

SUSTAINABILITY REPORT 2024-2025



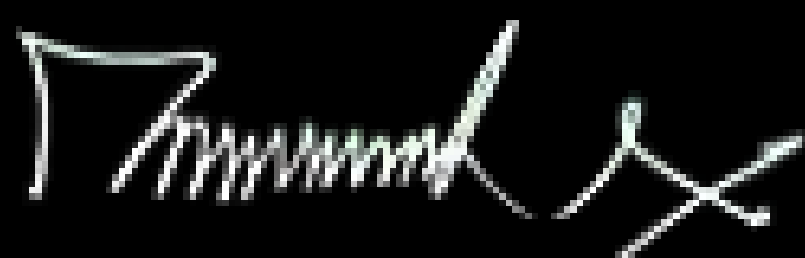
Square
Pharmaceuticals PLC.







If you love People
God will love you.

A handwritten signature in white ink, appearing to read 'Samson H Chowdhury'.

SAMSON H CHOWDHURY
(1925 - Forever in our hearts)
Founder Chairman
Square Group

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CORPORATE OVERVIEW



Milestone of Excellence



SQUARE
PHARMACEUTICALS PLC.
BANGLADESH

www.squarepharma.com.bd



Message from Managing Director

This Sustainability Report reflects how Square Pharmaceuticals PLC. translates purpose into everyday practices across its operations. Our progress during 2024–2025 demonstrates a balanced approach, maintaining financial discipline and market leadership while investing in quality, innovation, climate resilience, and people. We remain committed to delivering affordable and reliable medicines, reducing our environmental footprint, and expanding our positive impact on communities. We continue to strengthen our foundations for sustainable healthcare growth in Bangladesh and across our international markets.


Tapan Chowdhury



Shaping Healthier and Sustainable Future

Square Pharmaceuticals PLC. (SPL /Square/the Company) is the leading pharmaceutical company in Bangladesh and one of the most trusted names in South Asia's healthcare industry. Established with a vision to ensure access to quality and affordable medicines, the company has grown into a global brand with exports to more than 40 countries across Asia, Africa, and Europe. Our core businesses include branded generic pharmaceuticals, herbal and nutraceutical products, and active APIs, ensuring quality healthcare and sustainable development.



1958

Foundation Year



1991

**Incorporated as a
Public Limited
Company**



Market Position

**National
Pharmaceuticals
Industry Since 1985**



16,000+

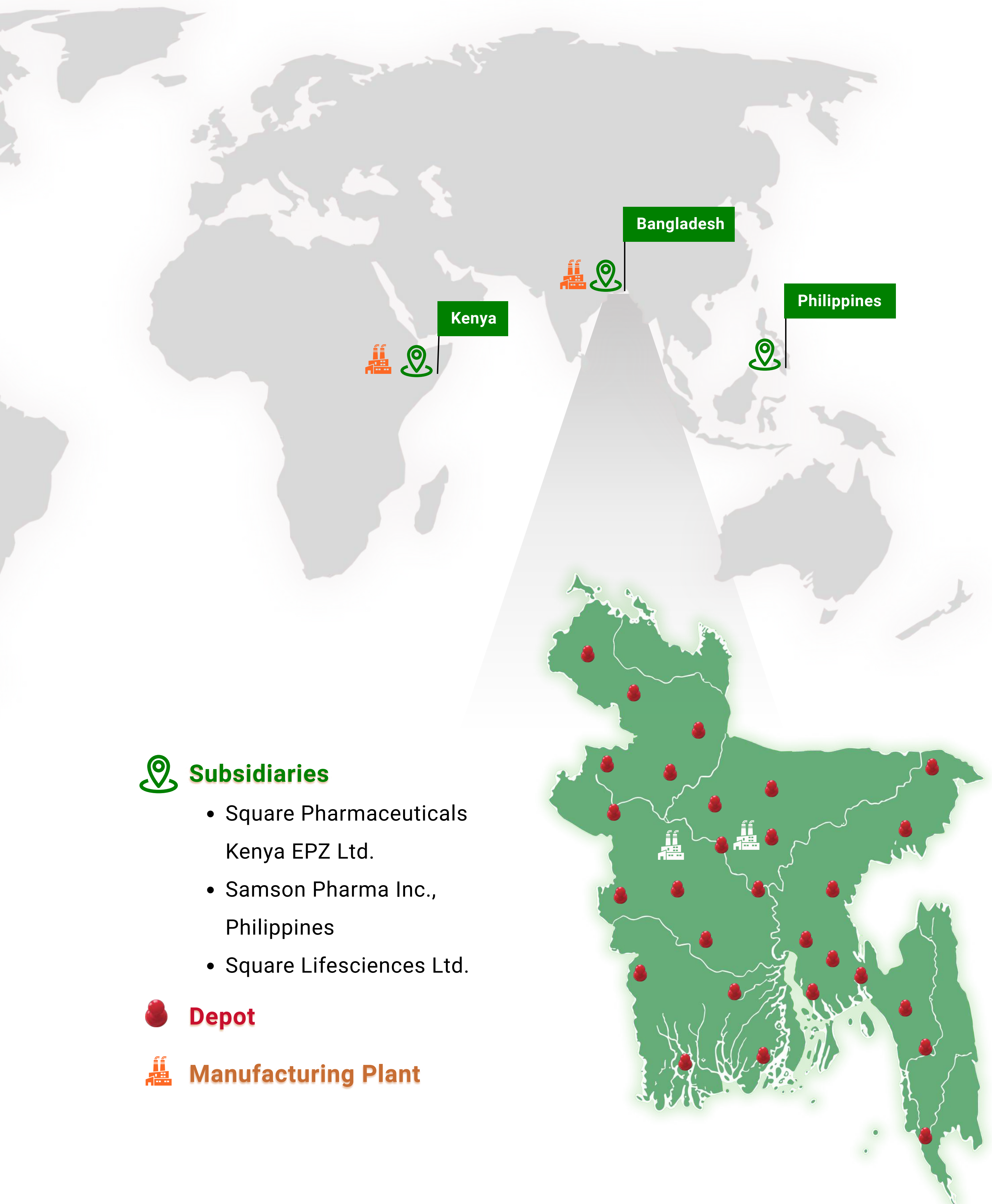
**Committed
Workforce**



1,000+

**Medicines
Produced**

SPL is committed to ethical business practices and sustainable growth. Its operations prioritize environmental stewardship, energy efficiency, and community well-being, aligning with the United Nations Sustainable Development Goals (SDGs). With a strong focus on research, responsible manufacturing, and transparent governance, Square Pharmaceuticals continues to strengthen its role as a socially responsible organization. The company's sustainability journey reflects its dedication to improving lives while maintaining high standards of environmental and social performance, thereby contributing to a healthier and more sustainable future for all.



Our Purpose

"Caring for Life"



This purpose defines how we innovate, operate, and engage with society.

Our Core values



Integrity

Acting ethically, transparently, and responsibly in all decisions



Innovation

Driving scientific and technological progress to meet evolving healthcare needs



Respect for People

Valuing diversity, inclusion, and human dignity



Excellence

Striving for quality in every process, every product, every day



Sustainability

Ensuring that growth today does not compromise the well-being of tomorrow

Our Stakeholders



Customers

Delivering safe, effective, and affordable medicines; providing scientific updates; ensuring responsible marketing practices for sustainable healthcare growth while enhancing community wellbeing; and maintaining global standards of quality and ethics.



Employees

Fostering a culture of continuous growth, workplace safety, diversity, inclusion, and equal opportunity, while promoting professional development, collaboration, innovation, ethical practices, and employee well-being across all levels of the organization.



Business Partners

Full compliance with WHO GMP, USFDA, MHRA, NPRA (Malaysia), and all applicable national laws; maintaining strict transparency in reporting, inspections, audits, regulatory submissions, continuous quality improvement, employee training, and ethical operational practices.



Regulators

Full compliance with WHO GMP, USFDA, MHRA, NPRA (Malaysia), and all applicable national laws; maintaining strict transparency in reporting, inspections, audits, regulatory submissions, continuous quality improvement, employee training, and ethical operational practices.



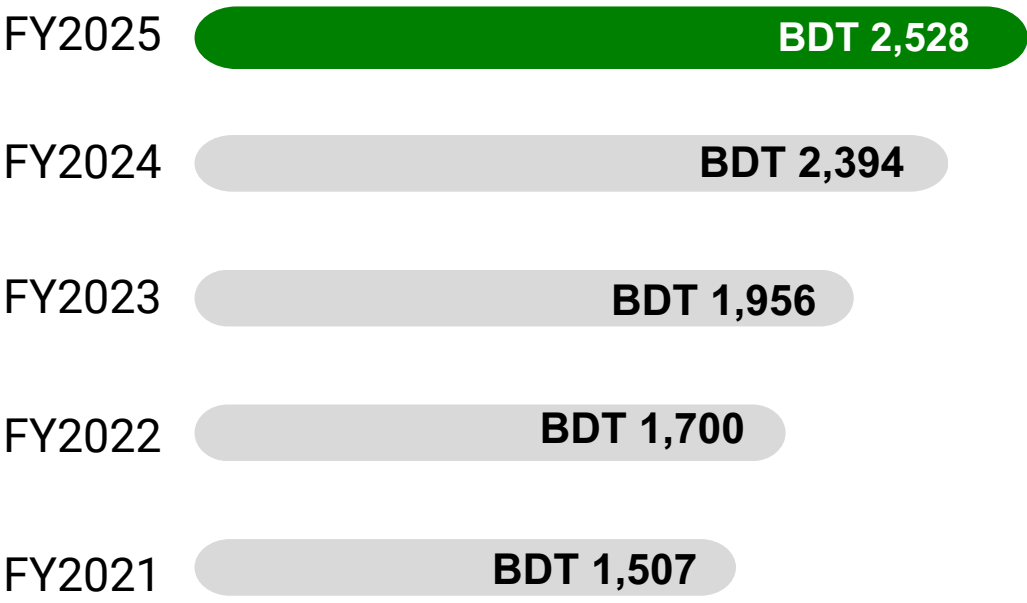
Investors

Ensuring sustainable financial returns, transparent and accurate disclosures, robust corporate governance, strict adherence to ESG principles, full compliance with IFRS standards, risk management, accountability, and ethical decision-making.

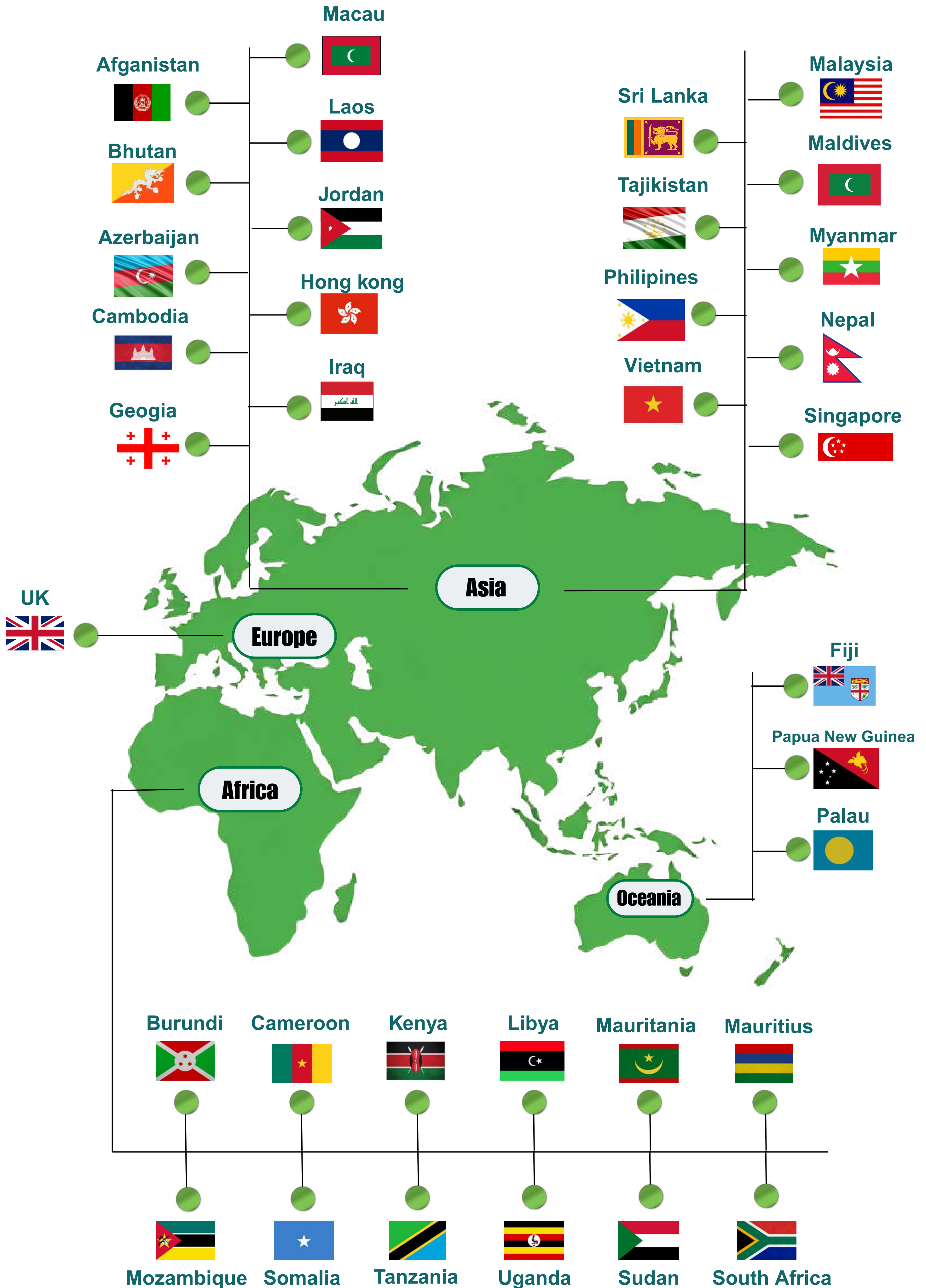
We Export to



Export (Mn)



“ 40+ Countries, including USA and UK ”



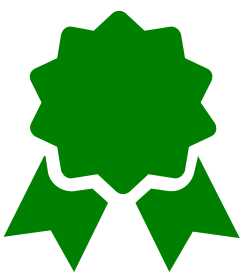
Driving Growth

Square in the Philippines

A delegation of Square Group had the honour of meeting with the Philippine Ambassador to Bangladesh Her Excellency Nina P. Cainglet



Highlights

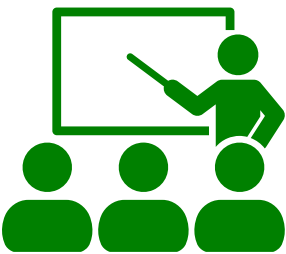


BIDA Award

Honored with the Excellence in Investment Award 2025 by BIDA

30,000+

Employee Volunteer Hours for Healthcare and Clean-up Activities

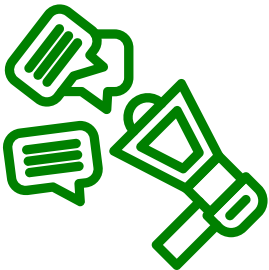
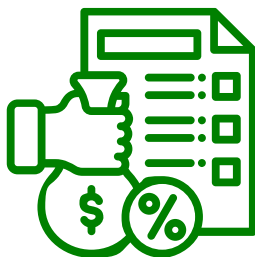


ESG Recognition

Ranked in Bloomberg's 2024 ESG list among Bangladeshi Companies

100,000+

People Reached Through Health Programs and Awareness Campaigns



Top Taxpayer

Honored as Top Taxpayer with Tax Card by the National Board of Revenue (NBR).

ICSB Award

Won the ICSB National Award for Corporate Governance Excellence.



1,300+

New employees hired in FY2025, which is 1.6 times higher than turnover

First-in-Bangladesh

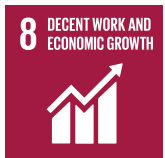
New Biosimilar and Pediatric Products for Improving Access to Essential Therapies



GOVERNANCE



Unwavering Commitment towards Ethical Corporate Governance





REBUILDING BANGLADESH



Ethical and Accountable Governance

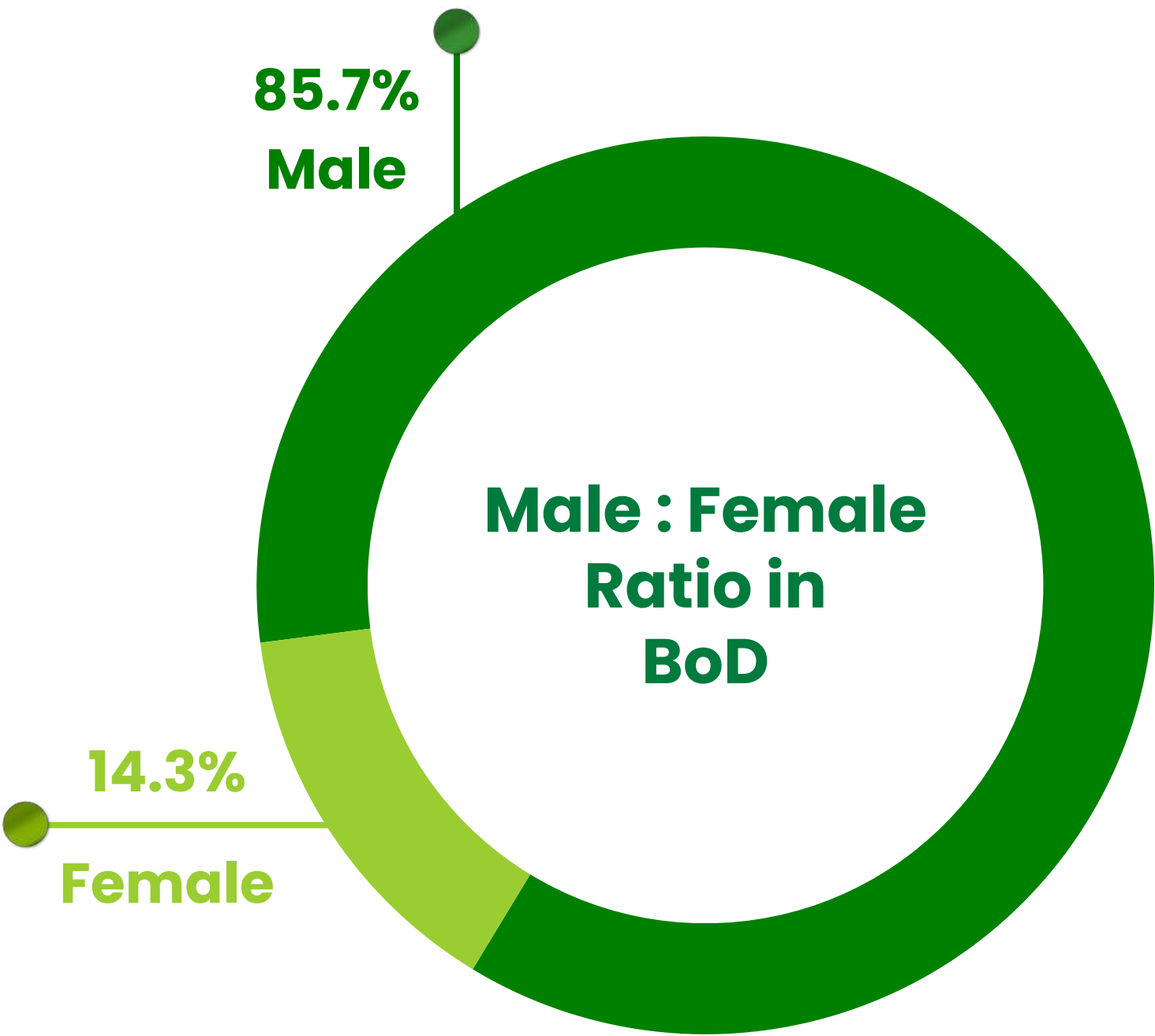
Square maintains a governance framework built on ethics, transparency, and strict regulatory compliance. The company aligns its practices with the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission, ensuring all requirements are met. This commitment is shown through key disclosures, including the statement under Clause 1(5), profiles of directors eligible for reappointment, the Management Discussion and Analysis, and certifications from both the CEO and CFO. These elements show how seriously the company upholds strong governance principles.

These disclosures appear across Annexure I to VI in the Annual Report, offering a clear and structured view of how the company maintains accountability. The Compliance Auditors’ certification further strengthens trust by confirming that all conditions have been met. Together, these documents highlight Square dedication to a transparent and responsible system that supports stability, protects stakeholder interests, and reinforces its reputation as a well-governed organization.

Governance Structure

Square Pharma’s governance system is structured across policy and strategy, operations, performance assessment, and stewardship. This framework supports ongoing decision-making by combining top-down delegation with bottom-up reporting so managers and employees can act responsibly while leadership maintains clear oversight.

Governance responsibilities are shared by the Board, Executive Management, and operational teams. Their combined efforts help the company pursue sustainable growth and protect stakeholder interests. All governance practices follow ethical and moral standards that reflect the socio-political and environmental context of Bangladesh.



The Board

The Board of Directors (BoD) provides strategic leadership and oversight, ensuring accountability, transparency, and alignment with long-term sustainability goals. Our corporate governance philosophy is built on integrity, accountability, and transparency, reflecting our commitment to ethical leadership and sustainable business excellence.

Board Members



VICE CHAIRMAN
MS. RATNA PATRA



DIRECTOR
MR. ANJAN CHOWDHURY



INDEPENDENT DIRECTOR
MR. ABUL KALAM AZAD

CHAIRMAN
MR. SAMUEL S CHOWDHURY



MANAGING DIRECTOR
MR. TAPAN CHOWDHURY



DIRECTOR
MR. KAZI IQBAL HARUN



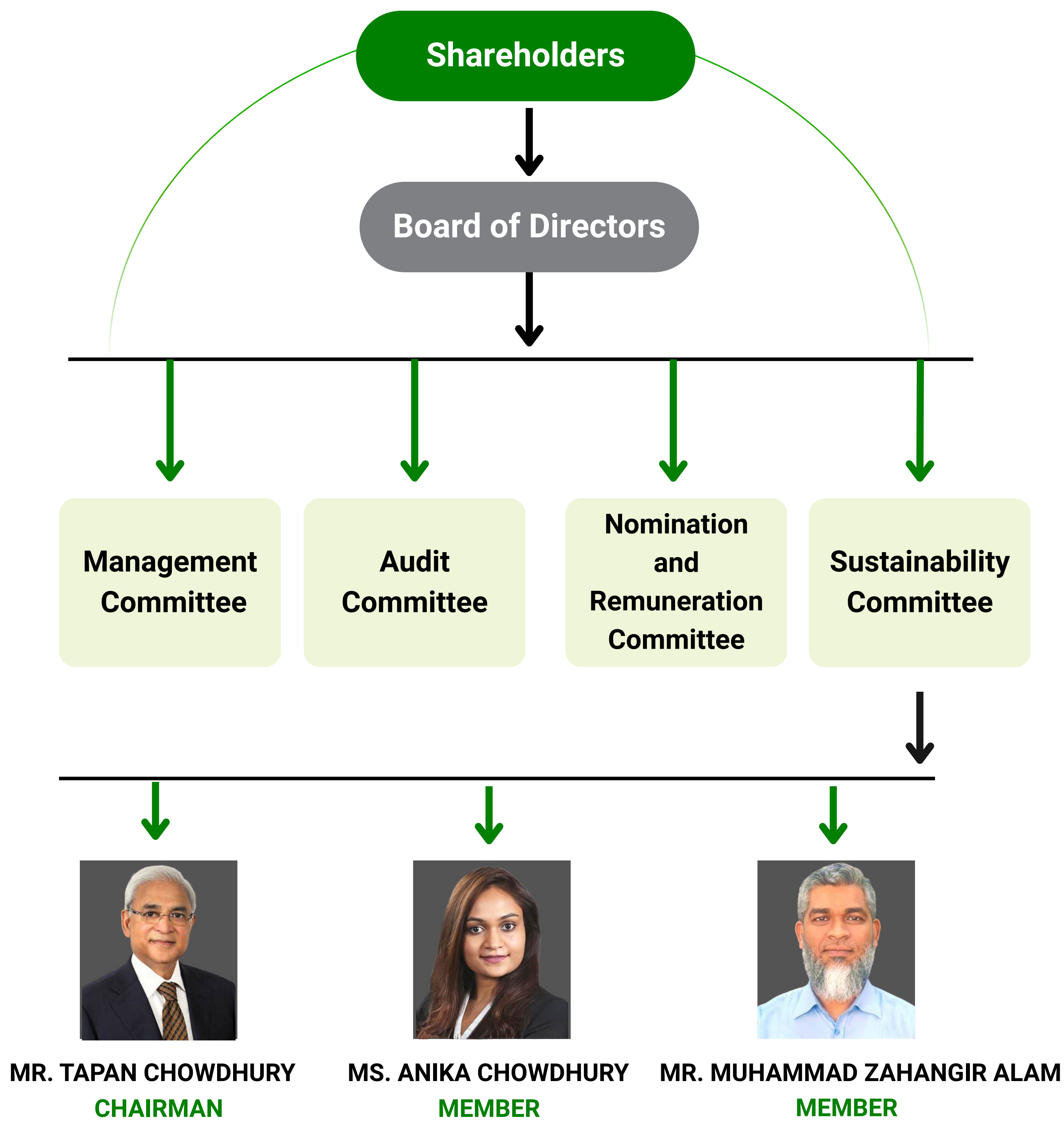
INDEPENDENT DIRECTOR
MR. MUHAMMADUL HAUQE



- Management Committee
- Audit Committee
- Nomination and Remuneration Committee
- Sustainability Committee

Board Committees

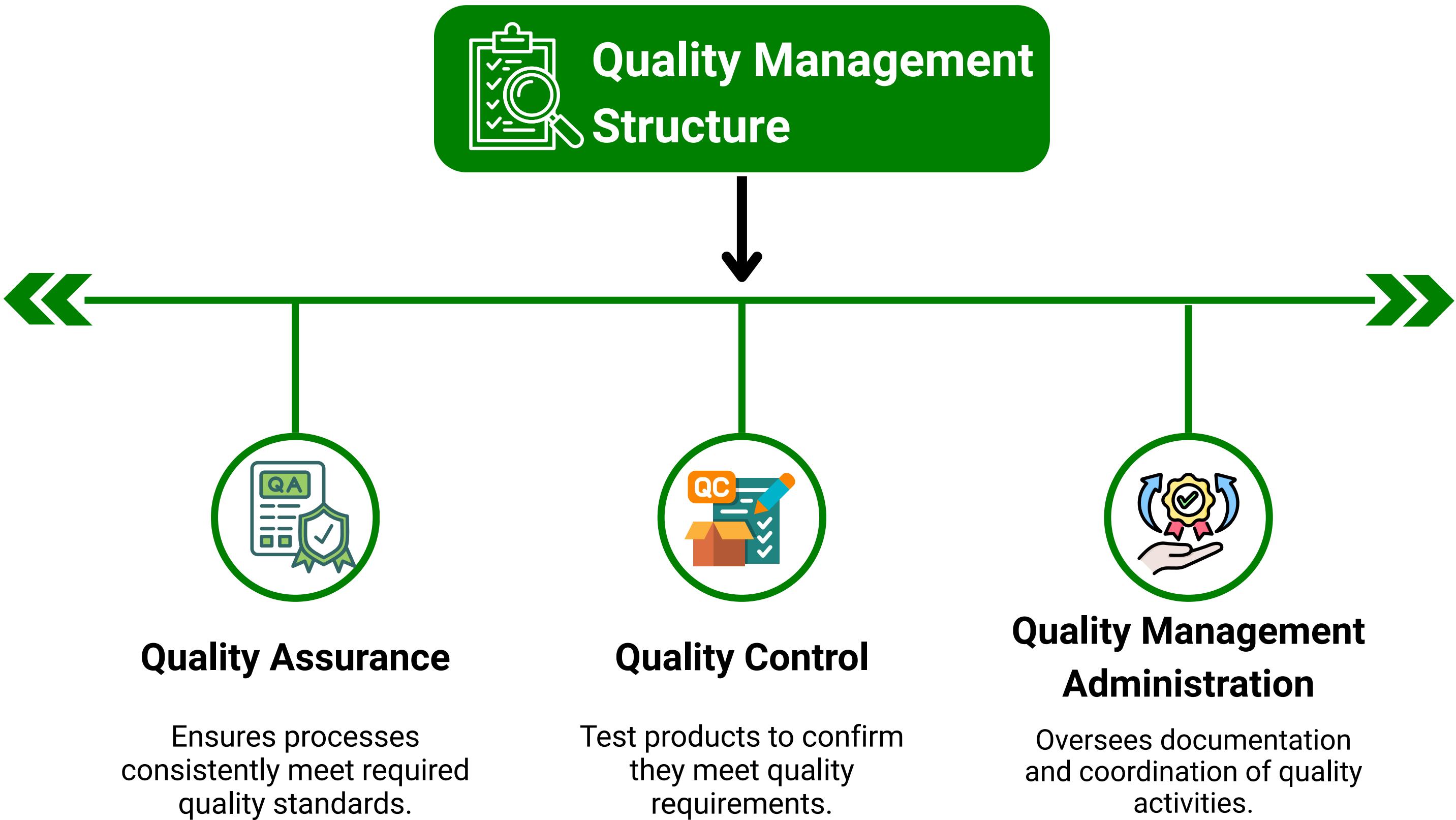
The Board of Directors at SPL consists of executive, non-executive, and independent members who bring experience in pharmaceuticals, finance, public policy, and sustainability. This mix strengthens strategic decision-making and ensures diverse perspectives guide the company. The Board also maintains gender diversity and independence to support fair and transparent governance.

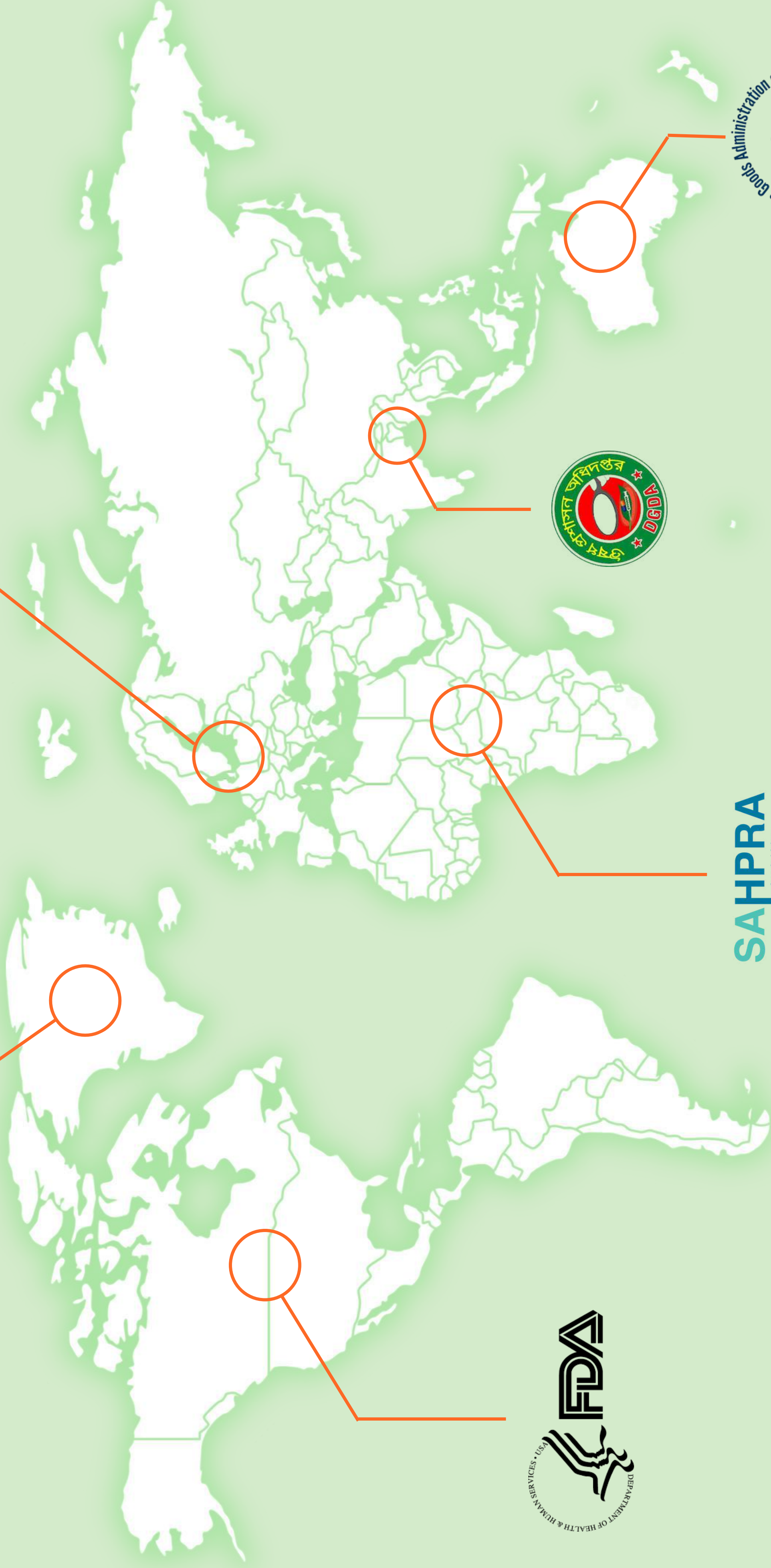


Product Quality and Patient Safety

Square places quality and patient safety at the heart of its operations. Its manufacturing sites follow global regulatory standards and hold approvals from the US FDA, UK MHRA, TGA, and several regional authorities. These recognitions show the company’s ability to meet strict compliance needs and maintain reliable production systems, supported by a QMS aligned with WHO GMP, ISO 9001, and ICH Q10. Real-time monitoring, process validation, and risk-based controls help maintain product consistency.

A strong quality culture runs through the entire workforce. Employees receive mandatory GMP and GLP training, along with regular certification and qualification checks. This focus on capability and accountability ensures every team member supports the company’s commitment to safe and effective medicines.





Continuous Innovation

Square advances continuous innovation by upgrading technology, improving formulations, and enhancing manufacturing efficiency. These improvements strengthen product quality, ensure regulatory compliance, and support long-term competitiveness in local and international markets. It also invests in eco-friendly packaging, energy efficiency, and waste reduction, ensuring improved performance while supporting environmental responsibility and sustainable growth.



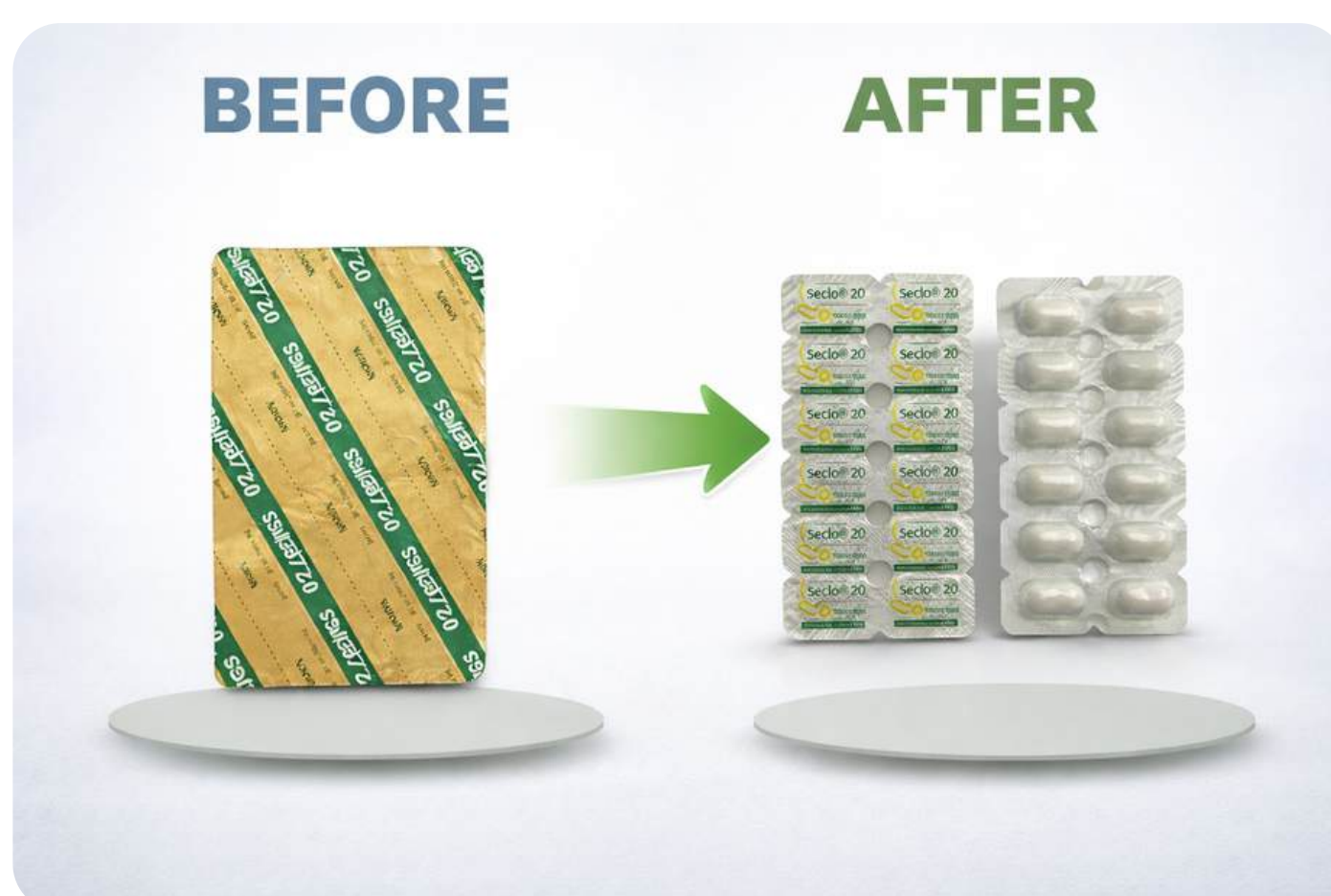
Measurement against Counterfeit Medicines

Blister Changes

Counterfeit medicines often show abnormal blister features, including uneven sealing, unusual colors, poor-quality printing, or mismatched batch numbers. Subtle texture differences also help identify fake products quickly.

Authentication Scans

Authentication scans use barcodes, QR codes, holograms, or digital verification apps to confirm product legitimacy. These tools help consumers, pharmacists, and regulators detect counterfeit medicines with greater accuracy.



Supplier Code of Conduct

- ✓ Covers labor practices
- ✓ Environmental performance
- ✓ Ethics, and business integrity



Responsible Supply Chain

Our responsibility extends well beyond our factories. We expect every supplier, partner, and distributor to meet the same ethical, environmental, and social standards we follow.

Supplier Audits

Regular audits evaluate supplier performance in quality, safety, and labor practices to ensure full compliance and maintain a responsible supply chain.



Local Sourcing

We prioritize local suppliers to strengthen national value chains, support domestic industries, reduce lead times, and build long-term, reliable sourcing partnerships.



Traceability and Transparency

End-to-end visibility across procurement, manufacturing, and logistics ensures product authenticity, strengthens accountability, improves tracking, and supports a secure, trustworthy supply chain.

ENVIRONMENT



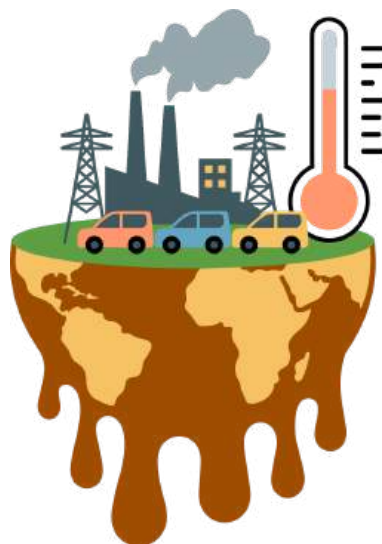
Building a Resilient, Responsible, and Sustainable Future





Climate Risk Assessment

Climate change has multidimensional implications for our operations, raw material sourcing, and community health. Our corporate governance philosophy at Square Pharmaceuticals is built on integrity, accountability, and transparency, reflecting our commitment to ethical leadership and sustainable business excellence.



Physical risks

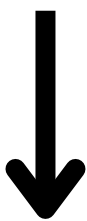
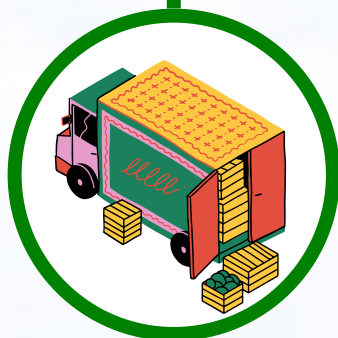
Flooding, temperature rise, and water scarcity are affecting plant operations and supply chains.



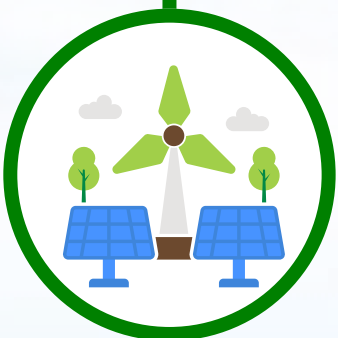
Transitional risks

Carbon pricing, regulatory changes, and consumer demand for greener medicines.

Our Response



Strengthening supply chain resilience and local sourcing



Designing climate-resilient facilities with enhanced drainage and renewable energy integration

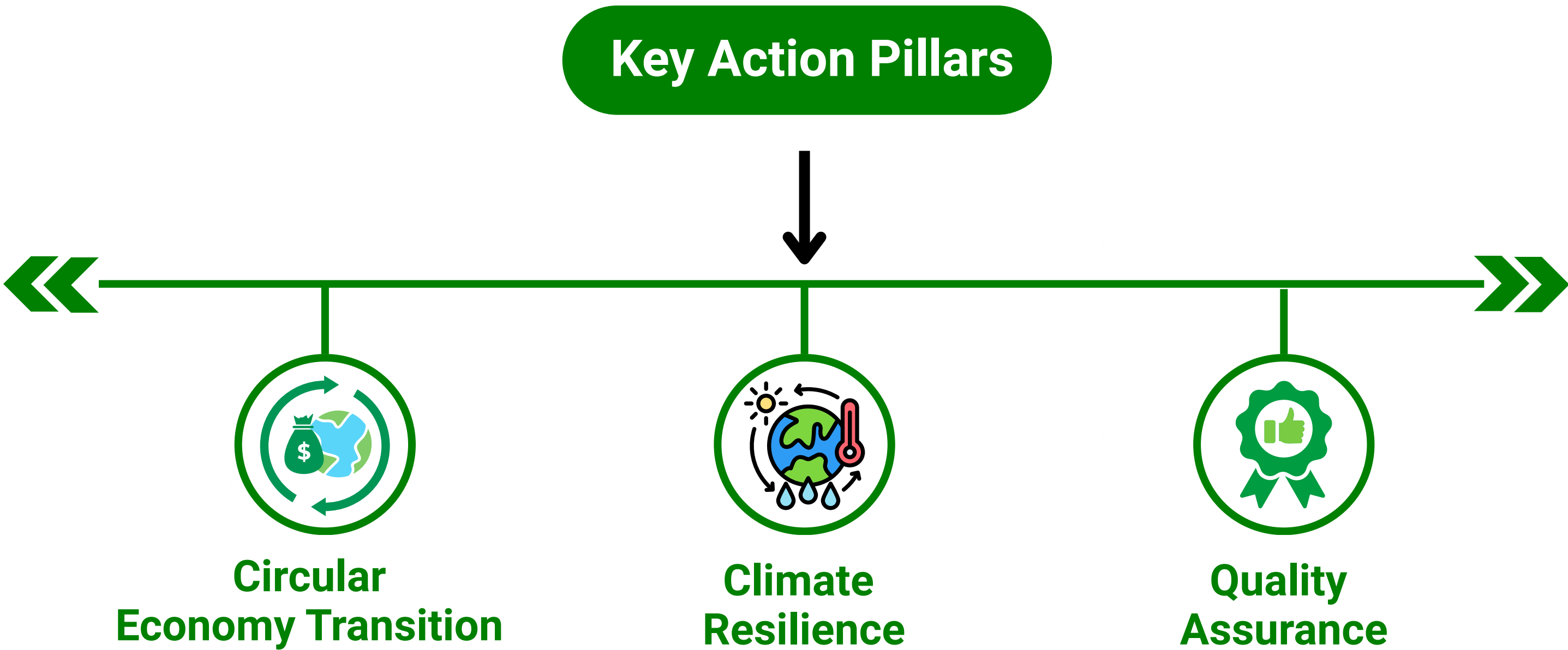


Developing green procurement guidelines for suppliers



Climate Change and Our Sustainability Roadmap

SPL has integrated climate-related risks into its core business strategy. We have identified climate-related risks, such as supply chain disruptions and regulatory changes, as key factors impacting our business.



We are integrating IFRS S2 Climate-related Disclosures to strengthen how we communicate our climate responsibilities. This framework helps us explain how our governance structure oversees climate risks and how our strategy aligns with the challenges and opportunities created by climate change. It also guides us to report our risk management approach and the metrics we use to assess our climate performance. By adopting these disclosures, we aim to give our stakeholders a clear and reliable view of our progress, our priorities, and the steps we are taking to manage climate impacts across our operations.



20%

Reduce Emission Intensity by 2027



2026

Shredder Installation for reducing paper waste

5 MW

Solar Expansion Plan by 2026



Supporting Biodiversity and Local Ecosystems



2,00,000+

trees planted since
2018 across factory
and school zones



Water Reservoir

On-site water
reservoir of 4 mn m³
supporting local flora

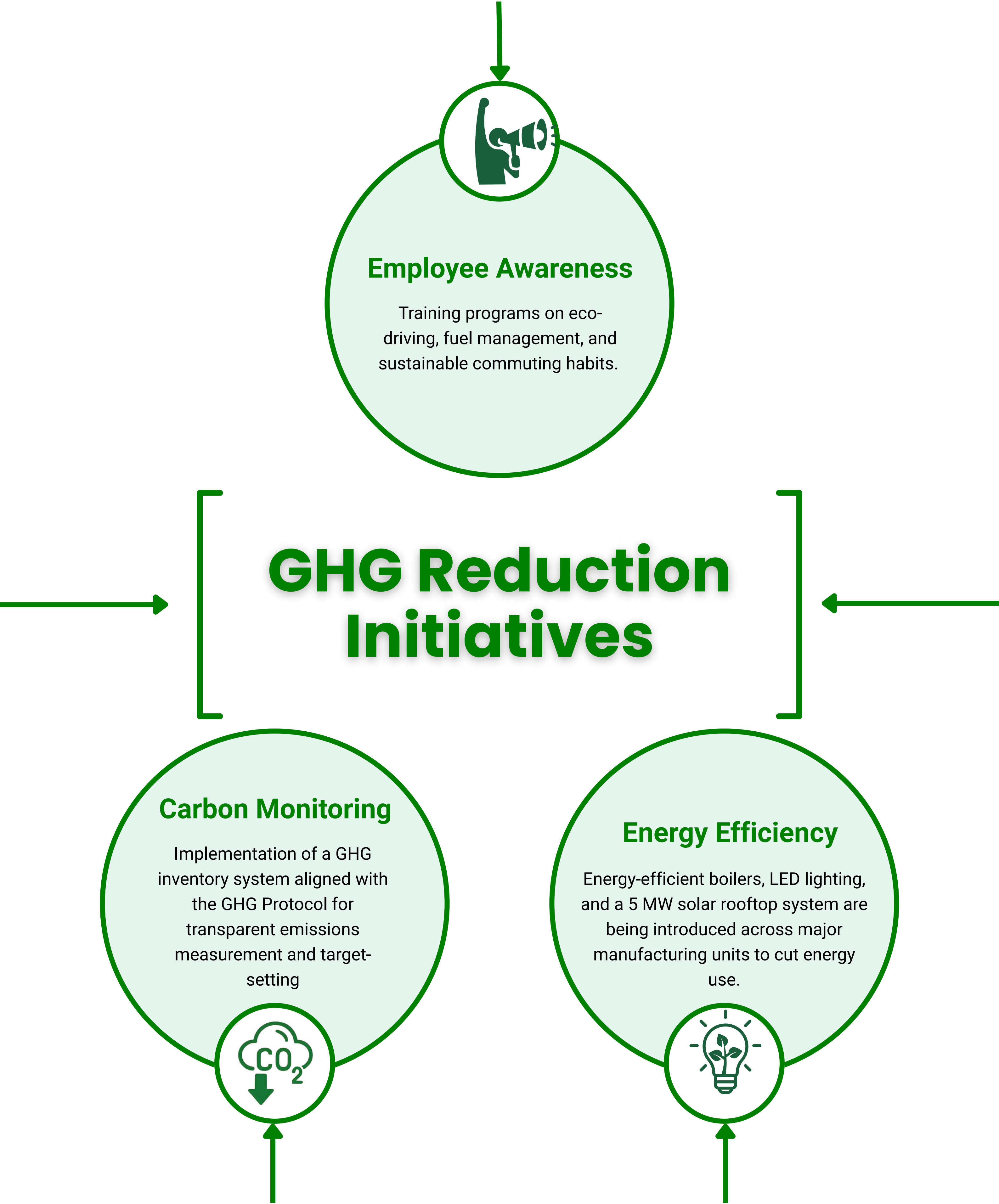


NGO Partnerships

Partnering with local
NGOs to restore
degraded ecosystems

Square is investing in long-term biodiversity programs. We aim to protect local ecosystems, restore degraded areas, and strengthen natural habitats around our operations. Our tree plantation drives, development of green buffer zones, and partnerships with environmental organizations reflect our commitment to sustaining ecological balance while operating responsibly within surrounding communities. Low-emission transport options, improved route planning, and resource-efficient production help minimize our environmental impact across the value chain.





Sustainable Medicines

At Square Pharmaceuticals, we are committed to sustainable medicine production with a focus on minimizing environmental impact. During the period, Square produced 34 new medicines, of which 6 were introduced for the first time in Bangladesh. These medicines remedy six distinct categories of medical conditions, underscoring Square’s commitment to continuous innovation, robust research capabilities, and long-term dedication to sustainability.

Areas of Medical Issues	No. of New Medicines
Advanced Infection Control	5
Cognitive & Nutritional Support	3
Digestive & Urinary Wellness	5
Metabolic & Diabetes Care	9
Pain & Musculoskeletal Management	7
Specialized Renal & Hematology Support	5



34 New Medicines



6 Medicine Produced



Sustainable Packaging

Square Pharmaceuticals PLC. continues to strengthen its commitment to sustainable packaging by integrating responsible design, material efficiency, and patient convenience. The Company has introduced QR system direction slips to reduce paper usage while ensuring easy access to product information and safety guidance. Ongoing initiatives include optimizing pack sizes to minimize material waste, redesigning blisters to use fewer resources without compromising quality, and separating measuring cups to avoid unnecessary plastic consumption. These thoughtful packaging innovations support environmental stewardship, enhance user experience, and align with Square’s broader sustainability and compliance objectives across its product portfolio.



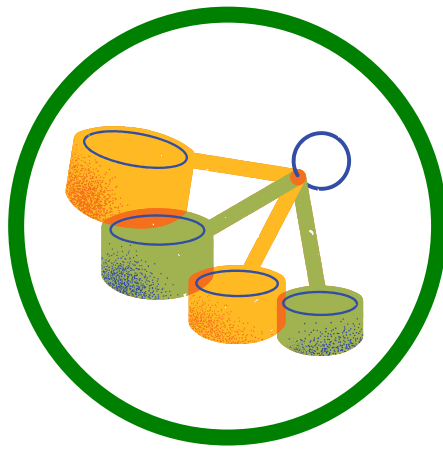
**QR Based
Direction Slips**



**Optimizing
Pack Sizes**



**Redesigning
Blisters**



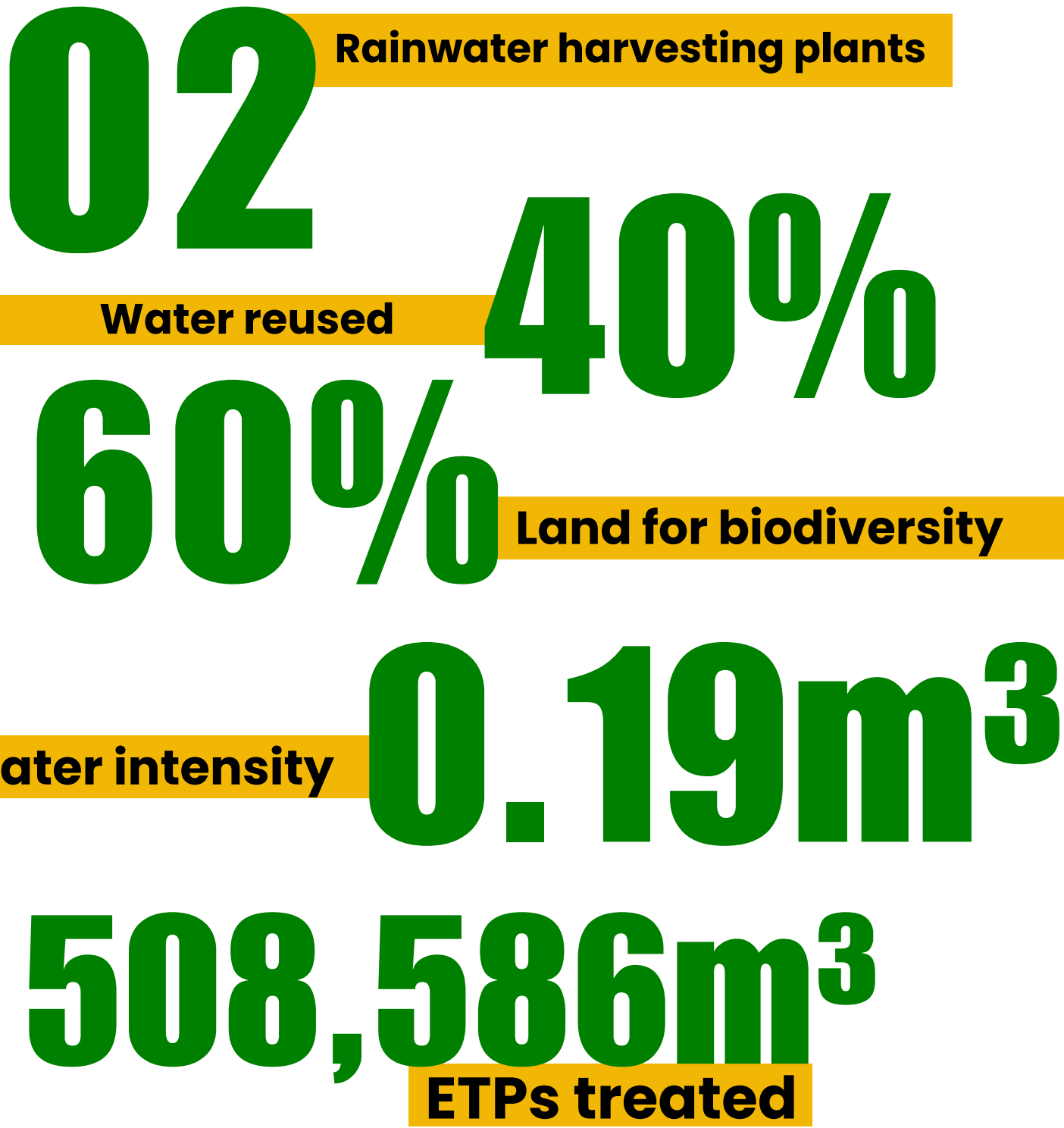
**Separating
Measuring Cups**



Water Management

Several water conservation systems are now active across facilities, including recycling setups that reuse more than 40 percent of water in cooling and cleaning processes. Rainwater harvesting in Gazipur and Pabna further reduces pressure on groundwater sources, while continuous watershed monitoring ensures responsible withdrawal aligned with SDG 6.

Effluent Treatment Plants (ETPs) have become a core part of the approach. These facilities recycled more than 265,000 cubic meters of water for activities such as landscaping, natural fish farming, and cleaning. Reservoirs at Dhaka and Pabna, with a combined capacity of 395,000 cubic meters, support long-term reuse and provide emergency reserves. As a result, water intensity in high-stress regions stands at just 0.190 cubic meters per product type.



Waste Management

1

Circular Economy Integration

We are adopting circular economy principles that prioritize reuse, refurbishment, and recycling of materials.

2

Zero Waste to Landfill

We are moving toward zero waste to landfill by reducing, reusing, and recycling waste.

3

Recycling and Resource Recovery

Biodegradable waste is composted to reduce landfill dependence, while continuous monitoring of waste intensity ensures better efficiency.

4

Incineration and Emission Safety

We use controlled incinerators to safely manage solid waste. Exhaust temperature is reduced from 1100°C to 200°C using a cyclonic water scrubber, ensuring cleaner emissions.

5

Education for Safe Disposal

Education for safety practices helps prevent contamination of water and soil, reduces pharmaceutical pollution, and encourages safer habits across the healthcare system

SQUARE Celebrates World Veterinary Day

- 29 seminars across Bangladesh
- 1,000+ DVM professionals engaged
- Supporting veterinarians development



Medicinal Plant Plantation Campaign

- 5,000 medicinal saplings distributed
- 1,200+ schools and madrasas involved
- 42,000 students & 7,500 teachers engaged

Square Pharmaceuticals' Palmyra Palm Plantation

- 1,000+ Palmyra Palm saplings planted
- Expanded to 9 lightning risk districts
- Natural protection against lightning



SOCIAL



Aligning Growth with Purpose, Responsibility, and Global Standards





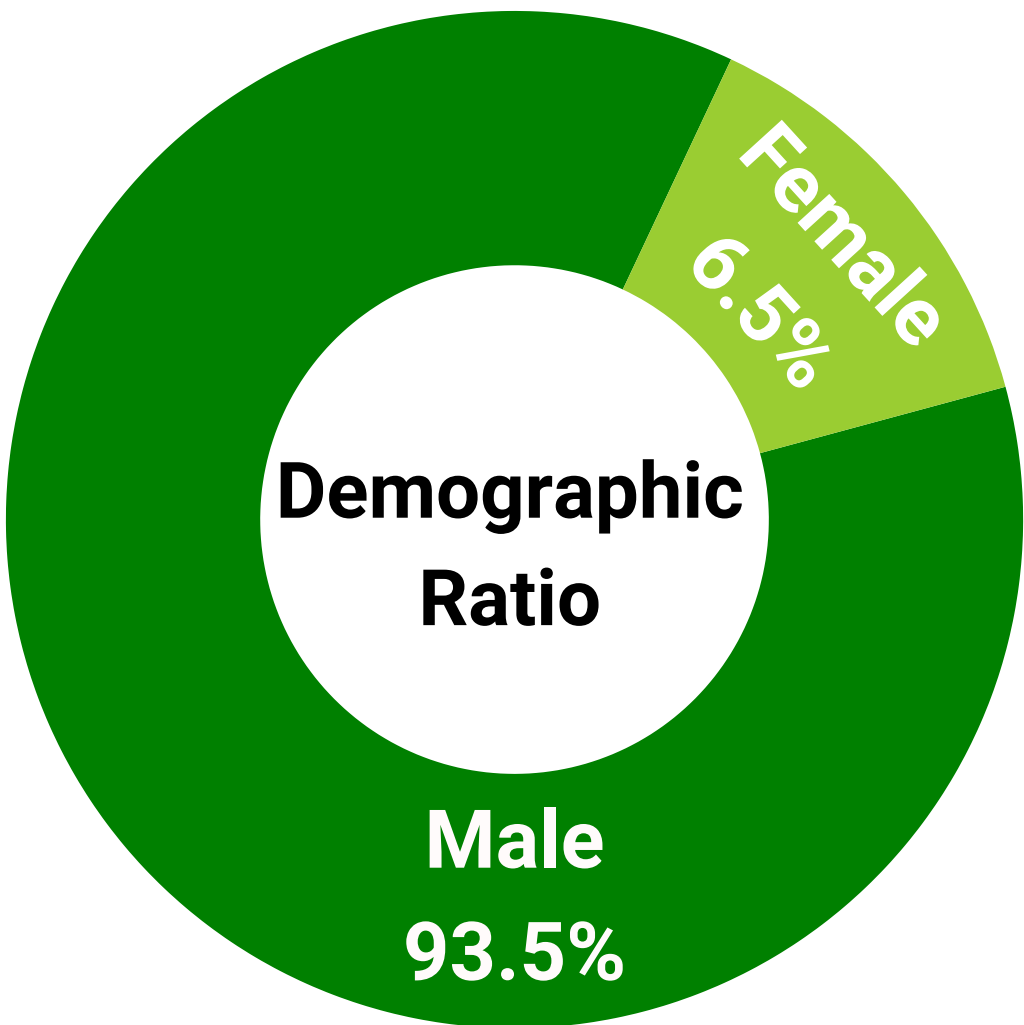
Human Capital

Our engagement strategy focuses on fostering open and honest communication with our employees, highlighting our dedication to building strong, trust-based relationships with our staff.

Total Workforce					
Employees Category	Age			Gender	
	<30 Years	30-50 Years	>50 Years	 Male	 Female
Top Management	0	16	24	40	0
Middle Management	0	123	31	146	8
Junior Management	1,844	4,879	133	6,666	190
Non-Executives	4,181	4,997	479	8,771	886
Total	<u>6,025</u>	<u>10,015</u>	<u>667</u>	<u>15,623</u>	<u>1,084</u>



16000+
Total members of
the SPL family



Talent Management

Square Pharmaceuticals actively recruits and nurtures talent from top Bangladeshi universities, building a strong pipeline of future leaders. The company emphasizes competitive selection, continuous training, and a supportive work culture to retain these high-potential graduates. By offering clear career growth, performance-based recognition, and opportunities in cutting-edge manufacturing and R&D, Square Pharma positions itself as an employer of choice for ambitious professionals from prestigious institutes across the country.

1343

New employees hired in FY2025, which is 1.6 times higher than turnover

Total New Hires

Employees Category	Age			Gender	
	<30 Years	30-50 Years	>50 Years	 Male	 Female
Inside Bangladesh	1,073	251	1	1,296	29
outside Bangladesh	12	6	0	16	2
Total Emploeyess	<u>1,085</u>	<u>257</u>	<u>1</u>	<u>1,312</u>	<u>31</u>

Analysis of employee turnover rates in SPL across various age and gender groups is crucial, providing insight into workforce satisfaction and stability. While managing turnover is continuous, the company ensures stability by balancing exits with a steady influx of new hires, who are overwhelmingly domestic professionals. This rigorous monitoring is essential for long-term Governance and sustainable talent management.



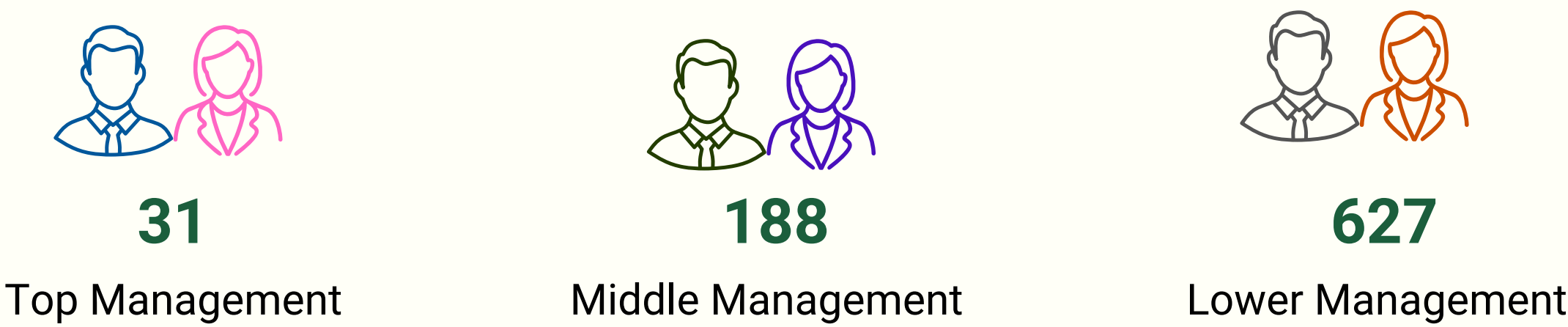
Employee Training and Development Programs



Number of Training



Number of Participants



AVG Training hours



Innovation for Better National Health

Square's Role in Combating National Top Diseases

Hypertension



Peptic Ulcer



Diabetes



Heart Disease & Stroke



Respiratory Infections



Dengue Fever



& **Many
More**

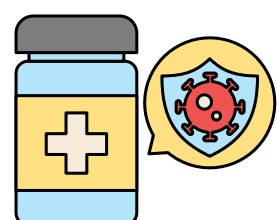
Square–BRAC Partnership for Inclusive Healthcare



Under the direct supervision of Mr. Muhammad Zahangir Alam, member of the sustainability committee, has entered into a strategic partnership with BRAC to strengthen healthcare access for underserved communities across Bangladesh. This transformative collaboration merges BRAC's extensive community network with Square's pharmaceutical expertise to address key public health priorities, including maternal and child health, eye care, and mental well-being. Focused on equitable healthcare delivery, especially in rural and low-income areas, the partnership will implement joint programs, awareness initiatives, and medical support services aimed at improving national health outcomes. By aligning their shared commitment to social welfare and inclusive growth, Square and BRAC aspire to create long-term, sustainable impact, building a healthier, more resilient Bangladesh through collective action, innovation, and compassion.

Practices in the Cephalosporin Plant

The plant operates under a high-control environment with careful monitoring of air quality, equipment hygiene, waste handling, and material movement. Each stage of production is validated to keep the antibiotics potent, safe, and compliant with global manufacturing standards. These practices help limit unnecessary exposure of antimicrobial substances to the environment. The Cephalosporin unit is physically separated from all other manufacturing zones. Dedicated air-handling systems, isolated production rooms, independent staff access, separate utilities, and closed-loop processes reduce any chance of cross-mixing with non-antibiotic products. This separation supports responsible antibiotic manufacturing and strengthens our stewardship efforts.



**ANTIBIOTIC
STEWARDSHIP**

**We aim to act responsibly
with antibiotics and protect
their effectiveness for
future generations.**

Equitability in Healthcare

Square Pharmaceuticals PLC offers over 1,000 products to serve patients across all income levels, ensuring affordable and quality healthcare. Its portfolio includes low-cost essential generics for basic healthcare needs, alongside mid-range and premium formulations for advanced treatments. Through stable pricing, demand-based supply management and one of the country’s most extensive distribution networks, Square ensures consistent access to medicines in both rural and urban areas. The Company also extends this inclusive healthcare approach to developing international markets, supporting regional health systems, and reinforcing its commitment to equitable access to essential medicines.



OUR PRIORITIES



Affordable



Available



Accessible



Assurance

Community Sponsorship

Education & Childcare Support

Square Kindergarten in Pabna provides quality education for employees’ children and the local community on a non-profit basis. The school offers affordable fees and includes a daycare facility for teachers’ and employees’ children, ensuring a supportive learning environment for both staff and students.



Square Kindergarten
for employee’s children



International exhibitions
participated by Square

Global Participation & Engagement

Square participated in major international exhibitions, including the Tashkent International Healthcare Exhibition (TIHE) 2023 in Uzbekistan and the Trade and Investment Fair in Riyadh, Saudi Arabia. The company also sponsored the 7th Annual Scientific Meeting of the Cambodian Heart Association (CHA), which featured expert-led symposiums on cardiovascular health.

Medical Education & Engagement

To keep the physician community updated with the latest medical knowledge, Square organizes extensive educational programs. In the past year, the Medical Services and Product Marketing Departments conducted 1,508 CME programs attended by over 100,000 healthcare professionals. Additionally, 47 intern receptions and several facility visits were held to foster industry understanding. Internationally, 13 CMEs were organized in Myanmar, and 2 events were sponsored in Cambodia with over 800 participants.



100,000+
Healthcare professionals connected
1,508
CME programs



Sponsored
Bronze Sponsor at the Annual Conference

Commitment to Regional Healthcare

Reinforcing its dedication to medical progress, Square acted as a Bronze Sponsor at the Annual Conference of the Sri Lanka College of Surgeons (SLCS) in Kandy. The event gathered over 450 surgeons and healthcare professionals, fostering collaboration and discussion on innovative treatment methods and patient care improvement.

Indigenous Fish for Community Wellbeing

- Released 260,000+ native fish fry
- Supported 400 fishing families
- Improved nutrition and biodiversity



Ropon Hybrid Tomato-01 Field Days

- Showcased higher yield and strong plant
- Highlighted preferred red, firm tomatoes
- Events held in Netrokona and Cumilla

Post-Flood Farmer Support

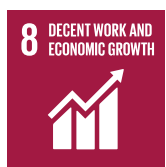
- Helped 542 affected farmers
- Offered post-flood training with DAE
- Aimed to restore crops and livelihoods



FINANCIAL SUSTAINABILITY



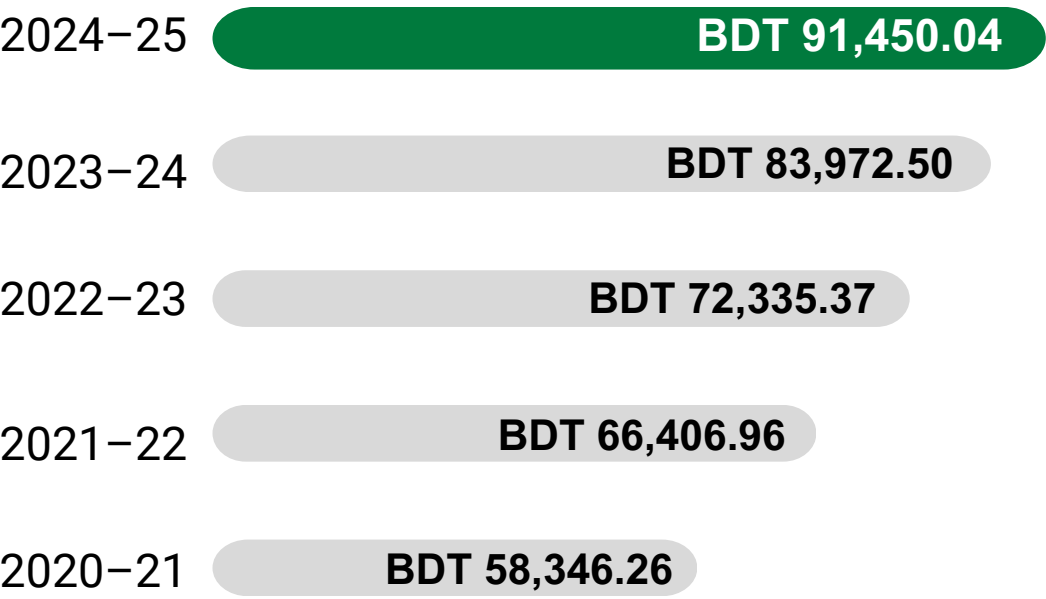
Driving Growth with Responsibility and Long-Term Stability



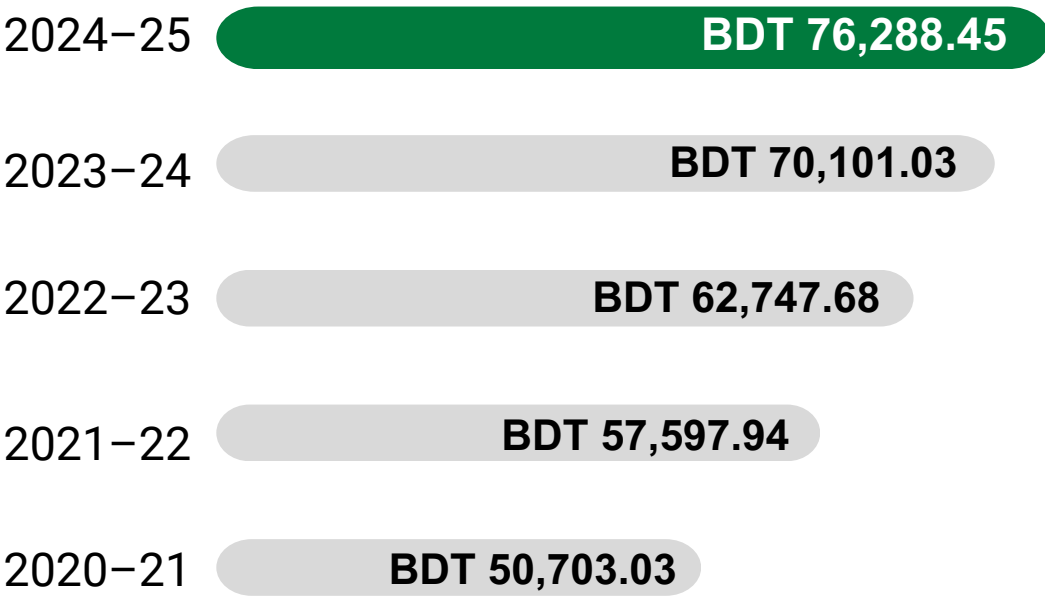
Excellence in Investment Award 2025

Financial Highlights (consolidated)

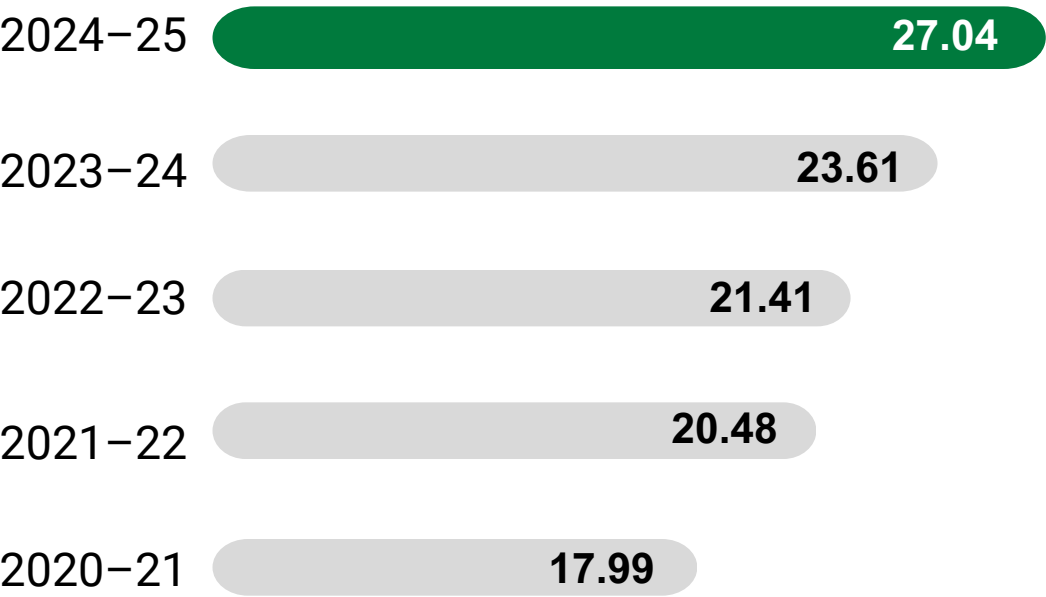
Gross Turnover (Mn)



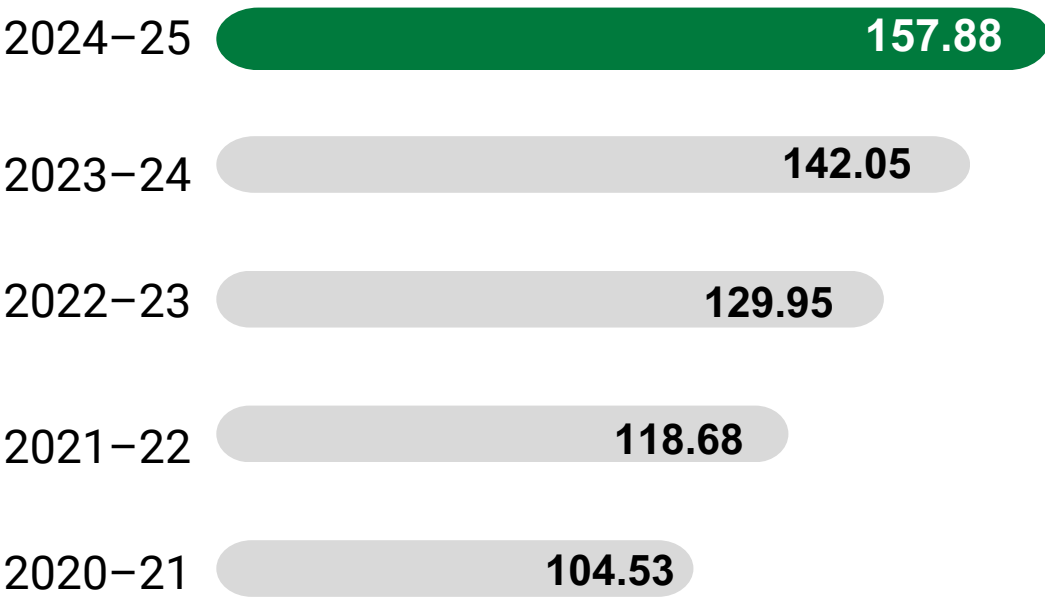
Net Revenue (Mn)



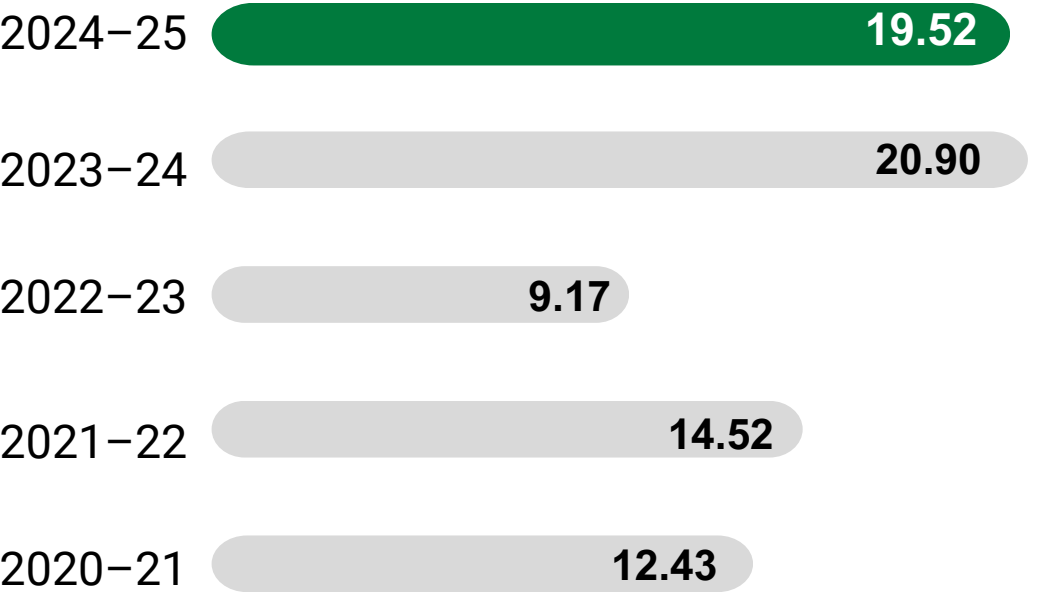
EPS



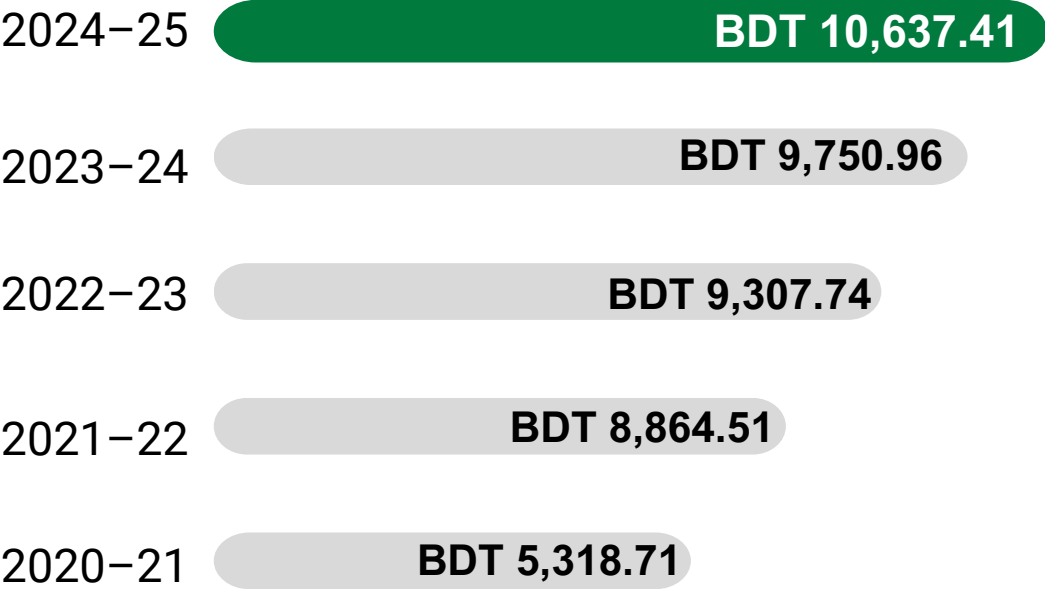
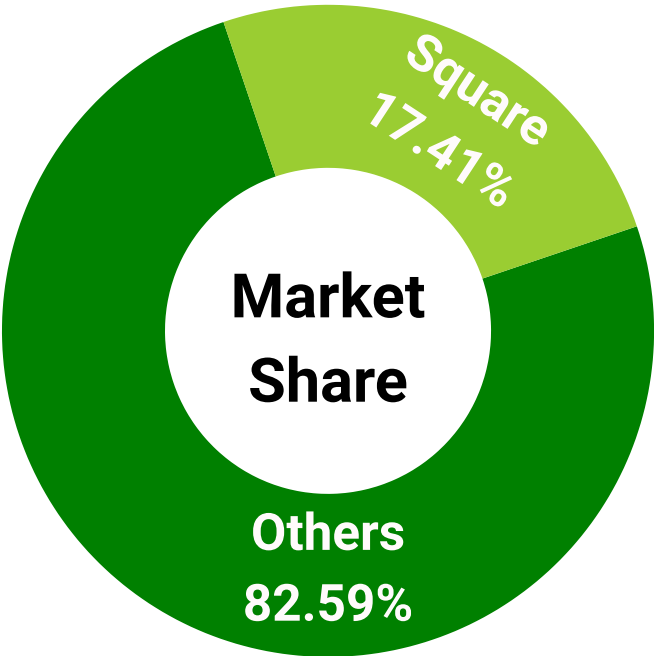
Net Assets Value (NAV) per Share



Net Operating Cash Flow per Share



Dividend Payout (Mn)



Market Capitalization

DSE - 185.18 bn
CSE - 184.83 bn

AAA

Since 2015

Credit Rating by CRISL

ZERO Bank Loan

Since the FY 2018-2019

NON STOP

Dividend Since its listing in 1995

Sustainability Reporting Team

- **Core Team Members:**

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Mr. Md. Wahidul Islam

Mr. Md. Ashraful Alam Saon

- **In Association of:**

Mr. SK. Bashir Abdullah

Mr. Ibrahim Habib Rizwan

Mr. Md. Arafat Hossain

Mrs. Sabrina Sultana Chowdhury

Mr. Tarif Mahmud Bari

Mr. Md. Zillur Rahman

- **Concept and Design by:**

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- **Supervised by:**

Mr. S. M. Rajiv Amin Rana

Deputy General Manager, Human Resource

- **Lead by:**

Mr. Muhammad Zahangir Alam

Executive Director, Finance & Strategy





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Square's Sustainability Report is digital to minimize paper use.
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