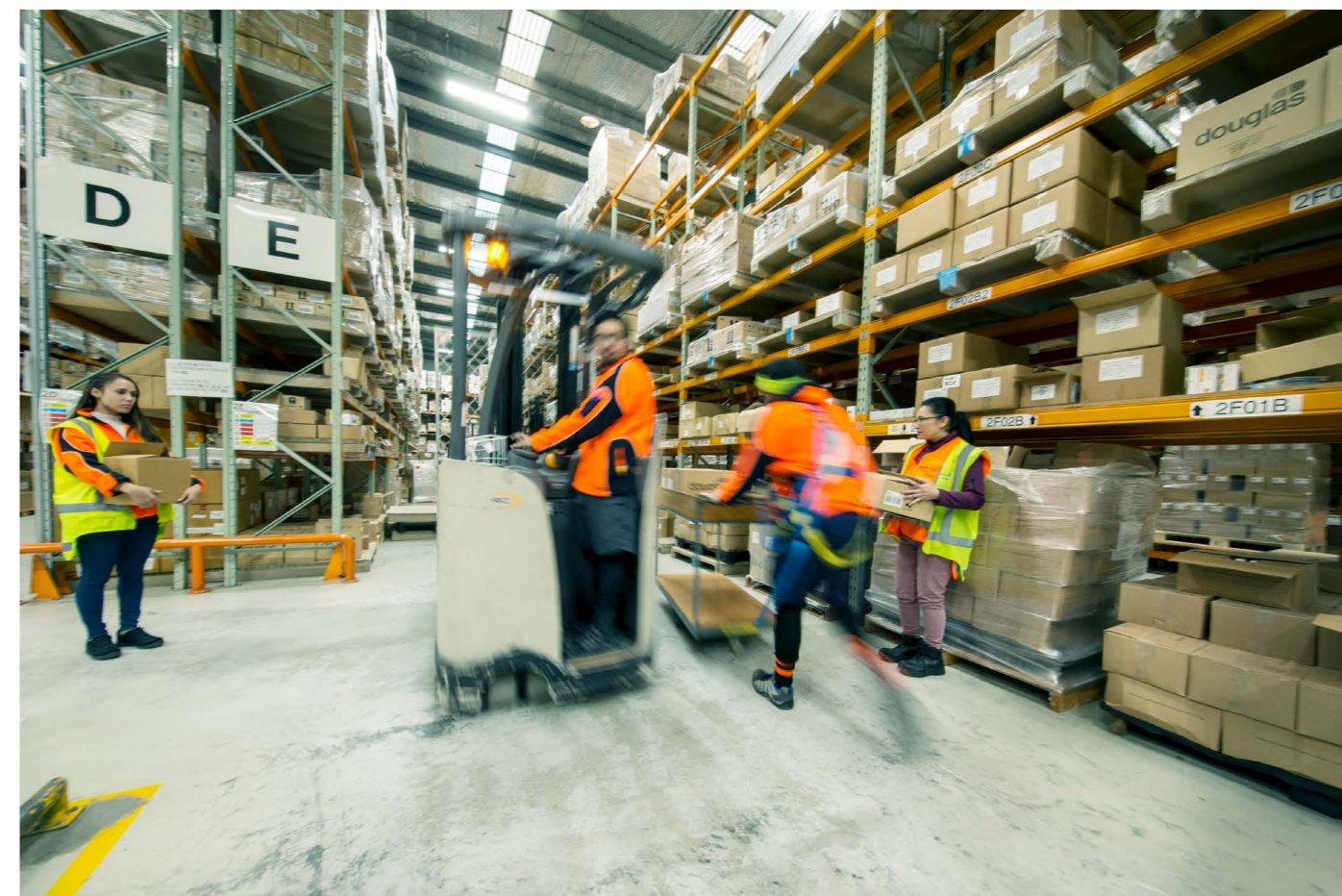
- Increase Douglas board and other departmental awareness and engagement
- Provide monthly reports
- Strengthen collaboration with People Partners to share issues and solve problems together
- Continuously seek employee engagement and feedback
- Increase SHHE team presence in high-risk areas across all sites
- Review, track and report on SHHE culture improvements

Capability and growth

Promote upskilling and professional development in the team to continuously improve SHHE at Douglas

- Grow the team's knowledge, skills and capabilities
- Promote memberships and professional registrations
- Support business to sign up to NZ forums and networking groups
- Encourage People Leaders to participate in specific technical SHHE trainings
- Stand up the Environmental aspect of the SHHE function

FY25



The team is in the final year of delivering to this three-year strategy and performance is measured through:



Engagement

- Engagement and feedback through Workday Peakon (maintaining an average score across the HSW and wellbeing related questions)
- Number of site walks (face to face engagement sessions) performed by senior leaders in the business



Awareness

- Delivery of number of awareness/toolbox talks
- Delivery of a number of product awareness sessions



Timely responses and close outs of actions

- Timely response and in person acknowledgement to any SHHE event that are raised by our team members or contractors
- Timely close out of actions for major and severe events raised



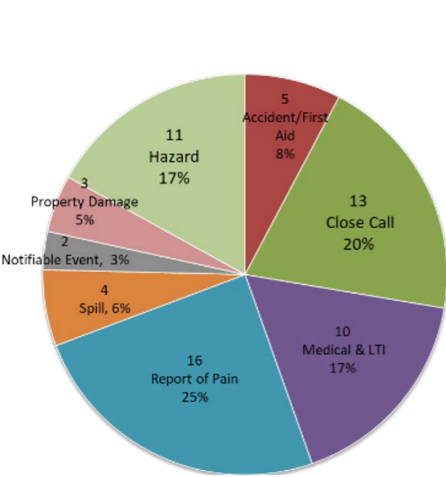
Learning

- Ensuring all SHHE stakeholders are up to date with their mandatory external training (e.g. first aiders)
- Completion rate of all internal SHHE compliance learnings

We also actively encourage our people to get involved with a variety of opportunities within health and safety to build capability and representation across Douglas. These include Health and Safety Representatives, Chemical Management Representatives, Spill Team Members, Respirator Fit Testers, Fire Wardens, and First Aiders.

Over the past couple of years, we have seen an increase in reporting which means our people feel comfortable to speak up if they identify something and feel heard. We have also seen a shift in the types of reporting, originally from reactive measures such as near misses, incidents, accidents, and spills, to a more proactive measure such as the report of hazards - this provides us with the opportunity to intercept the hazard before it turns into an incident or accident.

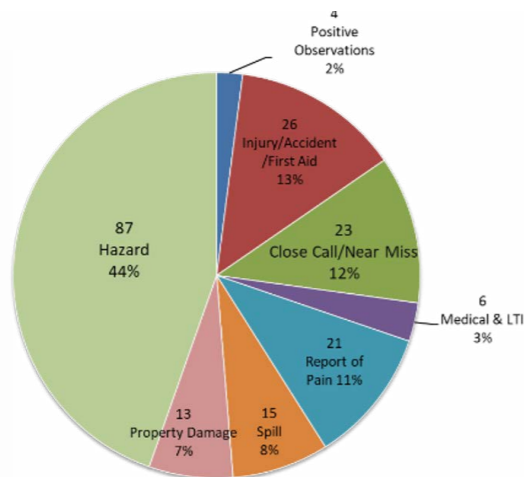
The graphs below are a summary of reports that we received over the past few years and a direct reflection of the change in culture.



April 2022 - Oct 2022

Before the introduction of the online notification tool and embarking on the culture change journey

Total events reported = 64
(only 11 hazards)

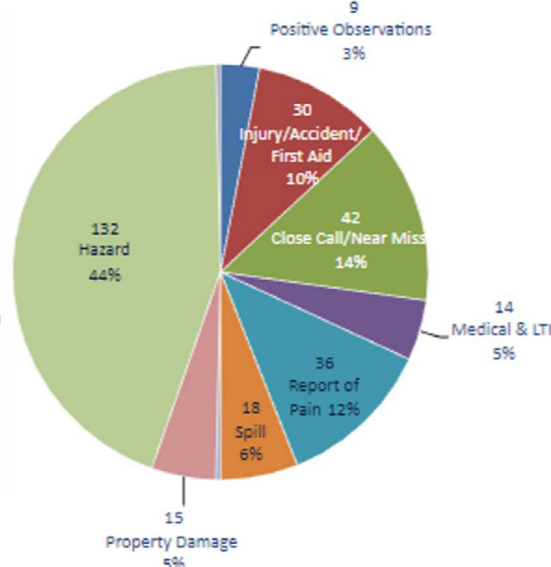


April 2023 - Oct 2023

(for direct comparison with the left graph)

After 1 year with having the online tool and into the culture change journey

Total events reported = 195
(with 87 being hazards)



Overall FY24 Apr 2023 - March 2024

1.5 years with having the online tool and into the culture change journey

Total events reported = 321
(with 132 being hazards)

Within the strategy and plan, the following initiatives and programmes of work also exist:



- SHHE Brand – Tiaki, We Care
- Online SHHE Event Notification Form with automation and more transparency
- Improved accessibility to forms, documentation, and resources
- Changes in terminology
- Engagement programmes
- Reward and Recognition programmes
- Improved communication
- Improved learning: updated SHHE induction, specific People Leader SHHE induction, and online training
- Senior leadership visibility, advocacy and support
- Education and awareness: Tiaki Talks and Product Spotlights.

Wellbeing

We believe that happy, healthy people deliver sustainable high performance and focussing on employee wellbeing unlocks potential. Wellbeing means that we take a holistic, multi-pronged approach by investing and proactively providing opportunities that address our team member's wellbeing.

This framework is referred to as THRIVE, a strategy to wellbeing that means our people have the foundational tools, support, and environments needed in order to thrive. There is an annual calendar of events and the purpose of our THRIVE wellbeing programme and strategy is to:

- Support mental, physical, financial, and social wellbeing
- Drive engagement and make Douglas a great place to work
- Connect our people and help them build strong relationships
- Celebrate diversity and increase a sense of belonging
- Create a shared purpose and connection to our mission.

Some of the ways we deliver our wellbeing strategy include leveraging our support networks and getting input from across the business through Workday Peakon and key steering groups. We also leverage our Culture Champions (a cross functional group of passionate individuals who represent each business unit), who seek feedback from their peers, advocate for all things culture and learning, role model the behaviours that drive our culture (I AM Behaviours and I LEAD Expectations for people leaders), and support in projects and events.



EAP Counselling Services

Douglas offers access to a free and confidential employee assistance programme (EAP) with professionally trained and trusted counsellors for our people and their immediate family. EAP offerings cover a wide range of services; counselling, financial guidance, career guidance, legal guidance and health coaching (fitness, nutrition and sleep). In the financial year to 31 March 2024, 43 people at Douglas engaged with EAP services.

Diversity and Inclusion

At Douglas, our differences are valued and celebrated. We champion diversity of thought and challenge each other with new ideas and ways of working. We know that diversity, in all contexts, brings valuable perspectives and viewpoints that generate new ideas, drive innovation, and improve efficiency. In the financial year to 31 March 2024, we had over 700 team members across New Zealand and Fiji (590 of which are in New Zealand), from over 55 different nationalities. We have taken the following steps to continue to embrace our diversity and develop an inclusive working environment:

- We believe that the only way to ensure fair, consistent, and safe treatment of our people is to have written policies that provide guidance on our processes, and clearly define our expectations for behaviour and performance.

Some of these policies include our Code of Conduct, Bullying & Harassment, and Disciplinary policy.

- We recognise and celebrate key holidays for our people, such as Diwali, Lunar New Year, Easter, and Christmas.
- We respect, support and promote the rights of our people who are pregnant or breastfeeding by providing dedicated breastfeeding friendly spaces.
- We acknowledge key D&I initiatives each year such as International Women’s Day and Pride.
- We have a culture built on trust and transparency – we challenge each other with new ideas and ways of working.
- We strive at all times to use and promote best practice, transparent and legally compliant recruitment practices to ensure that all appointments are made on the basis of merit. Selection criteria is relevant to the position, including skills, capabilities, experience and behaviours. Douglas welcomes diversity and is committed to equity principles and outcomes in our workplace.

New Zealand Employees by Gender Diversity:

	Female	Male
All staff	49%	51%
Team members	49%	51%
People leaders	49%	51%
ELT	43%	57%

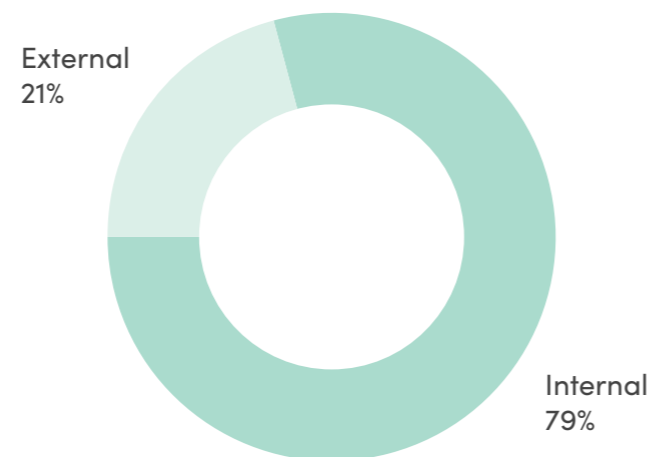


From our 117 people leaders in New Zealand, males and females have an almost equal share in positions at 51.3% male and 48.7% female.

New Zealand Employees by Age Diversity:

Age	Total
Under 20	5
20-34	166
35-54	283
55-64	102
Over 65	20

New Zealand Recruitment by source:



* As of end of FY24



Benefits

At Douglas, we prioritise the wellbeing and growth of our people by offering a comprehensive range of benefits. The benefits available are categorised below:

One Company

- One Douglas Christmas Party
- Douglas Excellence Awards Night
- Active Social Club
- Surprise and Delight Events

Growing Careers

- Through the Douglas Learning Academy more than 75% of our people lifted their capability on skills like critical thinking, unconscious bias, and self-leadership
- Leadership development opportunity for every leader at Douglas
- Onboarding programme to set our people up for success in their new role
- Technical training plans and frameworks to ensure our people are clear on their development opportunities
- We work with tertiary providers on our intern programme for graduates to bring on new talent

Reap the Rewards

- Service anniversary gifts and long service leave
- Say thanks reward and recognition programme
- Access to a range of local offers and corporate discounts

Healthy and Happy

- Income protection insurance from their first day
- Life insurance after 12 months with us
- Flexible working arrangements (where possible)
- Enhanced parental leave offering including 16 weeks of top-ups for Primary Carers, KiwiSaver contributions, and annual leave topped up to full value. Partners are entitled to up to two weeks of paid partner leave
- Free carparking (onsite where possible)
- THRIVE at Douglas wellbeing programme to support mental, physical, financial, and social health and wellbeing
- Free and confidential professional counselling, personal legal and financial advice for our people and their immediate family
- Discounted gym memberships
- Annual onsite influenza vaccinations and health monitoring
- Discounted health insurance with Southern Cross for our people and their family
- Free financial wellbeing support from AMP and ANZ
- Discounted employee purchases on our range of nutraceutical and retail products

Our Role in the Community

Giving back to the local community is part of Douglas' DNA.

Douglas' dedication to social responsibility is demonstrated through various initiatives where our people actively volunteer their time, specifically giving back to local communities. Some examples of our efforts are:

- Douglas team and family members volunteered at the Kaipātiki Project EcoHub, a charity aiming to grow a sustainable future for people and nature.
- Douglas connected with Fair Food, a company who rescue good quality food from supermarkets that would otherwise be wasted or thrown away, and then re-distributed back to the community.
- Participated in annual Mental Health Foundation fundraising through Pink Shirt Day activities
- Donated food items to Ronald McDonald House
- Donated clothing, shoes, bags, bedding and more to Hospice West Auckland, collecting over 40 bags of goods for families in need.
- Some Douglas team members collaborated with an external organisation to help the homeless by assembling care packs which will offer support and comfort. The health of people on the streets often suffers because of their inability to buy purchase items and this is a good way to support building relationships - which is often the first step towards getting them off the street and into a warm and secure home.

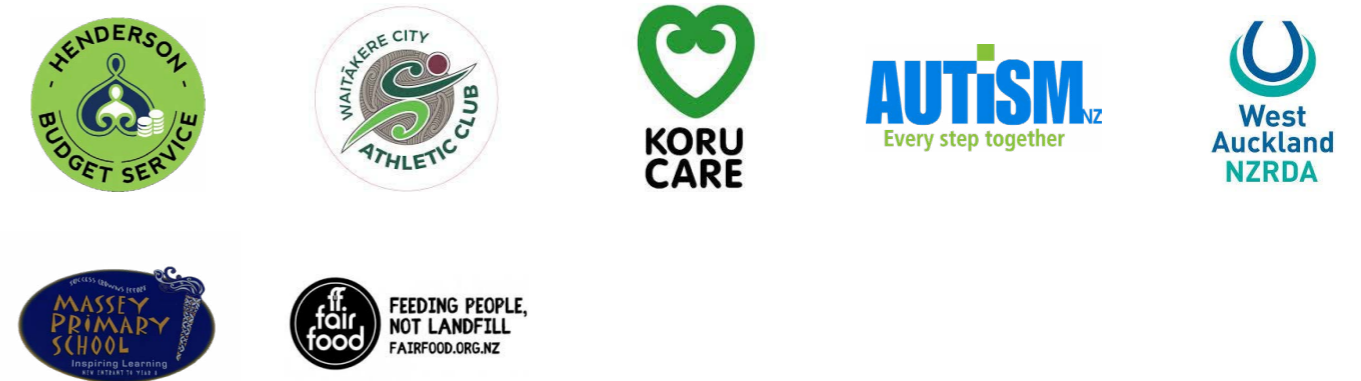


Douglas is in the privileged position to be able to financially assist a number of deserving organisations through the Douglas Charitable Trust. Douglas' philanthropic efforts are proudly directed towards the local communities in which we operate, supporting excellence in education, or funding leading-edge research within healthcare.

Major donations have recently been made to the following recipients



Smaller donations



Partnering with Dignity

As we understand that providing sanitary products to our team members is like providing other necessities (like soap) or other consumables (like coffee) we've partnered with Dignity Ltd to provide supply of sanitary products for our people.

Together with Dignity, we also gift the equivalent number of free period products to youth and community groups, education providers, and food banks, ensuring those who can't afford these essential items receive the support they deserve and have equal opportunities.