



A JCRP Company

## SUSTAINABILITY REPORT 2022



***Care for Life***

2 About This Report

SEC 1

WHAT'S INSIDE THIS REPORT

- 4 KPJ Sustainability Journey
- 6 Joint Leadership Statement
- 12 2022 Highlights
- 13 Patient-centric Care
- 14 Our Approach to Sustainability
- 22 Sustainability Governance



SEC 3

OUR SUSTAINABILITY IMPACT

- 36 **Adapting to Economic Shift**  
Business Model Resilience

48 **Protecting Our Environment**

- Waste Management
- Resource Management
- GHG Emissions
- Climate Change Resilience

70 **Uplifting Our Patients and Communities**

- Customer Welfare and Satisfaction
- Service Quality and Safety
- Community Outreach
- Access and Affordability to Quality Healthcare

106 **Fostering Our People**

- Employee Engagement and Development
- Diversity and Inclusions
- Labour and Human Rights
- Health and Safety

138 **Upholding Good Governance**

- Technology, Innovation and Collaboration
- Data Privacy and Security
- Integrity and Ethics
- Supply Change Management
- Leadership and Governance

WHAT'S INSIDE THIS REPORT



SEC 2

OUR REPORTING APPROACH

- 24 Sustainability Materiality
- 28 Stakeholder Management



SEC 4

APPENDICES

- 155 Performance Data
- 164 Data Principles and Assumptions
- 173 SASB and GRI Standards Content Index
- 182 Where We Are



Scan this QR Code to download our Sustainability Report 2022

## COVER RATIONALE



KPJ's Sustainability Report 2022 carries the meaningful theme of Connecting Hearts, reflecting our commitment to providing professional medical care while prioritising environmental sustainability. As an established healthcare provider, we understand that our actions have a significant impact on the health and wellbeing of the planet. Thus, we strive to minimise our negative impacts through effective environmental and social practices. We believe that by connecting with our patients and the environment, we can provide the best possible care for our community, thereby creating a sustainable healthcare system that upholds the health and wellbeing of our people and the planet.

### Icons used in this report



This icon tells you where to find information in this report.



This icon tells you to visit our website for more information.



## OUR CORE VALUES

We are guided by our five Core Values which underpin our dedication to 'Care for Life'. It is our hope that through these five Core Values, we can maintain and grow KPJ's patient-centric healthcare services, focusing on compassionate care.



Ensuring  
**Safety**



Delivering  
Service with  
**Courtesy**



Performing  
Duties with  
**Integrity**



Exercising  
**Professionalism**  
at all Times



Striving for  
**Continuous**  
**Improvement**

# ABOUT THIS REPORT

**Welcome to KPJ Healthcare Berhad's (KPJ or the Group) fifth annual Sustainability Report (Report) which underscores our efforts to create viable long-term value for our stakeholders by responsibly balancing our economic ambitions with social, environmental and governance (EESG) considerations.**

## OUR COMMITMENT TO UPHOLDING SUSTAINABLE DEVELOPMENT

Today, the agenda of sustainability is gaining greater momentum within the Group as we continue to elevate sustainability efforts on the EESG front throughout our organisation. Our sustainability commitment is built upon KPJ's Six Capitals and our Seven Strategic Thrusts that serve as the foundation for the Group's long-term commitment to upholding sustainable development.

## REPORTING SCOPE AND BOUNDARY

This Report covers the sustainability matters of KPJ Healthcare Berhad's group wide based in Malaysia, which contributed 96% of the Group's revenue from the period 1 January to 31 December 2022, unless stated otherwise.

All quantitative environmental data featured in this Report is derived from the collated data of the Group's 14 hospitals. However, the revenue performance and the number of patients in this Report do not include data from Kedah Medical Centre, which is part of the 14 hospitals.

This Report is focused on our progress against the commitments we have made in our policies as well as the targets set out in our KPJ Sustainability Framework and Sustainability Roadmap 2022-2025, which are built upon 18 refined EESG issues and five themes with corresponding ambitions. We identified additional material matters during the 2022 sustainability workshop. We have also taken into account an additional Material Matter that we identified in the materiality assessment during the Sustainability Workshop conducted in 2022.

## REPORTING GUIDELINES, STANDARDS AND FRAMEWORKS

This Report was prepared according to Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition) and the relevant international reporting guidelines, standards, and frameworks.

### Global Reporting Initiative's (GRI) Universal Standards

This Report has been prepared in accordance to the GRI Universal Standards 2021. This Report is also guided by the GRI reporting principles of accuracy, balance, clarity, comparability, completeness, timeliness, verifiability, and sustainability context in defining report content.

### Sustainability Accounting Standards Board (SASB)

This is our first year reporting on the quality of our healthcare according to the SASB reporting standards. The SASB standards are specific to the healthcare industry and are meant to provide information on the quality of our healthcare and customer satisfaction, both of which can affect our financial performance.

### Sustainability-related Indices and Policies

In order to meet the changing needs of our stakeholders, we are constantly assessing and evaluating our sustainability performance and practices in relation to relevant indices and investors' sustainability policies. We have been a constituent of the FTSE4Good Bursa Malaysia (F4GBM) Index since 2016.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

KPJ contributes to the following 12 of the 17 UN SDGs:



## ABOUT THIS REPORT



### FEEDBACK

We welcome all feedback or queries regarding our sustainability performance. Please feel free to contact our Sustainability team at [sustainability@kpjhealth.com.my](mailto:sustainability@kpjhealth.com.my)



**FTSE4Good**

KPJ is a constituent of the Bursa Malaysia FTSE4GOOD index which is designed to track the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices.

### ACCURACY AND ASSURANCE

To ensure that the data and information reported is accurate, KPJ has implemented strong governance controls with internal checks and measures to support our reporting process. These internal measures are closely monitored internally by our KPJ Group Management Committee (KGMC) and reported to the Risk, Sustainability and Governance Committee on a quarterly basis.

This Report has been reviewed by KPJ Internal Audit Services.

### OUR REPORTING SUITE

This Sustainability Report is a supplement to KPJ's Integrated Annual Report for the financial year ended 31 December 2022. Our reporting suite can be accessed online at <https://www.kpjhealth.com.my>.

REPORTING SUITE	INTEGRATED ANNUAL REPORT 2022	SUSTAINABILITY REPORT 2022
<b>Disclosures</b>	<ul style="list-style-type: none"> <li>• President and Managing Director's Review</li> <li>• Corporate Governance Overview Statement</li> <li>• Audit Committee Report</li> <li>• Statement on Risk Management and Internal Control</li> <li>• Directors' Report</li> <li>• Independent Auditor's Report</li> <li>• Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>• Material Matters</li> <li>• Stakeholder Management</li> <li>• Adapting to Economic Shift</li> <li>• Protecting Our Environment</li> <li>• Uplifting Our Patients and Communities</li> <li>• Fostering Our People</li> <li>• Upholding Good Governance</li> <li>• Carbon Emissions Reporting Methodology</li> </ul>
<b>Reporting Frameworks</b>	<ul style="list-style-type: none"> <li>• Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)</li> <li>• Value Reporting Foundation's &lt;IR&gt; Framework</li> <li>• Malaysian Code on Corporate Governance 2021</li> <li>• Companies Act 2016 (CA 2016)</li> <li>• Malaysian Financial Reporting Standards (MFRS)</li> <li>• International Financial Reporting Standards (IFRS)</li> </ul>	<ul style="list-style-type: none"> <li>• MMLR</li> <li>• Global Reporting Initiative's (GRI) Universal Standards</li> <li>• Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition)</li> <li>• Sustainability Accounting Standards Board (SASB)</li> </ul>

# SUSTAINABILITY JOURNEY



## UPHOLDING KPJ'S SUSTAINABILITY COMMITMENTS THROUGHOUT THE YEARS

1998

### KWAN



Launched Klinik Waqaf An-Nur (KWAN) to offer quality and affordable healthcare services to the underprivileged and B40 groups.

2010

### BABY HATCH



Opened first baby hatch, ensuring the survival and well-being of abandoned babies.

2016

### SUSTAINABILITY STATEMENT

KPJ published the first Sustainability Statement to illustrate their efforts in creating values for the organisation, society and environment. In June, KPJ became a constituent of Bursa Malaysia's FTSE4Good index.

2017

### ENERGY SAVINGS



Implemented measures to increase energy efficiency. Initiated its first pilot project on energy savings system.

# SUSTAINABILITY JOURNEY



2018

## UN SDG AND ZERO SINGLE PLASTIC



KPJ began the zero single plastic use in clinical operations to minimise business impacts on the environment. KPJ also published its first Sustainability Report with United Nation Sustainable Development Goals (“UN SDG”) -WHO approach with the target for inclusive and sustainable health in alignment with the Agenda 2030.

2021

## SUSTAINABILITY WORKING COMMITTEE



Set up a multi-disciplinary Sustainability Working Committee to strengthen and drive the four components of KPJ’s sustainability agenda i.e. Economic, Environmental, Social and Governance (EESG) areas. The committee’s purpose is also to strengthen the commitment at all levels by incorporating sustainability performance metrics and targets into our corporate scorecard.

2023

## PRESENT AND FUTURE



Currently, KPJ boasts 19 KWAN clinics, with eight Dialysis Centres and eight mobile clinics, continues with zero single use plastic and to champion on sustainability in healthcare. KPJ has also published its Sustainability Sukuk Framework which has been assigned a “Gold” rating by MARC Ratings Berhad (“MARC Ratings”) on its official website.

# JOINT LEADERSHIP STATEMENT

**KPJ Healthcare Berhad (“KPJ” or “the Group”) continued to deliver on its commitments and goals while contributing to the nation’s healthcare industry. In 2022, KPJ enhanced its sustainability strategy and stepped up its sustainability initiatives to bolster its economic, environmental, social and governance (EESG) impacts.**

## Dear Valued Stakeholders,

As the largest private hospital provider in the country, we have a duty to care for the health of the community. We ensure that the people’s health is front and centre in all that we do, as we continue to stay true to our ‘Care for Life’ philosophy.

When the nation transitioned to the endemic phase in 2022, KPJ was there to provide top-quality healthcare services to returning patients who had postponed their non-elective procedures during the pandemic. While the return of patients enabled us to deliver a strong financial performance, we effectively invested our capital to increase our social impact. We remained mindful of our role in the sustainability space, focusing on delivering affordable high-quality care to patients and reaching out to larger communities with health education, all while securing a healthy environment for us and future generations.



**DATUK MD ARIF BIN MAHMOOD**  
Chairman, KPJ Healthcare Berhad

### Strengthening Our Sustainability Governance Approach

#### Enhancing Sustainability Strategy

With five themes addressing EESG, our refreshed framework covers 18 new material matters

#### Adapting to Economic Shift

We are committed to protecting the interests of our shareholders and we strive to remain resilient in all the markets we operate in

ECONOMIC

# JOINT LEADERSHIP STATEMENT

## ENHANCING SUSTAINABILITY STRATEGY

Realising the dramatic changes post-pandemic, we refreshed our sustainability framework in line with the enhanced sustainability requirements by Bursa Malaysia. With five pillars addressing EESG, our refreshed framework covers 18 material matters with a new perspective that will enable us to not only adapt to economic changes and protect the environment, but also grow and nurture our potential while upholding good governance. The enhancement of the sustainability framework reflects our commitment to going beyond regulatory compliance to generate positive impacts and contribute to a sustainable future for all.

Another significant development was the enhancement of our sustainability governance, whereby the Risk, Sustainability and Governance Committee (RSGC) now has oversight of sustainability-related matters. This will provide us with a clearer direction in our sustainability journey, as the RSGC also manages risks and opportunities related to sustainability.



**NORHAIZAM BINTI MOHAMMAD**  
Officer In Charge/Chief Financial Officer

### Our Seven Strategic Thrusts

- S1 Capacity Building
- S2 Enriched Customer Relationships
- S3 Innovation @ The Core
- S4 New Niches
- S5 Human Resource
- S6 Business Process Improvement
- S7 Sustainable Value for Stakeholders

### Protecting Our Environment

We are aware of the significant role we can play in helping to slow down global warming by reducing our greenhouse gas (GHG) emissions

**ENVIRONMENTAL**

### Uplifting Our Patients and Communities

We have developed affordable packages to offer quality healthcare to low-income patients

**SOCIAL**

### Fostering Our People

We have also implemented a series of skills training for our nurses, such as Project INFUZE

**SOCIAL**

### Upholding Good Governance

We have continuously strengthened our efforts in upholding ethics and integrity across our operations

**GOVERNANCE**

## JOINT LEADERSHIP STATEMENT



### ADAPTING TO ECONOMIC SHIFT

Throughout our value creation journey, it is crucial for us to adapt to the dynamic macro and microeconomic landscape to identify opportunities and mitigate risks. We are committed to protecting the interests of our shareholders and we strive to remain resilient in all the markets we operate in.

As demand for sustainability investments continues to grow, we have established a Sukuk Wakalah Programme based on the Shariah principle of Wakalah Bi Al-Istithmar. It the flexibility for KPJ to issue Sustainability Sukuk Wakalah upon the establishment of the Sustainability Sukuk Framework. The Sukuk Wakalah Programme was assigned a rating of AA-IS(CG) (stable) by Malaysian Rating Corporation Berhad (MARC).

The proceeds will be utilised by KPJ Group for its Shariah-compliant general corporate purposes, which encompass financing the expansion, working

capital of the Group's healthcare and healthcare-related businesses, as well as refinancing any existing borrowings or financing. On 13 March 2023, KPJ successfully completed its maiden Sustainability Sukuk offering amounting to RM555 million. The offering marks the pioneering issuance of a Sustainability Sukuk by a private healthcare provider in Malaysia and in the ASEAN region. The proceeds from the Sustainability Sukuk offering will be utilised by KPJ Healthcare in accordance with the criteria set out in the Sustainability Sukuk Framework.

We will continue to prioritise the needs, expectations and well-being of our patients by studying the broader market demographics and trends. In 2022, we increased our bed capacity by more than 300 beds with the completion of the expansion of KPJ Ampang Puteri and KPJ Penang. We invested RM119.5 million in new medical and other equipment, an increase of 82% or RM65.6 million compared to the previous year.

In November 2022, we have started a Group chiller replacement project and completed the assessment that involve 17 unit of chillers at eight of KPJ hospitals. This project has two phases and will be two phases and to be completed by 2024.

Our KPJ Healthcare University College (KPJUC) has contributed to the development of talent in the healthcare industry for 34 years. In 2022, KPJUC conferred in Medical Specialist to nine doctors, increasing the number of specialist doctors at KPJ to 18 since 2016. This milestone also establishes KPJUC as the first and only private university in Malaysia to provide Master in Medical Specialist programmes.

The year under review saw 99.63% of KPJUC students graduating on time. Since 2020, 1,314 KPJUC graduates have secured employment and are serving nations in the healthcare industry, with 46% of them hired by KPJ hospitals.

### PROTECTING OUR ENVIRONMENT

Climate change is now one of the most pressing issues globally and its impacts are affecting our lives and the economy. As the largest private hospital operator in the country we are aware of the significant role we can play in helping to slow down global warming by reducing our greenhouse gas (GHG) emissions. As such, we have launched our three-year Sustainability Roadmap 2023-2025, which covers 27 new and enhanced initiatives that will steer us towards attaining net zero emissions by 2050 and becoming a future-ready organisation by 2025.

Along the way, we are incorporating sustainable practices into our daily activities to minimise the negative

## JOINT LEADERSHIP STATEMENT

environmental impacts of our operations, which run 24 hours a day. Ensuring efficient resource management is important to reduce our carbon footprint and we have taken tangible steps to improve energy efficiency and lower our water consumption. Among our energy-efficient initiatives are regulating our chillers and air conditioning temperatures, providing training and awareness programmes to our employees, using LED lights and establishing an Energy Management System. These efforts have helped us to maintain our average consumption of electricity below 27.69 kWh per square foot for the fourth consecutive year.

Going forward, we will explore collaborations with Tenaga Nasional Berhad and other sustainable partners on energy management programmes. This will include investing in rooftop solar power panels, participating in a solar farm under the Corporate Green Power Programme, installing charging stations for electric vehicles and using liquified natural gas to reduce our carbon footprint.

### UPLIFTING OUR PATIENTS AND COMMUNITIES

True to our philosophy of 'Care for Life', we always strive to go beyond compliance to provide quality healthcare to all our patients. This includes providing access to affordable healthcare for communities in need through our Klinik Wakaf An-Nur (KWAN), our flagship healthcare programme by Waqf-based healthcare institutions. The programme, which is targeted at the underprivileged and the Bottom 40% (B40) income earners, has enabled KPJ to positively impact close to two million patients

since KWAN's establishment in 1998. We aim to expand the KWAN programme to cover more states through partnerships with local authorities, bank and NGOs, in anticipation of the growing number of patients amid the rising cost of living and healthcare services.

Aside from KWAN, we continue to build partnerships with organisations which uphold the same belief that everyone should have access to quality healthcare. Our long-term partnership with the National Cancer Society of Malaysia, which offers complimentary pap smear screening in KPJ Johor, KPJ Puteri and KPJ Kluang, has benefitted over 2,000 women who earn less than RM5,000 a month. We recently partnered with three leading corporations, namely Standard Chartered, PwC Malaysia and Volvo Ingress Swede to provide complimentary pap smear screening for their employees.

Beyond that, we have developed affordable packages to offer quality healthcare. Among the packages provided in 2022 were maternity packages and cancer-related screenings, contributing to an overall total of more than 13,000 packages sold, which was equivalent to revenue of RM28.1 million. This truly reflects our commitment to growing responsibly by striking a balance between achieving financial resilience and prioritising the needs of patients.

Our contribution to the nation does not stop at just providing affordable healthcare. We are particularly proud of our employees, who volunteer in humanitarian aid efforts through JCorp's common voluntary platform, Briged Wakaf. Since 2010, Briged Wakaf has mobilised over 100 KPJ volunteers,

and in 2022 alone, 50 KPJ volunteers participated in flood relief efforts in Kelantan. This not only echoes our commitment to giving back to society, but also encourages our medical staff to go above and beyond the call of duty.

### FOSTERING OUR PEOPLE

At KPJ, we are committed to creating a safe and healthy work environment that is free from all forms of discrimination. While it is crucial to ensure the safety of our frontliners, who are exposed to health risks, we are acutely aware that it is also vital to take care of their mental health. As such, we organised several programmes to promote mental health awareness such as the #ItsOkNotToBeOk mental health awareness campaign, the #WeCare mental health and peer support programme and focus group discussions to identify and address issues that affect our employees' well-being.

#### KEY HIGHLIGHTS

Increased our bed capacity by more than

**300 beds**

with the completion of the expansion of KPJ Ampang Puteri and KPJ Penang

Achieved more than

**13,000**

healthcare packages sold, which was equivalent to revenue of

**RM 28.1 million**

## JOINT LEADERSHIP STATEMENT



More importantly, we listened to our employees to understand their needs and work challenges, and to encourage them to share their feedback. This was done through our annual town hall, Coffee with Leaders sessions and KPJ Pitstop, whereby Group Human Resources reached out to all our hospitals to personally engage with our employees. In 2022, we intensified our employee engagement by conducting surveys to gauge employees' satisfaction and happiness at the workplace. Based on the results, we took immediate measures to address the key concerns raised such as leadership engagement, salary gaps and the well-being of employees. We are aware that listening to our employees and meeting their needs will help us retain our talent, and as such, we are committed to filling the gaps that have been identified. We will also increase and improve the efficacy of our employee engagement sessions to gather feedback from our employees.

Helping our people to achieve their professional aspirations will enable us to retain our talent. We continue to invest in our human capital by implementing leadership programmes and upskilling programmes that involve

business communication, research and accountancy, among others. In 2022, we invested RM6.6 million in the training and development of our employees. In upskilling our nurses, we implemented a series of skills training for our nurses, such as Project INFUZE, which engaged nurses in simulations and critical-thinking activities that were in line with the International Infusion Nursing Standards. Other types of training were vascular access programmes and clinical training programmes. These programmes were in addition to our talent development programme, which consisted of the Talent Validation Programme and MSQH 13<sup>th</sup> Surveyor Training. Our average training hours per employee increased by 16.2% or 39.5 hours in 2022 from 34 hours in 2021.

### UPHOLDING GOOD GOVERNANCE

Strong governance is fundamental to the sustainability of any organisation. At KPJ, we have continuously strengthened our efforts in upholding ethics and integrity across our operations. Our commitment to upholding good governance underpins our core value of Performing Duties with Integrity.

Our efforts in combatting bribery and corruption include working closely with the Malaysian Anti-Corruption Commission (MACC) and keeping abreast with the latest legal requirements. For instance, we comply with the mandatory requirement of submitting a report to the MACC every six months.

Training and awareness continue to play a vital role in instilling integrity and preventing bribery and corruption in the Group. In 2022, 100% of our employees across all categories completed the Integrity and Anti-Bribery and Management System standard operating procedure awareness training. In addition to a commitment to a zero tolerance approach by the Group, all our employees must declare their assets and conflicts of interest. This good governance practice is also extended to our value chain, whereby 100% of our new suppliers and vendors have been notified of the implementation of the Anti-Bribery/Corruption Policy.

We carried out many other initiatives under the Integrity/Anti-Bribery Plan 2022-2023. This included the enhancing

## JOINT LEADERSHIP STATEMENT

of bribery risk assessment at our Headquarters and the monitoring and reporting of ABMS performance and improvement. Combatting bribery and corruption requires a collaborative effort. Hence, we have put in place various communication channels to encourage internal and external stakeholders to whistleblow on any wrongdoing or improper conduct discovered. Since the inception of the whistleblowing reporting channel via email in 2020, we have received and resolved 11 reports. Two of the reports were integrity-related while nine were grievances in nature.

In keeping with global trends to stay agile and competitive in the industry, we have adopted technology and innovation to provide high-quality healthcare services to our patients. This is demonstrated by our SMART hospital at Damansara Specialist Hospital 2 (DSH2), which began operations in September 2022. The SMART hospital utilises advanced healthcare technologies that are assisted by an Artificial Intelligence (AI)-driven medical record system and Internet of Things (IoT) network. Incorporating technology into our operations has also reduced our cost and optimised operational performance through process improvement.

To ensure that we stay at the forefront of innovation and technology, we have ramped up our investment in digitalisation. This has involved a nearly ninefold increase in funding, from RM2.3 million in 2020 to RM20 million over the combined years of 2021 and 2022. This included the implementation of integrated systems that improve the effectiveness of the monitoring of treatment outcomes, with an emphasis on information security.

 **OUTLOOK**

As economic and social activities return to almost pre-pandemic levels, many industries and businesses that survived the pandemic have bounced back. This included the healthcare industry, which has been experiencing encouraging growth since the transition to endemicity. While there is an exciting future ahead of us, we are committed to growing responsibly to ensure that our operations and business activities do not harm people or the planet. We will continue to step up our climate action and give back to the community by improving access to affordable healthcare. In this context, we are looking forward to working with the Association of Private Hospitals and insurance companies, in addition to helping the government clear the backlog of cases faced by public hospitals. We will continue to invest in innovation and technology to elevate the standard of our healthcare services. We will also continue to keep our people safe, physically and mentally, to retain our talent as we expand our business to provide better quality healthcare to the community.

**ACKNOWLEDGEMENTS**

On behalf of the Board of Directors, we would like to thank our valued stakeholders, especially our shareholders and customers, for their trust in us. We thank you for your support, which has motivated us to keep improving and innovating our healthcare services to better serve the community. We sincerely thank the industry's regulators and accreditation bodies, especially the Ministry of Health (MOH), for their continuous guidance and support which have made our journey easier in providing quality healthcare. Last but not least, we are truly grateful to our KPJ Family consisting of employees, consultants, medical officers, nurses, allied health professionals and all medical and non-medical professionals. They have tirelessly served our patients and upheld the KPJ brand as the nation's leading healthcare provider.



**DATUK MD ARIF BIN MAHMOOD**  
Chairman  
KPJ Healthcare Berhad



**NORHAIZAM BINTI MOHAMMAD**  
Officer In Charge  
KPJ Healthcare Berhad

# 2022 HIGHLIGHTS

## ADAPTING TO ECONOMIC SHIFT

**+70.08%**

Education sponsorship allocated for B40 Group

**RM8,868.30**

per student, compared to FY2021  
(2021: RM5,214.07 per student)

**RM 555 million**

issued its first Sustainability Sukuk Wakalah for investment that will help the nation transition to a low-carbon economy

## PROTECTING OUR ENVIRONMENT

Enhanced emission reporting with a total of

**5 emission sources**

accounted under Scope 1, Scope 2 and Scope 3



## UPLIFTING OUR PATIENTS AND COMMUNITIES

**+22.54%**

Increased in reaching

**53,925**

patients who were treated at KWAN

(2021: 44,005)

**+6.19%**

in enhancing the quality of health for the undeserved and underprivileged communities

**RM 9.8 million**

(2021: RM9.21 million)

## FOSTERING OUR PEOPLE

**+69.67%**

Invested in training and development

**RM 6.4 million**

(2021: RM3.9 million)

**+16.18%**

in training and upskilling

**39.5 hours**

Average training per employee

(2021: 34 hours per employee)

## UPHOLDING GOOD GOVERNANCE

**100%**

new suppliers and vendors were notified of the implementation of the Anti-Bribery/Corruption Policy

**ZERO**

monetary losses as a result of legal proceedings associated with data security and privacy

# PATIENT-CENTRIC CARE

## PRIORITISING CUSTOMERS THROUGH PATIENT-CENTRIC HEALTHCARE

At the heart of KPJ’s operations is our value proposition in providing effective and patient-centric healthcare. This is conducted through managing our network of specialist hospitals in a professional, efficient and responsible manner. In pursuit of this, we have established a comprehensive range of patient-centric frameworks, metrics, processes, and protocols that prioritises patient well-being which allows us to deliver outstanding clinical and service quality.

- 

**Shaping patient care as a team**
- 

**Offering round-the-clock services**
- 

**Serving patients at our one-stop International Patient Centre (IPC)**
- 

**Injecting innovation for sustainable healthcare solutions**
- 

**Providing a host of outpatient services at our Ambulatory Care Centre (ACC)**
- 

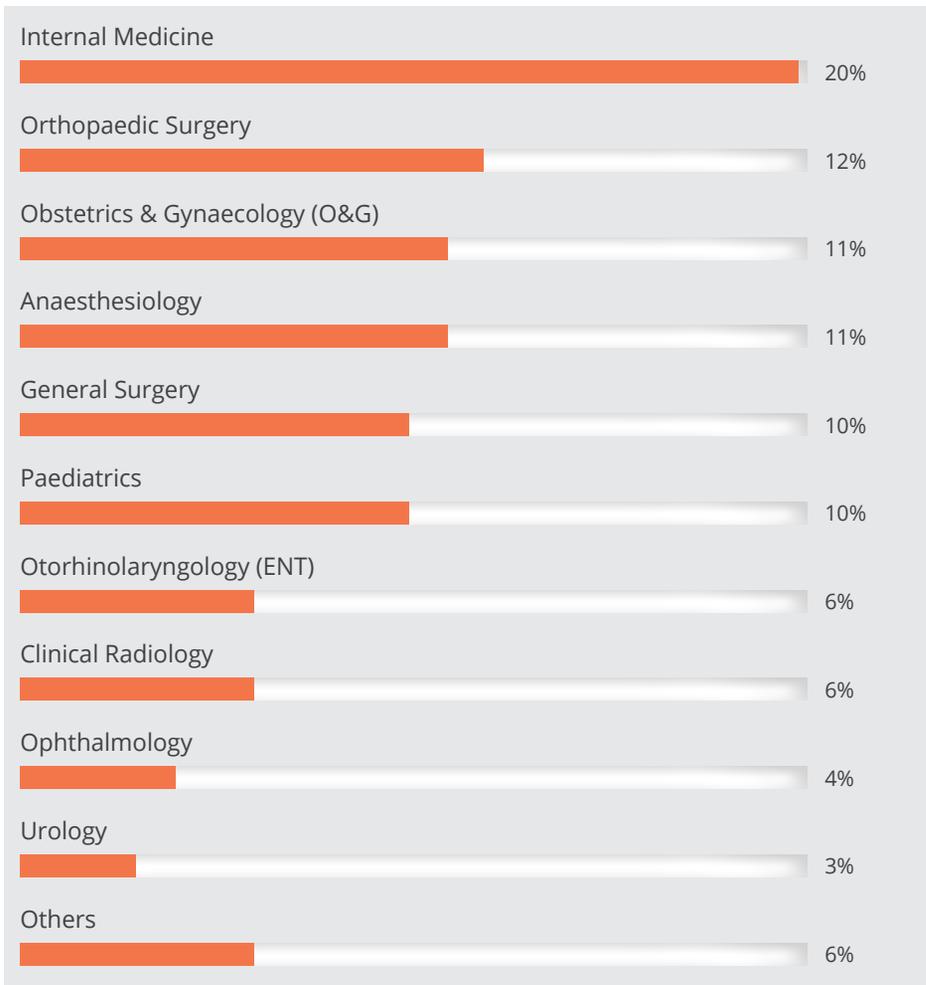
**Positioning KPJ as the preferred healthcare provider**
- 

**Ensuring efficiency in our ambulance services**



**With our Top 10 Disciplines, we are known to deliver best in Internal Medicine, Orthopaedic Surgery, Obstetrics & Gynaecology (O&G), Anaesthesiology, General Surgery, Paediatrics, Otorhinolaryngology (ENT), Clinical Radiology, Ophthalmology, Urology and Others.**

From these disciplines, KPJ hospitals are most sought-after for five major specialities including Internal Medicine, Orthopaedic Surgery, Obstetrics & Gynaecology, Anaesthesiology and General Surgery.



# OUR APPROACH TO SUSTAINABILITY

## SUSTAINABILITY APPROACH

In 2022, we took a significant step in our sustainability journey by revising our Sustainability Framework, which now comprises five themes with 27 new and enhanced initiatives. Our approach is designed to establish a three-year roadmap which measures and takes action to deal with material matters, and ties back to addressing risks and leveraging opportunities identified by the Group.

### SUSTAINABLE HEALTHCARE



# OUR APPROACH TO SUSTAINABILITY

We are committed to building a sustainable future while also creating long-term value for our stakeholders. Through this approach, we aim to minimise our environmental impact, enhance social and community benefits, and strengthen governance practices. By incorporating sustainability into our business practices, we aim to accomplish our long-term objectives while simultaneously tackling the global issues of climate change and social responsibility. Our refreshed Sustainability Framework is a key driver in achieving our mission to become a leader in sustainable business practices.

KPJ 3 YEAR ROADMAP AND TARGETS		
2023	2024	2025
<b>Economic</b> Continuous growth in the healthcare industry via Sustainability Sukuk Wakalah issuance to support eligible social and green projects.		
<b>Environmental</b>		
1. KPJ Carbon Accounting 2. Decarbonisation 3. Waste Management Plan 4. Climate Risk	12. Scope 1, 2 and 3 13. Clean Energy Mix 14. Water Management 15. Green Hospital	25. Sustainable Transportation
<b>Social</b>		
5. Training and Awareness 6. DEI Policy	16. Training Aged Care Workforce 17. Inclusive Workplace 18. Non-Discriminatory Policy 19. Labour and Human Rights	
7. Health Awareness 8. Affordable Packages 9. KWAN 10. Outreach Programmes	20. Mental Health for Community 21. Healthy Lifestyle	
<b>Governance</b>		
11. Supply Chain Engagement	22. Sustainability Embed Supply Chain 23. TCFD 24. Shariah Governance	26. Collaboration 27. Enhance Transparency

**MANAGING RISK AND OPPORTUNITIES**











 Refer to KPJ Integrated Report 2022 for more information.

**OUR TARGETS AND PRIORITISED UN SDG**

**Build a resilient and adaptable organisation for any economic volatility**

**Reduce environmental impact by managing KPJ's waste, resources and climate risks by 2025**

**Develop a healthy and competent workforce by 2030**

**Improve the lives of community members across Malaysia by 2030**

**Be a sustainability-accountable and future-ready organisation by 2030**














 Refer to pages 17 to 21 for more information.

## OUR APPROACH TO SUSTAINABILITY

### OUR SUSTAINABLE HEALTHCARE

KPJ is dedicated to delivering long-term shared value to its stakeholder, providing high-quality care in an affordable way, while minimising the impact on the environment. We strengthen our business by upholding the highest standards of clinical governance to provide safe and excellent clinical services to all.

#### KPJ SUSTAINABILITY VALUE

By adhering to good corporate governance, ethics, and integrity, as well as contributing to the nation's socioeconomic and healthcare sectors, we have secured a safer environment for our future generations. We are committed to working closely with the Malaysian Government and healthcare insurers to continuously provide affordable healthcare services to all. Our sustainability universe is shaped by four values that are ingrained at every level and area of our organisation.



##### Preventive Healthcare

We are committed to continuously improve offerings in preventive healthcare for the people of Malaysia. Our initiatives include growing our immunisation and vaccination coverage, helping to improve the health, nutrition knowledge, behaviour and attitude of the community towards healthcare, advocating infection prevention, control and preparedness for disease outbreaks and empowering patients to make informed decisions.



##### Universal Healthcare Coverage

Our aim is to increase accessibility for those in need of health services and goods like health packages, vaccines, diagnostic tests, pharmaceuticals, dietary supplements, and family planning through collaboration with the government, healthcare insurers and non-government organisations. We are committed to providing healthcare service to all at our level best by personalising the needs of the communities we operate in.



##### Resilient Healthcare

We improve our preparedness and strengthen health system resilience to withstand any potential future health shocks. KPJ is still serving decanting patients to ease the Government hospitals' service backlogs and waiting lists.



##### Environmentally Sustainable Healthcare

We aim to reduce the negative impact of our operations on the environment through the introduction of more efficient and environmentally sustainable practices within our organisation. As such, we encourage our hospitals to reduce, reuse and recycle water, raw materials, non-renewable minerals, energy, hazardous and non-hazardous waste. We are also in the process of building more green building hospitals.

### ENHANCING SUSTAINABILITY STRATEGY TO MINIMISE EESG IMPACT

KPJ recognises each patient's personality, communicate openly and honestly, and instill confidence as we provide them with the best and safest care possible. We want to be known as the preferred healthcare provider in the daily lives of more Malaysians by introducing new solutions in order to build a healthcare ecosystem of international distinction. We believe that caring for people inevitably necessitates caring for the environment, and that this belief is at the core of our values and strategy. We translate all of this values into five themes that addresses economic, environment, social and governance impact. This is how we contribute to the healthcare system and the satisfaction of our stakeholder.

# OUR APPROACH TO SUSTAINABILITY

## OUR TARGETS AND PRIORITISED UN SDGS

### ECONOMIC PILLAR - ADAPTING TO ECONOMIC SHIFT

Inculcate resilience and agility as part of KPJ's culture to withstand economic challenges

SUPPORTING TARGETS	UN SDG TARGETS
<b>Build a resilient and adaptable organisation</b> for economic volatility	 <b>1.5:</b> By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
	 <b>3.d:</b> Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks
	 <b>11.5:</b> By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

### ENVIRONMENTAL PILLAR - PROTECTING OUR ENVIRONMENT

Reduce our environmental impact by managing KPJ's waste, resources, and climate risks by 2025

SUPPORTING TARGETS	UN SDG TARGETS
<b>Establish a waste baseline</b> to begin tracking all types of non-clinical waste, and the relevant disposal methods by <b>2023</b>	 <b>3.6:</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	 <b>6.3:</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
	 <b>11.6:</b> By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	 <b>12.3:</b> By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses
	<b>12.4:</b> By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
	<b>12.5:</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

## OUR APPROACH TO SUSTAINABILITY

### ENVIRONMENTAL PILLAR - PROTECTING OUR ENVIRONMENT

Reduce our environmental impact by managing KPJ's waste, resources, and climate risks by 2025

SUPPORTING TARGETS	UN SDG TARGETS
<p>Use the TCFD Guidance to identify climate risks related to KPJ and develop mitigation plans by 2023</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> <p><b>11.5:</b> By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water related disasters, with a focus on protecting the poor and people in vulnerable situations</p> <p><b>11.b:</b> By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels</p> <p><b>13</b> CLIMATE ACTION</p> <p><b>13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>
<p>Source 10% of energy from renewable sources and reduce water usage by 20% per patient by 2025 from 2021 baseline</p>	<p><b>6</b> CLEAN WATER AND SANITATION</p> <p><b>6.4:</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p> <p><b>6.5:</b> By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate</p> <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> <p><b>7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p><b>7.3:</b> By 2030, double the global rate of improvement in energy efficiency</p>
<p>Reduce 25% of GHG emissions per patient by 2025 from 2021 baseline</p>	<p><b>13</b> CLIMATE ACTION</p> <p><b>13.1:</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>

Source: UN SDGs, My Aged Care, PwC analysis

# OUR APPROACH TO SUSTAINABILITY

## SOCIAL PILLAR - UPLIFTING OUR PATIENTS AND COMMUNITIES

### Improve the lives of community members across Malaysia by 2025

SUPPORTING TARGETS	UN SDG TARGETS
Maintain <b>patient satisfaction index at 90% and above</b>	 <p><b>1.2:</b> By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p>  <p><b>3.8:</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>
Increase the number of customers with access to guidance and/or services on <b>prevention and general wellness<sup>1</sup> by at least 20% by 2025 from 2021 baseline</b>	<p><b>3.4:</b> By 2030, reduce by one third premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and well-being</p>
Increase the number of customers with access to <b>home or short-term aged care services</b> (i.e., restorative care, transition care, respite care <sup>2</sup> ) <b>by at least 10% by 2025 from 2021 baseline</b>	<p><b>3.8:</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>
Establish <b>mandatory sustainability awareness training courses</b> for all KPJ staff and relevant stakeholders by <b>2023</b>	 <p><b>4.3:</b> By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university</p> <p><b>4.7:</b> By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development</p>  <p><b>12.8:</b> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>  <p><b>13.3:</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>

Note:

<sup>1</sup> 'Preventive' defines efforts in reducing the occurrence and severity of diseases while 'general wellness' aims to maintain high functioning levels and a good quality of life. Such services provided by KPJ includes KPJ's Wellness and Lifestyle Programme, KCWC, KPJ services via dietitians, vaccinations, birth control, and digital health;

<sup>2</sup> More information on the types of aged care services can be found in My Aged Care's website by the Australia Government

## OUR APPROACH TO SUSTAINABILITY

### SOCIAL PILLAR - FORSTERING OUR PEOPLE

#### Develop a healthy and competent workforce by 2023

SUPPORTING TARGETS	UN SDG TARGETS
<p><b>Achieve 30% of female representation</b> at the <b>Senior Management and Board level by 2024</b></p>	<p> <b>5.5:</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p><b>5.c:</b> Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>
	<p> <b>10.2:</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>
<p>Adhere publicly to <b>international human rights and labour standards</b> (e.g., UDHR, UNGC, ILO) by <b>2024</b></p>	<p> <b>3.7:</b> Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences</p> <p><b>3.8:</b> Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>
	<p> <b>5.1:</b> End all forms of discrimination against all women and girls everywhere</p> <p><b>5.2:</b> Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation</p>
	<p> <b>8.5:</b> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p><b>8.7:</b> Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p> <p><b>8.8:</b> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>
	<p> <b>10.2:</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p><b>10.3:</b> Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p><b>10.4:</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>

# OUR APPROACH TO SUSTAINABILITY

## GOVERNANCE PILLAR - UPHOLDING GOOD GOVERNANCE

Be an sustainability-accountable and future-ready organisation by 2025

SUPPORTING TARGETS	UN SDG TARGETS
<p>Engage with <b>100% of Tier 1 suppliers</b> and <b>20% of critical non-Tier 1 suppliers</b> on <b>KPJ's sustainability targets</b> and <b>Supplier Code of Conduct</b> by <b>2024</b></p>	<p><b>12.6:</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p><b>12.7:</b> Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p> <p><b>16.7:</b> Ensure responsive, inclusive, participatory and representative decision-making at all levels</p> <p><b>17.16:</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p>
<p>Establish a <b>clear sustainability governance structure</b> and link leadership <b>KPIs and remunerations with sustainability performance</b> by <b>2024</b></p>	<p><b>16.6:</b> Develop effective, accountable and transparent institutions at all levels</p> <p><b>16.7:</b> Ensure responsive, inclusive, participatory and representative decision-making at all levels</p>
<p>Join <b>at least three industry-wide initiatives or collaborations</b> around environmental and labour related topics<sup>1</sup> by <b>2025</b></p>	<p><b>17.16:</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p> <p><b>17.17:</b> Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>
<p><b>Achieve 100% digital patient records</b> by <b>2026</b></p>	<p><b>9.5:</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>

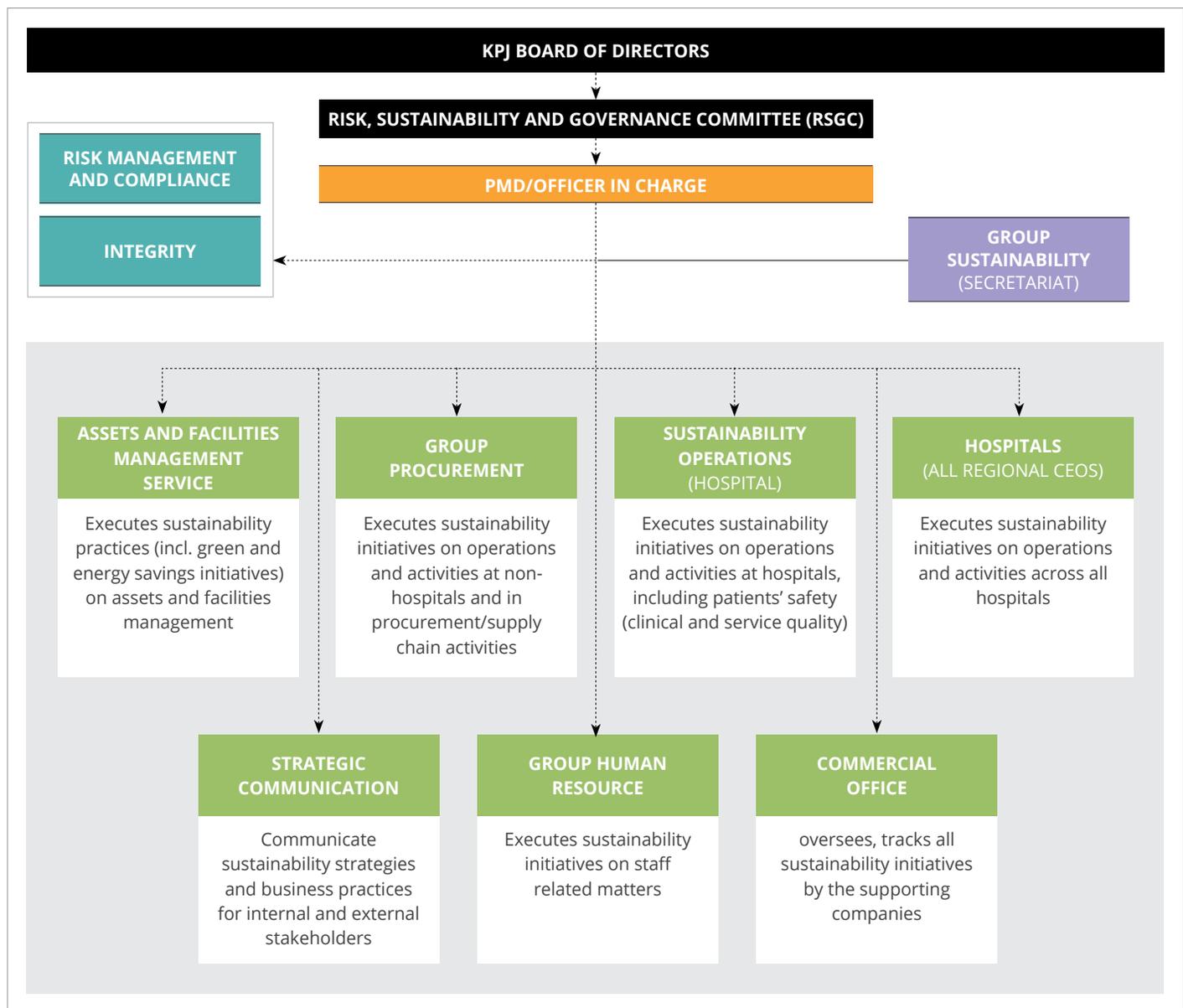
Note:

<sup>1</sup> It is recommended that KPJ engage in topics outside of those already explored, which should include climate change, water security, labour standards, and/or environmental and social impacts in the supply chain;

Source: UN SDGs, PwC analysis

# SUSTAINABILITY GOVERNANCE

Sustainability at KPJ is governed by the Risk, Sustainability and Governance Committee (RSGC), which has oversight of sustainability-related matters and reports to the President and Managing Director/ Officer in Charge. As part of its new role, the RSGC ensures the processes used to identify and manage sustainability-related risks and opportunities. The RSGC is also responsible for the strategy or approach used to address sustainability-related risks and opportunities that could affect KPJ's business model and strategy over the short, medium and long term. The responsibilities undertaken by the committee include overseeing the metrics and targets used to assess, manage and monitor our non-financial performance, which are linked to sustainability-related risks and opportunities.



## SUSTAINABILITY GOVERNANCE

## THREE KEY STRATEGIES TO ADOPT AND EMBED SUSTAINABILITY

## STRATEGY 1 | Setting the tone from the top to fully embrace and drive the sustainability agenda in the organisation

**Aligned to champion sustainability**

- 1 Establish sustainability framework
- 2 Adopt accounting of carbon emission
- 3 Establish database for sustainability via technology to optimise processes
- 4 Integrating environmental and social consideration into processes

**Governance oversight and accountability on sustainability, including Senior Management and BOD**

- 1 Formation of Sustainability Working Committee
- 2 Establish sustainability as standing agenda items at management and BOD level
- 3 Assign management oversight of sustainability agenda
- 4 Impact tracking and reporting

**Embed and align the aspiration into a sustainability roadmap and maximise value creations**

- 1 Disclosure of a roadmap on sustainability, including plans on reducing the GHG emission
- 2 Develop an operating model blueprint that puts differentiating capabilities to reduce GHG emission

## STRATEGY 2 | Adaptation of sustainable sustainability best practices whilst balancing between cost and profitability

**Design operating model to deliver sustainability targets**

- 1 Establishment of KPIs to drive sustainability agenda
- 2 Process KPIs should feed into a sustainability framework
- 3 Establishment of change management programme for execution

**Transform sustainability supply chain through procurement**

- 1 Leverage existing supply chain transformation efforts to deliver emissions reductions
- 2 Commitment and support from suppliers
- 3 Develop evaluation framework/ guidelines for future onboarding of suppliers

**Prioritisation of sustainability initiatives**

- 1 Build an innovation ecosystem for sustainability through partnerships
- 2 Triple bottom line initiatives delivering positive impact to Profit, People and Planet
- 3 Provision of innovative solutions to deliver pre-identified outcome of 12MP

## STRATEGY 3 | Strategic change management to enhance understanding and awareness on sustainability across the organisation

**Efficient Change Management across all stakeholders**

- 1 Sustainability aligned to corporate strategy
- 2 Embed sustainability considerations across all functions

**Promote Transparency through communication actions**

- 1 Awareness programme aims to enhance understanding/appreciation among stakeholders
- 2 Establishment of one-stop centre on information regarding sustainability

**Optimising Engagement and Influence by enhancing pace and scale**

- 1 Sharing of success stories of KPJ's stakeholders
- 2 Remuneration structure that incentivises the right behaviour
- 3 Cultivating growth mindset

# SUSTAINABILITY MATERIALITY

**Materiality assessments form a vital part of our value creation. The processes and findings guide us in developing our sustainability strategies and our sustainability performance management and reporting. In 2022, we conducted a materiality assessment to identify the key material issues that are significant to us and to our stakeholders.**

The process involved conducting focus group discussions among internal stakeholders to identify, prioritise, review and validate the material matters. The purpose of the materiality assessment was to align with stakeholders' expectations, especially investors, and the rapidly evolving economic, environment social and governance (EESG) landscape. It is critical for us to review our material matters on a regular basis to ensure that they remain relevant to emerging trends that could potentially impact our stakeholder groups.

## THE MATERIALITY ASSESSMENT PROCESS



Our material matters have helped shape our KPJ Sustainability Framework and three-year Roadmap apart from transforming our sustainability reporting this year. This ensures that our approach remains relevant and current with global trends, allowing us to meet changing stakeholder demands and to cover a wider scope of those already explored, which should include climate change, water security, labour standards and environmental and social impact in the supply chain.

Following the comprehensive assessment in 2022, the material matters were grouped into five themes with corresponding ambitions under the EESG pillars:

### PRIORITISED MATERIAL SUSTAINABILITY ISSUES (MATERIAL MATTERS)

The assessment results, along with the KPJ Sustainability Framework and three-year Roadmap were validated by the KPJ Group Management Committee and endorsed by our Risk, Sustainability and Governance Committee before they were presented to the Board of Directors.

#### Priority 1

- Business Model Resilience
- Customer Welfare and Satisfaction
- Service Quality and Safety
- Employee Engagement and Development
- Waste Management
- Technology, Innovation and Collaboration
- Data Privacy and Security



# SUSTAINABILITY MATERIALITY



Priority 2	Priority 3
<ul style="list-style-type: none"> <li>• Community Outreach</li> <li>• Access and Affordability to Quality Healthcare</li> <li>• Diversity and Inclusion</li> <li>• Labour and Human Rights</li> <li>• Resource Management</li> <li>• Ethics and Integrity</li> <li>• Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>• GHG Emissions</li> <li>• Climate Change Resilience</li> <li>• Health and Safety</li> <li>• Leadership and Governance</li> </ul>

## SUSTAINABILITY MATERIALITY

Our findings revealed that the results remained largely focused on the social impact to our patients, communities and our people. These impacts are covered under two themes, Uplifting Our Patients and Communities and Fostering Our People. KPJ Sustainability Sukuk Issuance and investment in green assets and technology integrate sustainability into our business model, reflecting our commitment to push for sustainability. One strong Material Matter under the Economic impact, which is Business Model Resilience, reflects our Sustainability Sukuk and investment in green assets and technology. Environmental-related issues, such as GHG Emissions and Climate Change Resilience were still rated relatively lower compared to other Material Matters. We recognise the importance of managing GHG emissions and climate change risk and we will strive to achieve net zero by 2050.

The 18 material matters were presented to the Board on October 2022, together with the KPJ Sustainability Framework and Roadmap. We included Health and Safety as the fourth material matter under “Fostering Our People” to align with the common material matters identified in the Bursa Malaysia’s Enhanced Sustainability Reporting Framework, which was announced on September 26, 2022. Our 18 Material Matters are defined as follows:

MATERIAL MATTER	DEFINITION
<b>Business Model Resilience</b>	Safeguarding KPJ’s business model from any risks due to changes in market trends and local business ecosystems. This can involve integrating social, environmental, and political transitions into long-term business strategies, to manage our response to evolving business standards and expectations over time, jurisdiction, and culture.
<b>Customer Welfare and Satisfaction</b>	Protecting the safety of patients during treatment, as well as upholding patient satisfaction with the overall healthcare delivery experience. This covers the delivery and provision of products and services to customers in a fair and safe manner, and improving this according to customer feedback.
<b>Service Quality and Safety</b>	Upholding high quality clinical services that are safe and in line with local and global healthcare standards and regulations. This issue addresses KPJ’s ability to manage any characteristics of the services provided that may malfunction and create health and safety risks. This may involve product testing, managing chemicals and ingredients, as well as managing market recalls.
<b>Community Outreach</b>	Improving quality of life and fostering socio-economic well-being in communities by conducting and/or participating in philanthropic activities aimed at community development and social welfare. This can involve activities beyond providing healthcare services, such as raising awareness on personal hygiene, donating equipment, and providing healthcare-related training and literacy.
<b>Access and affordability to Quality Healthcare</b>	Aligning with UN SDG 3: Good Health and Well-being by providing the underserved and underprivileged communities with access to affordable and high-quality healthcare. This includes enhancing access to KPJ’s services as well as promoting a healthy lifestyle, regardless of age and demographic.
<b>Employee Engagement and Development</b>	Attracting and retaining talent by supporting KPJ employees in their professional and personal aspirations, and equipping them with relevant skills and competencies to enable continuous value creation and sustainable business growth amid changing market trends and ecosystems.
<b>Diversity and Inclusions</b>	Promoting a workplace culture that provides employees with equal opportunities. This involves practising non-discrimination towards race, gender, sexuality, religion, ethnicity, age, disability, nationality, culture, and marital and parental status in hiring, promotion, and day-to-day practices.
<b>Labour and Human Rights</b>	Establishing zero tolerance towards violations against human and labour rights (e.g. forced labour, child labour) and protecting the safety and health of employees by securing a workplace free from injuries, fatalities and illnesses (both acute and chronic). This may include upholding international and local health and safety standards as well as human rights and labour standards such as the International Labour Organization (ILO) or United Nations Global Compact principles.

## SUSTAINABILITY MATERIALITY

MATERIAL MATTER	DEFINITION
<b>Health and Safety</b>	Protecting our people and the communities in which we operate by aligning the safety of our operations and facilities with the relevant authorities' requirements. We remain steadfast in benchmarking against industry standards of excellence.
<b>Waste Management</b>	Managing solid waste material and airborne pollutants generated from KPJ's operations by reducing, recycling and reusing hazardous and non-hazardous waste. This includes implementing appropriate treatment, handling, storage and disposal practices, while meeting regulatory requirements.
<b>GHG Emissions</b>	Establishing efforts to reduce and offset Scope 1, 2, and 3 greenhouse gas (GHG) emissions across the hospital network, where possible. Scope 1 GHG emissions include direct emissions controlled by KPJ (e.g. company facilities and vehicles). Scope 2 involves indirect emissions from purchased energy consumed, while Scope 3 involves all other indirect emissions across the value chain (e.g. purchased goods, employee commuting). Efforts may include resource management and installation of green solutions.
<b>Resource Management</b>	Managing the use of water and energy resources, as well as minimising the relevant environmental impacts. Water management may include adopting water-saving technologies, reducing water consumption and wastewater discharge, and reusing water where applicable (without endangering patient safety). Energy management may involve using energy efficient technology, reducing energy consumption, and shifting towards renewable energy sources. This issue does not cover resource consumption related to solid waste.
<b>Climate Change Resilience</b>	Recognising and managing the operational risks associated with physical and transitional climate change impacts, and incorporating climate-related opportunities into KPJ's operations. This also includes increasing the awareness on climate change mitigation, adaptation and impact reduction.
<b>Technology, Innovation and Collaboration</b>	Leveraging technology and innovation, as well as collaborative opportunities with industry peers to streamline operations and continuously provide world class healthcare and customer service to a wide range of customers. This includes forming partnerships to fund and promote research and development in medical equipment.
<b>Ethics and Integrity</b>	Upholding the highest standards of ethics, integrity, honesty, and professionalism by managing the relevant risks within KPJ's business conduct (e.g. fraud, corruption, bribery). It also addresses KPJ's ability to protect employees from bias, conflicts of interest, and other business misconduct. This can be in the form of adequate training and adherence to KPJ's Policy on Work Ethics and Code of Conduct.
<b>Leadership and Governance</b>	Promoting accountability and transparency across KPJ's governance structure to protect stakeholder interests. This includes taking into consideration independence, responsibilities, diversity, and effectiveness of Board and Board Committees when making decisions related to their appointment and remuneration. This issue also covers shareholder rights to vote.
<b>Data Privacy and Security</b>	Managing risks related to the collection, retention and use of sensitive and confidential organisational and patient information. This can be done by enhancing cybersecurity amidst increasing use of digital platforms and databases (e.g. from data breaches exploiting proprietary and customer personal information). This issue also addresses policies and practices to enhance KPJ's IT infrastructure, training, record keeping, and compliance to Personal Data Protection Act 2010.
<b>Supply Chain Management</b>	Managing sustainability risks within KPJ's supply chain due to potential externalities from suppliers' operational activities. This may involve selecting, screening, monitoring, and engaging suppliers on their environmental and social impacts to promote transparent and ethical sourcing of materials and protect long-term shareholder value.

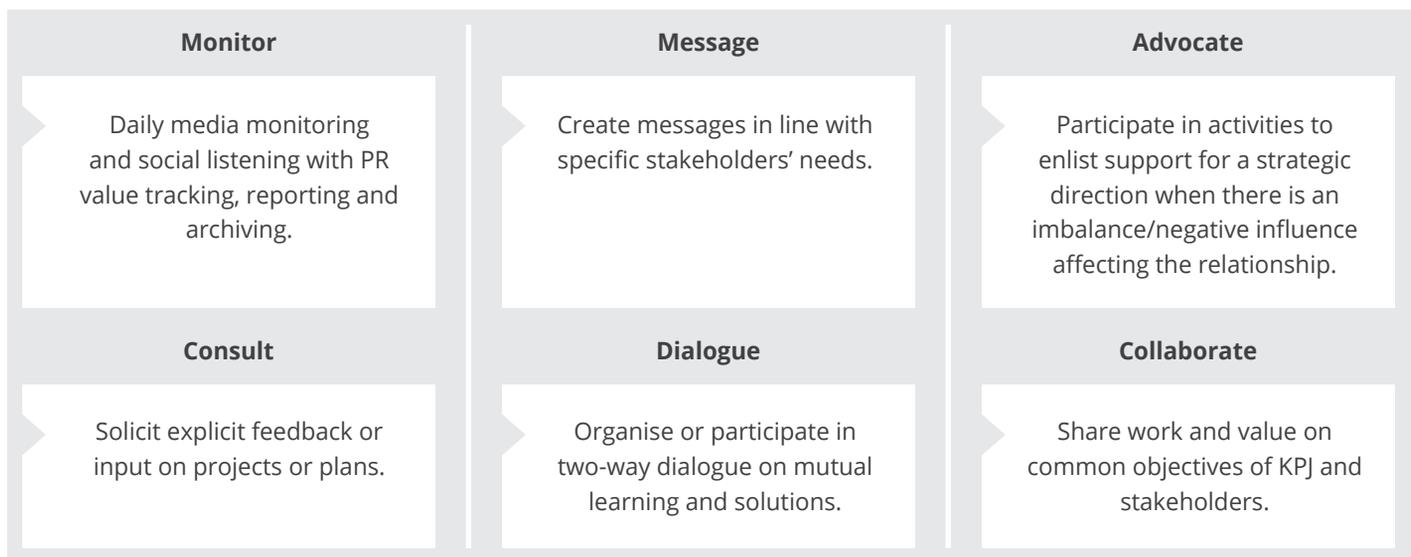
# STAKEHOLDER MANAGEMENT

KPJ's intricate stakeholder ecosystem serves as the foundation for our synergistic relationships with our stakeholder groups. Given their diversity in terms of capacities and functions, each stakeholder group is critical to the Group's operations. We are committed to exceeding the expectations of the various stakeholder groups to which we cater. In order to create long-term value, we are constantly evolving our processes and operations to ensure that we continue to provide excellent patient-centric medical services.

We seek to establish relationships built on trust, respect and mutual commitment and build trust with our internal and external stakeholders by communicating consistently, openly and transparently. Our aim is for stakeholders to have no surprises in their dealings with us. In all activities and projects, KPJ will actively identify stakeholders, seek to understand the issues that are important to them and keep them informed in a timely and accurate manner of our activities relating to these issues.

Whenever possible, the interests of stakeholders will be considered in our decision-making. A successful stakeholder engagement activity connects the appropriate engagement format to the right stakeholder group.

## STAKEHOLDER ENGAGEMENT CONTINUUM



KPJ'S STAKEHOLDER	STAKEHOLDER ENGAGEMENT CONTINUUM	LINK TO STRATEGIC THRUST
Patients	Message, Collaborate	S3 S7
Employees	Message, Advocate, Dialogue, Collaborate	S2 S5 S6
Consultants	Message, Advocate, Consult, Dialogue, Collaborate	S2 S5 S6
Investors and Shareholders	Message, Dialogue, Collaborate	S1 S7
Government and Regulators	Advocate, Consult, Dialogue, Collaborate	S1 S2 S3 S4 S6
Business Partners	Message, Advocate, Consult, Dialogue, Collaborate	S1 S2 S4 S6 S7

## STAKEHOLDER MANAGEMENT

KPJ'S STAKEHOLDER	STAKEHOLDER ENGAGEMENT CONTINUUM	LINK TO STRATEGIC THRUST
Accreditation Bodies and Industry Associations	Advocate, Consult, Dialogue, Collaborate	S1 S2 S3 S6
Suppliers and Vendors	Message, Dialogue, Collaborate	S1 S4 S7
Local Communities	Message, Advocate, Dialogue, Collaborate	S2 S7

In 2022, our stakeholder management efforts revolved around our post-COVID-19 recovery measures as well as our Re-energising our agenda. These measures are detailed in the following individual stakeholder sections.

## SUSTAINABILITY THEMES

- A Adapting to Economic Shift   
 P Protecting Our Environment   
 U Uplifting Our Patients and Communities  
F Fostering Our People   
 U Upholding Good Governance

## FREQUENCY OF ENGAGEMENT

- O Ongoing   
 AS As Required   
 R Regular Meetings   
 M Monthly   
 W Weekly   
 A Annually   
 B Biannually   
 Q Quarterly

STAKEHOLDER GROUP	ENGAGEMENT PLATFORM	KEY CONCERNS	RESPONSE														
<p><b>PATIENTS</b></p> <p>Our patients play a central role in KPJ's business growth. Our role is to enhance the quality of life of our patients by providing comprehensive, high-quality healthcare services as we endeavour to be the most trusted provider of healthcare services in Malaysia.</p>	<table border="1"> <thead> <tr> <th>Method of Engagement</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>Customer Satisfaction Survey</td> <td><span>M</span></td> </tr> <tr> <td>Corporate and hospital websites</td> <td><span>O</span></td> </tr> <tr> <td>Comprehensive integrated social media presence</td> <td><span>O</span></td> </tr> <tr> <td>Health-related information magazines</td> <td><span>Q</span></td> </tr> <tr> <td>Health awareness days</td> <td><span>O</span></td> </tr> <tr> <td>Service brochures with hospital information</td> <td><span>O</span></td> </tr> </tbody> </table>	Method of Engagement	Frequency	Customer Satisfaction Survey	<span>M</span>	Corporate and hospital websites	<span>O</span>	Comprehensive integrated social media presence	<span>O</span>	Health-related information magazines	<span>Q</span>	Health awareness days	<span>O</span>	Service brochures with hospital information	<span>O</span>	<ul style="list-style-type: none"> <li>Cost of healthcare services</li> <li>Quality of service standards</li> <li>World-class health facilities and technology</li> </ul>	<ul style="list-style-type: none"> <li><span>U</span> Monitoring customer satisfaction, increasing access to quality and affordable healthcare, offering Group-wide packages and promoting niche markets</li> <li><span>F</span> Patient-centric, qualified and experienced healthcare professionals</li> <li><span>U</span> Investment in technology and data privacy for patients' information</li> </ul>
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<p><b>IMPACT ON STRATEGY</b></p> <p>Concerns raised can create new revenue streams by offering the right healthcare services to patients from diverse backgrounds and communities.</p>																	

# STAKEHOLDER MANAGEMENT

## STAKEHOLDER GROUP

### EMPLOYEES

With over 16,000 employees, our business relies on our committed workforce to support and drive our healthcare operations and execute our business goals. In turn, we are committed to investing in the welfare of our employees and consultants and to building a strong and mutually beneficial working relationship with them.

### CONSULTANTS

Our medical consultants are the key drivers in contributing to successful patient outcomes, which lead to the Group's revenue growth. They are also involved in decision-making across our facilities, providing inputs and insights on many aspects and issues.

### INVESTORS AND SHAREHOLDERS

Investors and Shareholders provide us with the financial capital for our growth. Hence, we strive to create value in order to maintain their confidence in our ability to generate strong financial returns.

### GOVERNMENT AND REGULATORS

Healthcare is one of the most regulated industries, compared to other industries. Therefore, maintaining a strong relationship with government bodies and regulators is critical for us to support the government's agenda in promoting innovation and sustainable growth in the healthcare industry.

## ENGAGEMENT PLATFORM

Method of Engagement	Frequency
Town halls	A B
Employee performance review programmes	A
Employee engagement survey	A
Staff wellness, engagement and recognition programmes	O
Intranet portal	O

Method of Engagement	Frequency
Town halls	A B
Clinical Governance Meetings	A B Q
Annual Medical Conference	A
Collaboration in educating the public	O
Meetings of the clinical committees	Q

Method of Engagement	Frequency
Investor and analyst briefings	Q
Financial results and non-financial reports	Q
Corporate website	O
General meetings (Annual General Meeting/Extraordinary General Meeting)	A
Investor meetings	A B

Method of Engagement	Frequency
Licence applications	A B AS
Facilities inspection	AS
Healthcare conference	A
Private-Partnership Programme	O

# STAKEHOLDER MANAGEMENT

## KEY CONCERNS

## RESPONSE

## IMPACT ON STRATEGY

- Career progression
- Health, safety and human rights
- Competitive remuneration packages and benefits

- F** Listening to and understanding employees' needs and developing strategies to attract, develop and retain staff
- F** Revised salary and benefits as per EA2022
- U** Ensuring compliance with the Company's policies

Although our employees were affected by the pandemic, they continued to assist us in maintaining our position in the healthcare industry until the third year of the pandemic. We conducted more programmes, particularly in mental health and career advancement, as they directly contributed to our mission of achieving business success. Therefore, KPJ strives to provide them with a safe, motivating and rewarding work environment at all times as part of our investment efforts.

- Service quality and safety
- Top-notch equipment and facilities
- A safe, motivating and rewarding workplace

- U** Ensuring compliance with the Company's policies
- F** Enabling well-trained clinical and support staff and offering attractive new packages and services for new consultants
- A** Providing state-of-the-art equipment, updated systems and convenient facilities

Being in the healthcare industry, consultants are essential partners and an integral component of our business. With this in mind, we are always committed to supporting the needs of our consultants by creating the right ecosystem for them to provide the highest level of care to patients.

- Shareholder returns
- Corporate governance
- Business sustainability
- Clear and transparent reporting

- A** **U** Consistent financial and non-financial performance, transparent EESG disclosures of corporate responsibility, integrity and accountability as enshrined in the MCCG

Our investors and shareholders are linked to our shareholder wealth creation agenda.

- Regulatory compliance
- Fair and ethical business practices
- Crisis management and business continuity programme

- U** Strengthening governance policies, standards and frameworks and adhering to regulatory requirements
- P** We developed the KPJ Business Continuity Management (BCM) Framework to help strengthen the existing management plan for disasters and emergency situations
- U** Supporting the Public-Private Partnership or PPP programme

We incorporate relevant government policies and requirements into all its internal policies and procedures, strategic plans and decision-making processes to maintain our operating licence.

# STAKEHOLDER MANAGEMENT

## STAKEHOLDER GROUP

### BUSINESS PARTNERS

We have business partners from various industries such as healthcare funders, funding agencies, banks, corporate finance advisers, insurers, third-party administrators (TPAs), medical evacuation companies, corporate clients, professional associations, media agencies, HT ambassadors and many others. Their function is to provide mutually beneficial support for the growth of our business.

### ACCREDITATION BODIES AND INDUSTRY ASSOCIATIONS

KPJ has 19 hospitals and three KWAN Clinics with MSQH accreditation and four hospitals accredited by Joint Commission International (JCI). KPJ is also a member of the Association of Private Hospitals, Malaysia or APHM, which plays an important role in achieving the objective of raising the standards of medical care in the country. Other key industry associations are the National Specialist Register (NSR), Malaysia Medical Association (MMA), Malaysian Medical Council (which registers and governs doctors practising medicine in Malaysia) and Malaysia Healthcare Travel Council (MHTC). It is also important that we maintain the status of our accreditations and continue to have a voice within the industry through our associations.

### SUPPLIERS AND VENDORS

Our suppliers deliver high-quality products and services that help us in value creation in line with internal, regulatory and accreditation agency standards. At the same time, we provide suppliers with ongoing support and income to thrive in the market.

### LOCAL COMMUNITIES

Communities may be directly or indirectly impacted by our operations and it is important to understand their concerns. At KPJ, we are committed to maintaining long-term engagements with communities through numerous initiatives to foster goodwill and enduring relationships.

## ENGAGEMENT PLATFORM

### Method of Engagement

### Frequency

Regular meetings

Contract negotiations and renewals

Media releases/media announcements

Quarterly briefing sessions

Media relationship programmes



### Method of Engagement

### Frequency

KPJ's Management serves in various roles, including as President and Treasurer of the MSQH and Vice President of the APHM

KPJ's Medical Director and Senior Management serve as board members of the APHM

KPJ's Chief Nursing Officer serves as the Chairman of the Nursing Committee of the APHM

Participation in conferences



### Method of Engagement

### Frequency

Regular meetings with medical and non-medical suppliers

Tenders, bidding, quotations and contract negotiations

Product demonstrations and evaluations

Training and collaboration sessions



### Method of Engagement

### Frequency

Community outreach programmes, e.g. KWAN

Educating the public

Other ad hoc CSR programmes



# STAKEHOLDER MANAGEMENT

## KEY CONCERNS      RESPONSE

- Quality clinical and healthcare delivery improvements are offered at reasonable prices
- Competitive pricing offered via promotional packages
- Revising contracts and agreements and arranging panels for new KPJ hospitals with major corporate clients
- News updates on print/broadcast/digital platforms to increase brand prominence, promote services and educating public

- U Participation in our business partner's activities and performance
- U Collaborating with the mass media and the public in order to improve stakeholders' confidence and protect KPJ's reputation via crisis and reputation management
- U Immediate reactivation of health tourism strategy with our HT and tax agents.

- KPJ's policy emphasis on accreditation based on industry standards is communicated through the APHM and MSQH vis-à-vis the MOH, MOF, etc.
- Participation in the PPP via the APHM

- U KPJ has complied with the MSQH's 6<sup>th</sup> Edition Accreditation Standard in relation to the hospital industry to reach out to our nation
- U KPJ is involved via its hospitals in supporting initiatives conducted by the APHM

- Compliance with regulatory requirements and quality standards to protect the environment and society and uphold good governance
- Availability of products and services and ability to provide continuous support
- Fair and transparent negotiations
- Active communication with suppliers

- U Streamlining and centralising our procurement processes to improve efficiency and cost-effectiveness
- U Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ's Corporate Integrity Agreement (CIA), the KPJ Environment, Safety and Health Policy and Supplier Code of Conduct.

- Affordable and accessible healthcare
- Development of communities, prioritising solidarity, social welfare, education, health and safety

- U Continuous investment in identified community engagement programmes, in line with the WHO's promotions and initiatives
- U Expanding the reach of social healthcare services, targeting the urban poor and rural areas
- U KPJUC education sponsorship for the B40 income group

## IMPACT ON STRATEGY

Forging a strong relationship with a partner in another industry enables us to offer a broader range of healthcare packages and services to influence customer demand and to reach out to wider communities.

The management and operations of industry-certified and accredited hospitals affect our ability to generate sustainable and long-term growth of our network of hospitals within the healthcare industry to reach out to our nation.

Our suppliers and vendors are key enablers in achieving our objective of offering quality healthcare services.

Our engagements with local communities provide us with a platform to showcase our good corporate citizenship practices. KPJ's value is reflected in the community's quality of health and well-being.





# Powering sustainability through greener energy

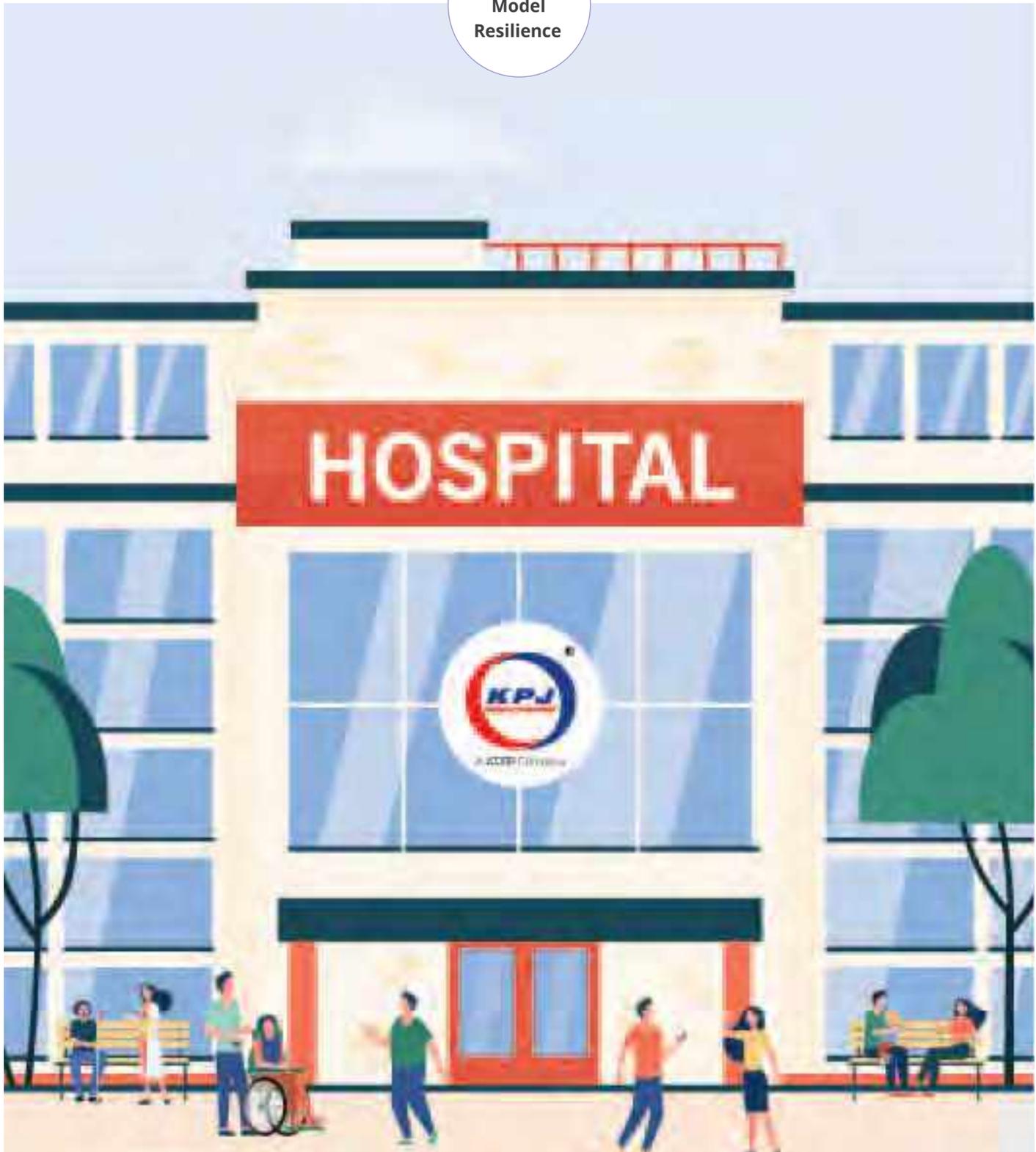
KPJ Selangor proves how KPJ efficiently reduces environmental impact through the installation of solar panels.

This greener approach not only enables us to operate with natural and clean energy, it also cuts carbon emissions while retaining an affordable energy system.



# SUSTAINABILITY THEME : ADAPTING TO ECONOMIC SHIFTS

Business  
Model  
Resilience



## ADAPTING TO ECONOMIC SHIFTS

## BUSINESS MODEL RESILIENCE

**Economic sustainability is essential to KPJ's business model, as a robust, stable, and sustainable financial and economic system supports not only the Group but also a substantial portion of the healthcare ecosystem. As a responsible corporation, KPJ is committed to continuously increasing shareholder value while ensuring the health and safety of our people and protecting the environment. All of our efforts not only demonstrate our dedication to achieving long-term, sustainable economic growth, but also enable us to remain resilient and relevant in the markets in where we operate.**

The financial stability of KPJ Healthcare Berhad is a cornerstone of the Group's long-term success and its ability to continue making a positive difference in the lives of patients and their communities through its sustainability initiatives. The Group is motivated by the motto 'Care for Life', which refers to its commitment towards ensuring that no one is left behind. To generate funds for ongoing and future projects, including those that are in line with our 2030 Sustainability Goals and the UN SDGs, we established our Sustainability Sukuk Wakalah Programme in 2022.

In April 2022, Malaysia entered the endemic phase of COVID-19 and in the same year, recorded its highest GDP growth in 20 years at 8.7%.<sup>1</sup> The encouraging performance was a result of pent-up consumer demand driven by higher levels of confidence due to the highly successful National Immunisation Programme, the easing of interstate travel restrictions, and the reopening of international borders.

### POST COVID-19 RECOVERY

COVID-19 has had a significant impact on health and healthcare innovation. With digital transformation, stakeholder experience for patients, consultants, suppliers, and vendors can be improved. We maintain a well-balanced 3P—profit, planet, and people – in the Group to optimise operational costs for better margins and a high return on investment to our shareholders while protecting our people and the environment.

### BALANCING THE SCALES ON HEALTH INEQUITY WITH TECHNOLOGY

Our nation is rapidly transitioning into a digitalised society. In 2018, there were 28.7 million Internet users in Malaysia which represented 87.4% of the population. Today, this number has increased to 91.7% or 30.25 million Internet users. We see this as an opportunity to make the digitalisation as an equaliser to close the gap and support the needs of every income group. We are committed to eliminating disparities in health for the middle- and low-income segments.

We are looking at the full spectrum and constantly reaching more patients with new technologies. We stay connected with our patients through telemedicine which has also expanded access to professional expertise via virtual platforms.

Our new flagship hospital, KPJ Damansara 2, features a full digital transformation and is outfitted with cutting-edge medical equipment as well as premium and smart hospital infrastructure. We also cater to the underserved communities by bringing them closer to technology through applications that enable self-monitoring and tracking of health performance at our KWAN clinics, which can be downloaded to the patients' mobiles.

<sup>1</sup> Bank Negara Malaysia (March, 2023)

# ADAPTING TO ECONOMIC SHIFTS

Economic

Keeping up with technology is also beneficial to our cost-effectiveness for a better margins and high return of investment to our shareholders. In line with SDG 9, of creating resilient and sustainable infrastructure and industry, and also promoting innovation we have ramped up our investment in digitalisation, This has involved a nearly ninefold increase in funding, from RM2.3 million in 2020 to RM20 million over 2021 and 2022 combined. This includes the implementation of integrated systems that increase effectiveness, improve monitoring, and track treatment outcomes, with an emphasis on information security.

### TECHNOLOGY KNOWLEDGE TRANSFER TO OUR SUPPLIERS AND VENDORS

Digitalisation - we are not alone in our pursuit of success. To enhance processing capabilities and security, we encourage all members of our value chain to participate in the digital transformation. To accommodate this reality, we have started sharing our sustainability objectives and targets including technological solutions to stay abreast with the current trends and demand. This will help them to understand our direction, enabling them to provide goods/ services to ensure our business grows sustainably.

While these suppliers and vendors provide quality services to Group, these innovation and technology initiatives may

improve their access to credit facilities for their operations and increase the country's resiliency through the use of cutting-edge technology. In turn, this will help to improve the ability for KPJ and suppliers and vendors to manage cost-effectiveness.

### CONTINUOUS EXPANSION TO SERVE MORE POPULATIONS

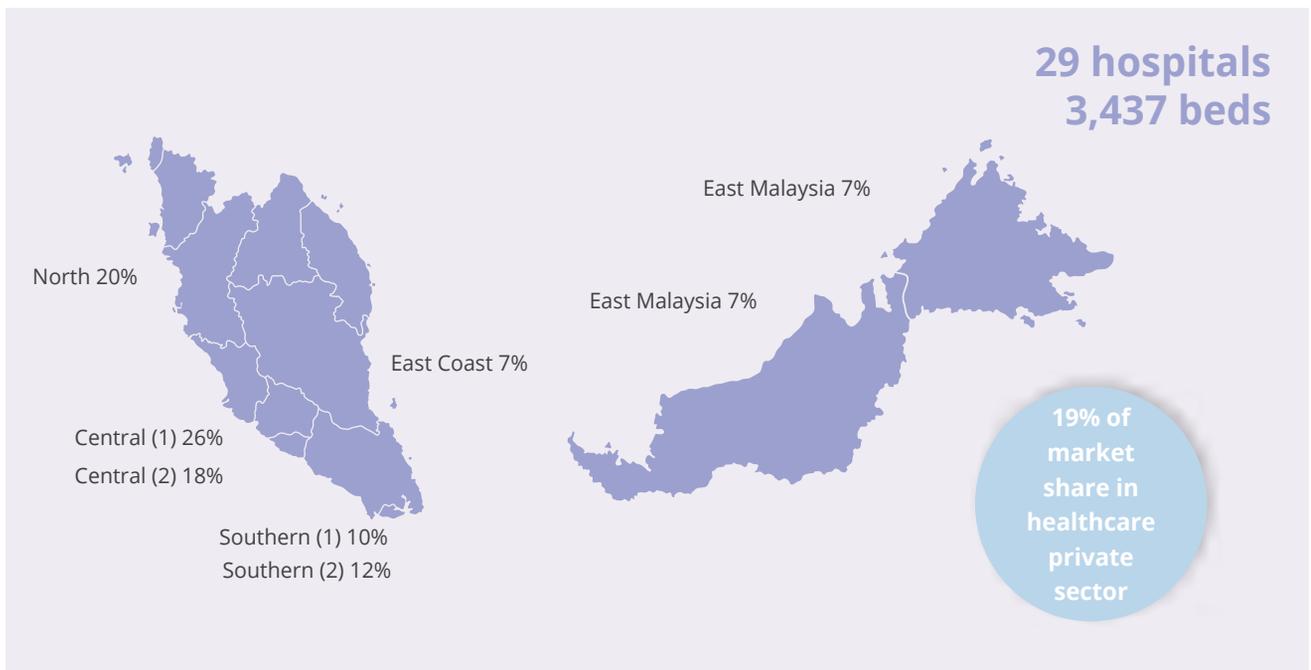
The needs, expectations, and well-being of our patients continue to be our top priority and is a driving force for us to continue implementing new growth initiatives. To effectively reach out and serve our patients better, we analyse broader market demographics and trends to determine how to fill current gaps and anticipate future needs. These enhancements were implemented by the Group so that we are better equipped to stimulate local demands and advance in health tourism.

We have expanded our bed capacity by more than 300 beds with the completion of the KPJ Ampang Puteri and KPJ Penang's expansions in 2022. Our total investment for the Group's renovation is RM50,774, more than double the RM17,437 spent in the previous year. We also operationalised DSH2, our 29<sup>th</sup> hospital, which is also our first smart hospital that has 60 beds and is focused on becoming a centre of excellence for cardiac, orthopaedic, neurological, and minimally invasive surgery.

Environment

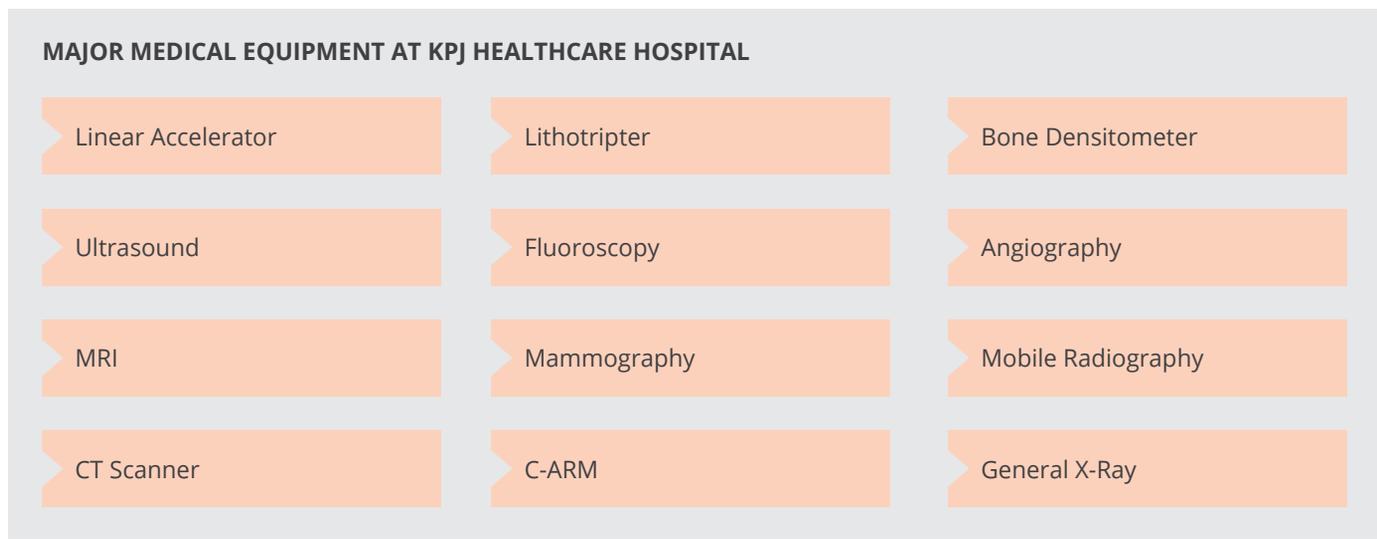
Social

Governance

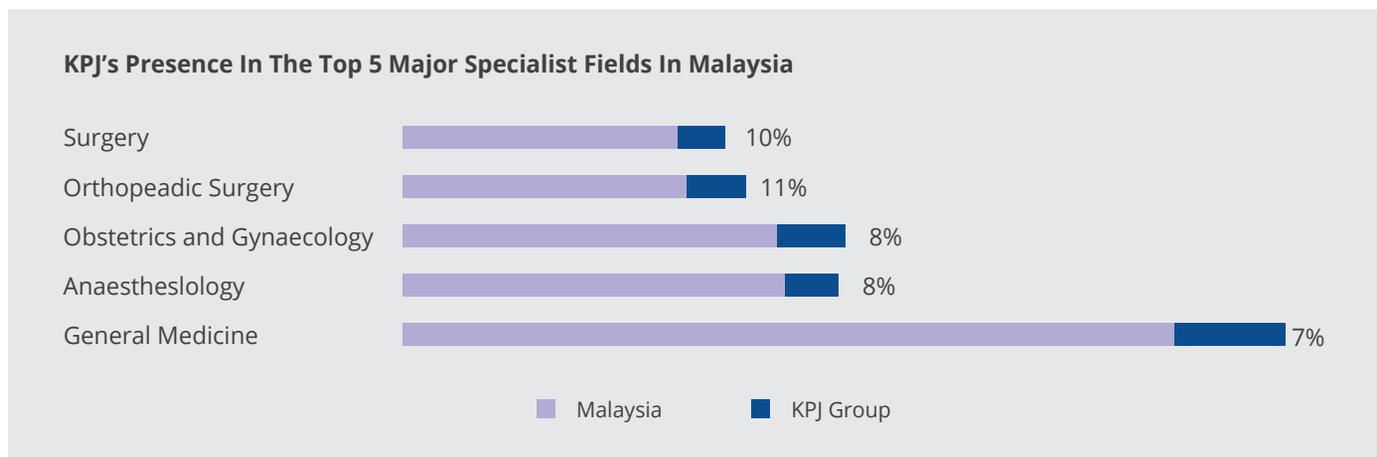


## ADAPTING TO ECONOMIC SHIFTS

Besides expansion of beds, we also invested RM119.5 million in our new medical and other equipment, an increase of 82% or RM65.6 million compared to the previous year. Our medical equipment are essential to ensure adequate quality of care and support for our consultants to diagnose and provide the best treatment to patients. The aim is to prevent delays and reduce diagnostic errors.



In light of this, we have strengthened our human and intellectual capital by hiring over 200 consultants. The additional consultants have helped maintain our visibility in Malaysia’s top major specialties and in a wider range of medical fields.



These consultants have expanded the range of medical conditions that can be treated at our centres of excellence in cities across the nation.

KPJ Damansara is the Neuro Stroke Centre for the Central region;

KPJ Ipoh is progressing towards becoming the Neuro centre for the Northern area, and

KPJ Johor is the cancer, IVF, and cardiac centre for the Southern region;

KPJ Ampang Puteri in Kuala Lumpur is now our new Clinical Haematology and Oncology hub.

## ADAPTING TO ECONOMIC SHIFTS

### Economic

The expansion is also to support our private-partnership programme with MOH to serve the nation. A continuation from our commitment since the pandemic, we have closed 5,724 decanting cases totaling RM14.1 million, representing 79% of the total contract amount from MOH in 2022.

#### ENHANCING THE AVAILABILITY OF PREVENTIVE HEALTHCARE SERVICES IN COMMUNITIES

We are committed to working closely with the various key stakeholders, including the Malaysian Government and healthcare insurers, to continuously improve the preventive healthcare offerings available to the people of Malaysia.

Our initiatives include:

Intensifying our immunisation and vaccination coverage;

Improving the health, nutrition knowledge, behaviour and attitude of the community towards healthy community;

Advocating infection prevention and control and preparedness for COVID-19;

Empowering patients to make informed decisions through technology; and

Promoting best nourishment for infants and young children through breast-feeding.

Having access to healthcare is a human right, and our initiatives, which advocate for universal access to healthcare, are targeted at underserved communities. We expand our capacity to increase accessibility for the public via KWAN. Our commitment to ensure healthy lives and promoting well-being for all aligns with UN SDG 3: Good Health and Well-Being.

To bring quality healthcare closer to more suburban communities, our Ambulatory Care Centres (ACC) provide wellness services and provide specialised care closer to home. Our ACCs are priced more affordably and aim to reduce the burden of overcrowded patients at government hospitals. ACCs are equipped to provide post-hospitalisation care and will refer the bigger cases to the hospitals.

#### A STRONGER REBOUNCE FOR POSITIVE COMEBACK

	2022	2021	2020
Revenue Growth in Health Tourism (%)	63.5	(37)	7

Malaysia has become synonymous for its highly developed healthcare and quality medical facilities as many have travelled far distances to access medical facilities for treatments that are not available in their country. The healthcare providers in Malaysia also provide cheaper treatments and procedures as our healthcare offers specialties in various medical disciplines and conducts some of the most complicated treatments worldwide.

We are well on our way to regaining our momentum in health tourism as borders reopened in April 2022. Indonesia, China, Bangladesh, Somalia and MENA have started to send and refer patients and continue to strengthen our relations with international insurers, third-party administrators (TPAs), medical evacuation companies, corporate clients, professional associations, media members and digital platforms, among others.

As the boarder opens we immediately reactivated our information centres in Jakarta, Surabaya, Batam, Medan and Aceh. We have established contact with target markets like China, Bangladesh and the MENA region.

### Environment

### Social

### Governance

## ADAPTING TO ECONOMIC SHIFTS

### Health Tourism Hospitals

The Group has 10 health tourism hospitals, each with its own specific target markets. While the ASEAN region is the focus of KPJ, we have built good rapport in the Middle East and China.

As of December 2022, we treated 137,426 international patients. Of the total, 10% or 1,739 patients were Koreans with 77% of them being expatriates in Malaysia. This shows room for growth for this particular segment.

We will continue to expand its market share in the expatriate health tourism segment as our medium to long-term objective is to be the premier hospital provider for the expatriate community in Malaysia.

### CONTRIBUTES TO EMPLOYMENT-RICH ECONOMIC GROWTH

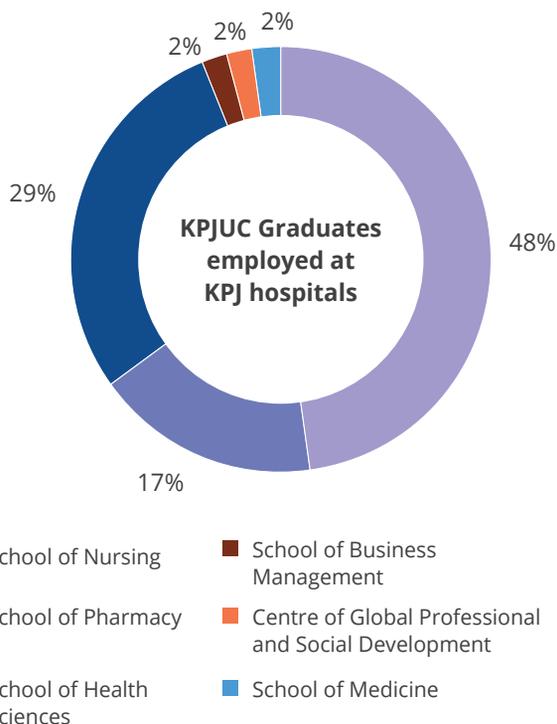
KPJ continues to support the economy in an indirect way by creating new jobs via KPJ Healthcare University College (KPJUC). Through medical and healthcare education, KPJUC is a way for KPJ to help build up the medical field in Malaysia and provide a talent pool to our hospital network across the country. The institution, which has been providing education for healthcare professionals for 34 years, offers 40 programmes from foundational to postgraduate levels, such as a Master’s in Medicine, a PhD in Nursing, and other allied health courses.

One of our solutions for reducing inequality in our country in line with SDG10, is to secure the future of low-income or B40 income bracket students. KPJ provides education sponsorship to qualified local community members who wish to pursue their dreams at KPJUC. We have allocated RM7.20 million for education to 553 selected candidates for enrollment in 2022. We stand with the 89% of B40 students’ parents and families by providing an additional RM1.8 million of allowance to support their children’s three-year journey until they complete their studies.

Last year, 99.63% of our students graduated on time, and 89% of them, secured employment. Since 2020, there were 1,314 KPJUC graduates securing employment and 47% of them were recruited by KPJ hospitals to meet our 4:1 staff-to-bed ratio.

### Students that Secured Employment

PROGRAMME	% OF GRADUATES 2020-2022
School of Nursing	40%
School of Pharmacy	29%
School of Health Sciences	22%
School of Business Management	3%
Centre of Global Professional and Social Development	5%
School of Medicine	1%
<b>Total</b>	<b>100%</b>



Our Scholarships and Student Education Sponsorship Programme can be found at page 90.

## ADAPTING TO ECONOMIC SHIFTS

Economic

**2,707**

Enrolments in 2022

**RM7.20 million**

Total investment allocated for new students

**99.63%**

Students graduated on time.

**89.00%**

Graduate employability

Environment

**SUKUK WAKALAH PROGRAMME**

We had in January 2022 established a Sukuk Wakalah Programme based on the Shariah principle of Wakalah Bi Al-Istithmar that provides flexibility for KPJ to issue Sustainability Sukuk Wakalah based on the Sustainability Sukuk Framework. The Sukuk Wakalah Programme was assigned a rating of AA-IS(CG) (stable) by Malaysian Rating Corporation Berhad ("MARC"). The proceeds shall be utilised by KPJ Group for its Shariah-compliant general corporate purposes, which encompasses financing for the expansion, working capital and general corporate purposes of the Group's healthcare and healthcare-related businesses, as well as any existing borrowings or financing.

On 7 March 2022, we successfully made the first issuance of RM650 million from the RM3 billion Sukuk Wakalah Programme.

Pursuant thereto and in line with KPJ's sustainability goals, we developed a Sustainability Sukuk Framework. MARC Ratings had in October 2022 assigned a "Gold" rating from the impact bond assessment on Point Zone (M) Sdn Bhd's Sustainability Sukuk Framework which is aligned with the core components of the ASEAN Standards, the Securities Commission's Sustainable and Responsible Investment Sukuk Framework and the International Capital Market Association Principles.

Social

Governance

On 13 March 2023, we successfully completed its maiden Sustainability Sukuk offering amounting to RM555.0 million. The offering marks a pioneering issuance of a Sustainability Sukuk by a private healthcare provider in Malaysia and in the ASEAN region. The proceeds from the Sustainability Sukuk offering shall be utilised by KPJ Healthcare in accordance with the criteria set out in the Sustainability Sukuk Framework.

Eligible social project categories include:

Access to essential services; and Socioeconomic advancement and empowerment

While eligible green project categories include:

Green buildings

Energy efficiency

Sustainable water and wastewater management

Pollution prevention and control

Climate change adaptation

The breakdown of the utilisation of proceeds in percentage will be subject to change if there is an upsize to the target issue size.

**KEY HIGHLIGHTS****RM 555 million**

Sustainability Sukuk under RM3.0 billion Sukuk Wakalah Programme

**4.50% Profit Rate**

5 years

**4.69% Profit Rate**

7 years

**4.86% Profit Rate**

10 years

## ADAPTING TO ECONOMIC SHIFTS

The proceeds from the Sustainability Sukuk Wakalah will be utilised for eligible assets that meet the following eligible criteria:

SUSTAINABILITY PROJECT CATEGORY/ ALIGNMENT WITH UN SDG TARGETS	ELIGIBILITY CRITERIA - DESCRIPTION	ENVIRONMENTAL AND/OR SOCIAL OBJECTIVES	SUSTAINABILITY IMPACT
<p><b>Access to Essential Services</b></p> 	<p><b>Quality Healthcare Services</b></p> <p>Projects and/or such other business activities including procurement of equipment and investments in relevant technologies, in relation to the provision of essential quality healthcare services which includes but not limited to the following:-</p> <ul style="list-style-type: none"> <li>• Construction of new hospitals and/or expansion of existing hospitals which includes the relevant working capital requirements for the operation of hospitals</li> <li>• To increase the Ambulatory Care Centres (ACC)</li> <li>• To improve access to pharmacies</li> <li>• To increase the number of Senior and Assisted Living Care (SALC) centres</li> <li>• To increase the number of confinement centres</li> <li>• To grow and develop the medical air services</li> <li>• To create an integrated digital health ecosystem and facilitate services such as telemedicine, e-prescription and home delivery systems to broaden access to quality healthcare services especially for the remote communities.</li> <li>• To support the research and development of vaccines and medicines for the communicable and non-communicable diseases</li> </ul> <p><b>Target Population:</b> People in need of medical care</p>	<p>Increase and improve medical care capacity for people in need of medical support</p>	<p>Number of new hospitals and/or additional bed capacity</p> <ul style="list-style-type: none"> <li>• Number of new patients</li> <li>• Number of new medical and surgical services</li> <li>• Material sustainability impacts of technology investments on healthcare service provision</li> <li>• Number of ACCs</li> <li>• Number of retail pharmacies outlets</li> <li>• Number of SALC centres</li> <li>• Number of confinement centres and/or number of mothers and babies served</li> <li>• Number of remote rural areas which have access to healthcare services</li> <li>• Number of patients transported from remote and rural areas</li> <li>• Enhancement of the telemedicine and top up medication home delivery service</li> <li>• Online and mobile appointment booking system</li> <li>• Online pharmacies</li> </ul>
<p><b>Access to Essential Services</b></p> 	<p><b>Healthcare Services to The Underprivileged (“B40”) and Disabled Communities</b></p> <ul style="list-style-type: none"> <li>• To continue the initiatives in reaching to the B40 communities and people with disabilities through affordable health facilities such as Klinik Waqaf An- Nur (KWAN), which provide outpatient treatment and care services as well as dialysis treatment at subsidised prices.</li> <li>• To build a healthy society within the B40 and the disabled communities through education and healthcare awareness programmes</li> <li>• To collaborate on any potential public-private or private-private partnership to provide affordable healthcare services to the B40 and the disabled communities in Malaysia</li> </ul> <p><b>Target Population:</b> Underserved or Vulnerable People in need of medical care</p>	<p>Increase and improve medical care capacity for vulnerable people in need of medical support</p>	<ul style="list-style-type: none"> <li>• Number of KWAN clinics and its total patients treated</li> <li>• Healthcare awareness programmes and public talks</li> <li>• Increase in the proportion of the B40 communities attending regular health screening</li> </ul>

# ADAPTING TO ECONOMIC SHIFTS

SUSTAINABILITY PROJECT CATEGORY/ ALIGNMENT WITH UN SDG TARGETS	ELIGIBILITY CRITERIA - DESCRIPTION	ENVIRONMENTAL AND/OR SOCIAL OBJECTIVES	SUSTAINABILITY IMPACT
<p><b>Socioeconomic Advancement and Empowerment</b></p> 	<p><b>Education</b></p> <ul style="list-style-type: none"> <li>Education sponsorship for underprivileged students in nursing and health sciences</li> </ul> <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>Job opportunities for sponsored underprivileged students of KPJ University College ("KPJUC") to be employed by KPJ Group</li> </ul> <p><b>Supply Chain</b></p> <ul style="list-style-type: none"> <li>To integrate small medium enterprises ("SMEs") within KPJ Group's list of vendors into KPJ Group's supply chain networks to facilitate access to potential vendor financing schemes offered by KPJ Group's list of financiers</li> <li>To promote gender equality by increasing the number of women- owned SMEs into KPJ Group's list of vendors</li> </ul> <p><b>Target Population:</b> Underprivileged students, unemployed, women and/or sexual and gender minorities, and other excluded and/or marginalised populations or communities</p>	<p>Improve opportunities for social participation of various vulnerable groups and mitigate economic inequality by offering wider employment opportunities</p>	<p><b>Education</b></p> <ul style="list-style-type: none"> <li>Number of underprivileged students receiving scholarships</li> </ul> <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>Number of job creations of sponsored underprivileged students being employed by KPJ Group</li> </ul> <p><b>Supply Chain</b></p> <ul style="list-style-type: none"> <li>Number of SMEs within KPJ Group's list of vendors to successfully obtain vendor financing facilities from KPJ Group's list of financiers</li> <li>Percentage of women-owned SMEs within KPJ Group's list of vendors</li> </ul>
<p><b>Green Building</b></p> 	<p>Capital investments for new and/or existing hospitals to be built as environmental friendly hospitals and non-hospital buildings to achieve the green building requirements as set out by acceptable (locally and internationally) green building standards or guidelines, including but not limited to the following: -</p> <ul style="list-style-type: none"> <li>LEED<sup>1</sup> (minimum Gold)</li> <li>BREEAM<sup>2</sup> (minimum Excellent)</li> <li>GBI<sup>3</sup> (minimum Gold)</li> <li>GreenRE<sup>4</sup> (minimum Gold)</li> <li>BCA Green Mark<sup>5</sup> (minimum GoldPlus)</li> <li>WELL Building Standard<sup>6</sup> (minimum Gold)</li> </ul> <p><sup>1</sup> <i>Leadership in Energy and Environmental Design (LEED), as amended from time to time, developed by the United States Green Building Council.</i></p> <p><sup>2</sup> <i>Building Research Establishment Environmental Assessment Method (BREEAM), as amended from time to time, developed by the Building Research Establishment based in England, UK.</i></p> <p><sup>3</sup> <i>Green Building Index (GBI), as amended from time to time, developed by Malaysian Institute of Architects and Association of Consulting Engineers Malaysia.</i></p> <p><sup>4</sup> <i>GreenRE, as amended from time to time, developed by the Real Estate and Housing Development Association of Malaysia (REHDA).</i></p> <p><sup>5</sup> <i>Green Mark certification scheme, as amended from time to time, developed by Building and Construction Authority (BCA) of Singapore.</i></p> <p><sup>6</sup> <i>WELL Building Standard (WELL), as amended from time to time, developed by International WELL Building Institute</i></p>	<p>Support energy transition to a low-carbon economy; develop low-carbon buildings and improve energy efficiency of buildings.</p>	<p><b>Green Building</b></p> <ul style="list-style-type: none"> <li>Number of green-certified hospitals and non-hospital buildings</li> </ul> <p><b>Energy efficiency</b></p> <ul style="list-style-type: none"> <li>Energy Consumption per square-foot of hospitals</li> <li>Greenhouse gas (GHG) emission per square-foot of hospitals</li> </ul> <p><b>Sustainable water and wastewater management</b></p> <ul style="list-style-type: none"> <li>Water consumption per patient</li> </ul> <p><b>Pollution prevention and control</b></p> <ul style="list-style-type: none"> <li>Total clinical and non-clinical waste generated per patient</li> </ul> <p><b>Climate change adaptation</b></p> <ul style="list-style-type: none"> <li>Reduced number of people suffering from flood-related infections/ climate-related health issues</li> <li>Number of new solutions that reduce climate-related health impact</li> </ul>

Economic

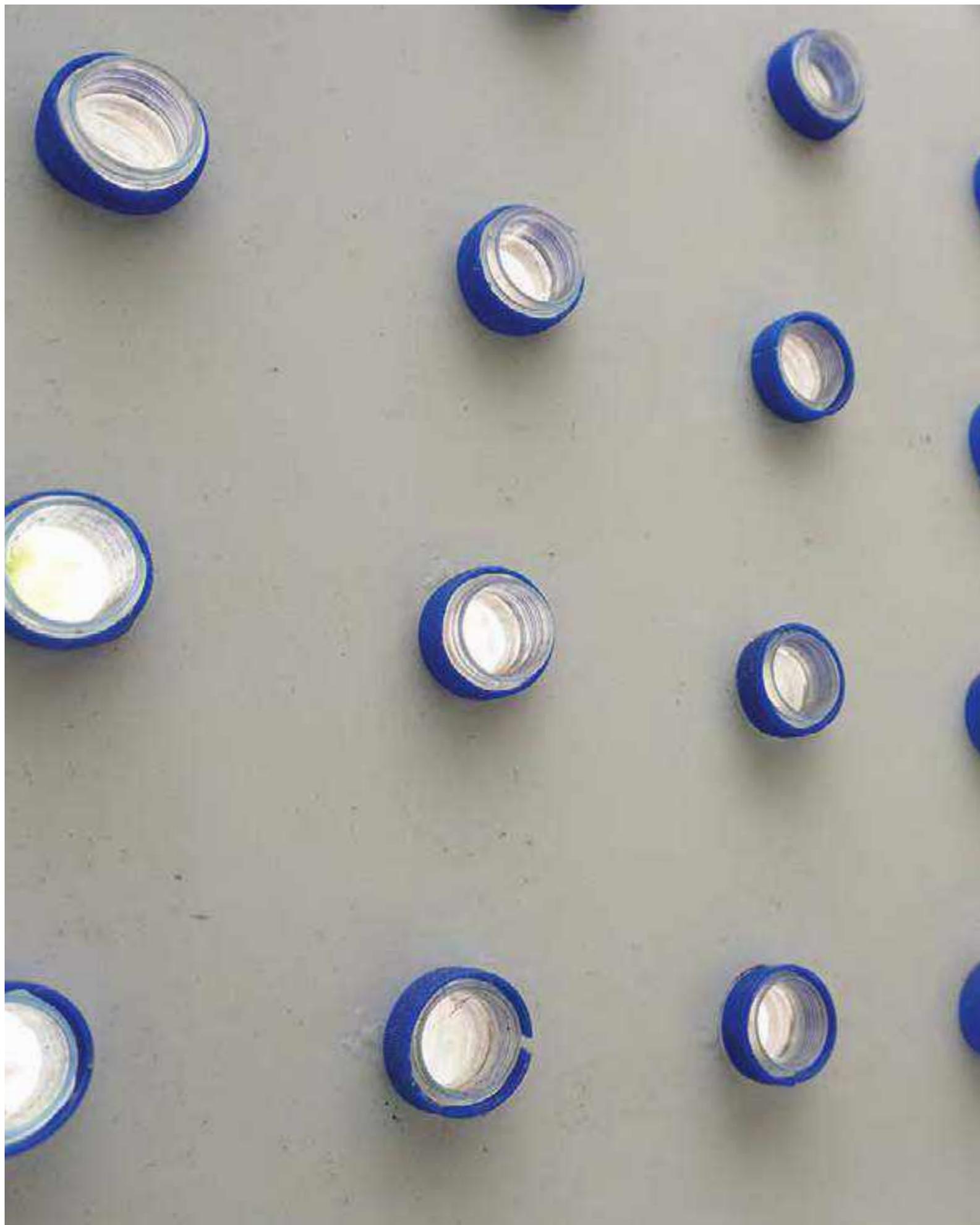
Environment

Social

Governance

# ADAPTING TO ECONOMIC SHIFTS

SUSTAINABILITY PROJECT CATEGORY/ ALIGNMENT WITH UN SDG TARGETS	ELIGIBILITY CRITERIA - DESCRIPTION	ENVIRONMENTAL AND/OR SOCIAL OBJECTIVES	SUSTAINABILITY IMPACT
<p><b>Energy efficiency</b></p>  	<p>Invest in resource efficient buildings, production processes, equipment, logistics and services which could result in significant improvement in the overall carbon footprint and energy consumption per patient annually, which include but not limited to the following:</p> <ul style="list-style-type: none"> <li>To engage a certified provider of consultancy services in the healthcare sector such to ensure efficient energy management in KPJ hospitals</li> <li>Improvement to Air Conditioning Mechanical Ventilation (ACMV) systems for hospitals and non- hospital buildings</li> <li>Improvement to lighting systems by replacing conventional light bulbs with LED lights for hospitals and non-hospital buildings</li> <li>To implement Scheduled and Planned Preventive Maintenance for hospitals and non-hospital buildings</li> <li>To conduct training and awareness programmes on the impact of energy consumption on climate change</li> <li>To procure medical devices with lower power consumption and improved end of product lifecycle recycling</li> </ul>	<p>Support energy transition to a low-carbon economy; develop low-carbon buildings and improve energy efficiency of buildings.</p>	<p><b>Green Building</b></p> <ul style="list-style-type: none"> <li>Number of green-certified hospitals and non-hospital buildings</li> </ul> <p><b>Energy efficiency</b></p> <ul style="list-style-type: none"> <li>Energy Consumption per square-foot of hospitals</li> <li>Greenhouse gas (GHG) emission per square-foot of hospitals</li> </ul> <p><b>Sustainable water and wastewater management</b></p> <ul style="list-style-type: none"> <li>Water consumption per patient</li> </ul> <p><b>Pollution prevention and control</b></p> <ul style="list-style-type: none"> <li>Total clinical and non-clinical waste generated per patient</li> </ul> <p><b>Climate change adaptation</b></p> <ul style="list-style-type: none"> <li>Reduced number of people suffering from flood-related infections/climate-related health issues</li> <li>Number of new solutions that reduce climate-related health impact</li> </ul>
<p><b>Sustainable water and wastewater management</b></p>  	<ul style="list-style-type: none"> <li>To provide adequate supply of safe and clean water for the purpose of cooling, cleaning and washing facilities for the patients and staff</li> <li>Reduce water consumption in hospitals and other facilities and treat, recycle and reuse wastewater through rain water harvesting, non-hazardous waste, general waste and packaging</li> <li>Recycling non-clinical waste such as paper and other recyclable items</li> <li>Tracking and reporting waste generated by types of hazardous waste (schedule waste) and non-hazardous waste</li> <li>Support the Ministry of Environment and Water and local communities to safely manage medical waste to avoid contamination of water sources</li> </ul>	<p>Efficient resource management through reduction in water consumption</p>	
<p><b>Climate change adaptation</b></p>    	<ul style="list-style-type: none"> <li>To help build resilient healthcare systems able to anticipate, respond to, cope with, recover from and adapt to climate-risks including increased morbidity arising from natural disasters such as heatwaves, floods, droughts and storms</li> <li>To invest in healthcare solutions to mitigate the impacts of a changing climate which include food-borne and water-borne diseases, increased air pollution, undernutrition, and heat-related mortality, exhaustion and stroke</li> </ul>	<p>Adapt to climate change and assess the risks and opportunities relating to different climate change scenarios</p>	



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# Greening Healthcare through **the Eco-cooler Project**



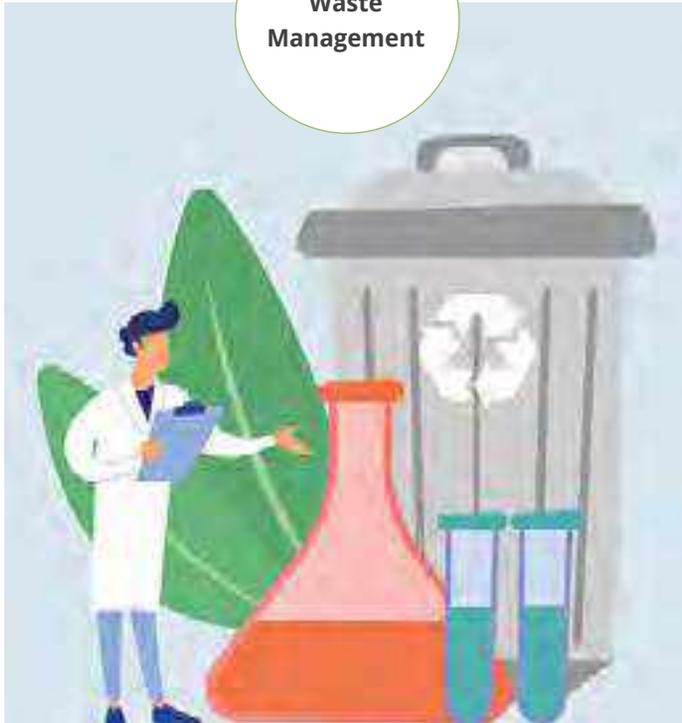
KPJ Penang's Eco-cooler project is a simple and innovative initiative that truly exemplifies the essence of sustainability. In phasing out its last batch of plastic drinking water bottles, the hospital placed the materials to great use by creating an inlet for air circulation in the hospital's surau.

The effectiveness of the upcycling method has reduced the area's temperature by 2-5°C, making it a comfortable and conducive environment for praying. The repurposing effort captures the hospital's commitment in greening healthcare and serves as an inspiration for others to creatively reduce, reuse and recycle.

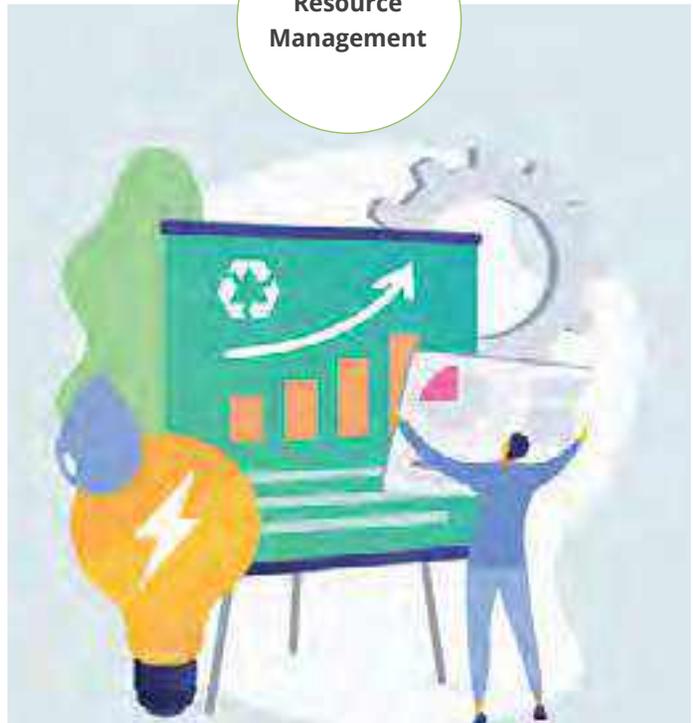


# SUSTAINABILITY THEME : PROTECTING OUR ENVIRONMENT

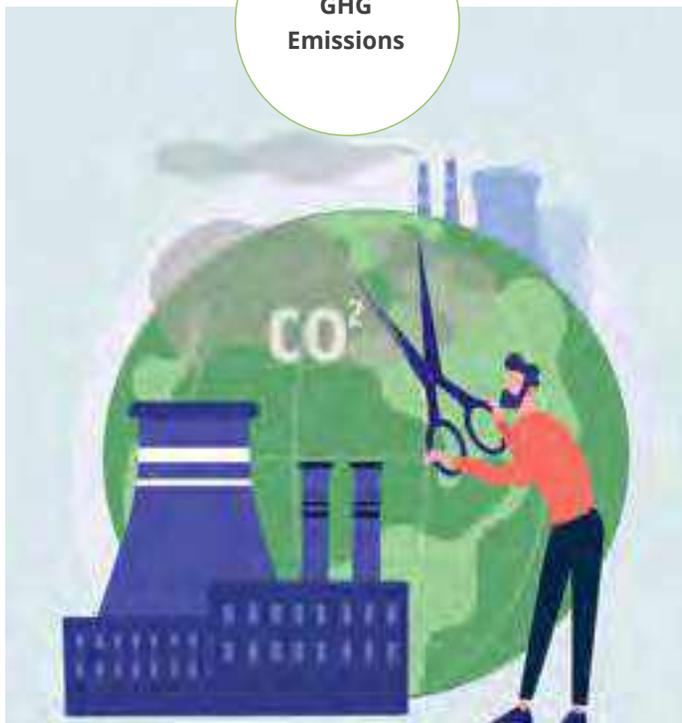
Waste  
Management



Resource  
Management



GHG  
Emissions



Climate  
Change  
Resilience



# PROTECTING OUR ENVIRONMENT

Economic

Environment

Social

Governance

## CLIMATE CHANGE

is a public health crisis as it has adverse impacts on our weather and environment, along with the quality of the air we breathe, the water we drink, and the food we eat. Those who are the most vulnerable to climate change impacts are children, the underprivileged community, people with disabilities or chronic diseases, and the elderly.



### Climate Impact



The cost of adapting coastal areas to rising sea levels



Loss of the capacity to work due to heat



More wars to gain access to limited resources



Fresh water will be in short supply in some areas



Relocation of whole towns



Shrinking productivity of harvests



Prices of basic foodstuffs and consumer goods will rise



Extreme meteorological phenomena will cause widespread poverty



Diseases will spread due to higher temperatures

## PROTECTING OUR ENVIRONMENT

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Environment

Social

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The healthcare sector is at the forefront of managing the consequences of climate change, which includes increased illnesses, changes in diseases, and the health impacts caused by extreme weather events. At the same time, the operations of our healthcare services contributes significantly to climate change and the very diseases it is trying to treat. Hospitals consume energy to provide power medical equipment, lighting, supply heating heat water and air conditioning. They also produce waste from both waste water and single-use disposable supplies. Hospitals consume more energy than other nonresidential buildings per square meter of floor space, in part because of their continuous operation.

Malaysia is a signatory of the Paris Agreement and strives to reduce its GHG emissions by 45% by 2030. To support the nation's target, we aim to protect the environment with the following 2025 targets which have been developed against the baseline of 2021:

Obtaining 10% of energy from renewable sources

Reducing water usage by 20% per patient

Decreasing 25% of GHG emissions per patient by 2025

We seek to strike a balance between reducing its environmental impacts and providing quality healthcare services. Our aim is to enable low carbon circular economies to reduce energy wastage and derive savings across our hospitals. We plan to adopt clean energy solutions as well as sustainable energy sources by optimising our management of energy.

Historically, hospital operations are energy- and water-intensive due to the utilisation of high-energy medical equipment and Heating, Ventilation and Air Conditioning (HVAC) systems to maintain adequate ventilation and optimal temperature levels throughout the building. The latter is often the primary cause of the high levels of energy consumption in KPJ hospitals. To reduce

negative impacts of our operations on the environment, we established several initiatives to minimise our environmental footprint.

As a part of this initiative, all MSQH accredited hospitals within the Group are required to publish quantitative environmental data. Hospitals are also required to conduct mandatory training sessions on environmental awareness for their staff to inculcate environmentally-friendly practices in their day-to-day operations. Additionally, employees are encouraged to adopt a more proactive approach through proposing strategies and methods that will help the Group to adapt accordingly to climate change. Other initiatives include our hospitals' implementation of regular planned preventive maintenance (PPM) of equipment and facilities. This initiative aims to reduce unplanned energy and water usage while maintaining smooth operations. We strive to mitigate our climate-related impacts through our risk management initiatives, which are aligned with the ISO 14001:2015 (EMS) environmental standard.

### ENVIRONMENTAL SAFETY SERVICES (ESS)

The Group has established highest standards and best practices in health and safety, fire safety and environmental regulations to safeguard the safety and health of our employees, patients, visitors and contractors. All KPJ hospitals comply with the ESS policy which is aligned with the MSQH and JCI standards and certified with the IMS certification.

- ISO 9001:2015 Quality Management System (QMS)
- ISO 14001:2015 Environmental Management System (EMS)
- ISO 45001:2018 Occupational Health and Safety Management System (OHSMS)

We conduct annual internal and external audits to ensure its operations remain transparent and above board. Every KPJ Hospital is governed by a ESS and OSH committee which enforcing compliance to its policies that cover energy and water consumption, as well as conventional and hazardous waste disposal.

## PROTECTING OUR ENVIRONMENT

## WASTE MANAGEMENT

“

*Of the total amount of waste generated by health-care activities, about 85% is general, non-hazardous waste. The remaining 15% is considered hazardous material that may be infectious, toxic or radioactive.*

- WHO

”

In line with SDG 12.5 to substantially reduce waste through prevention, reduction, recycling and reuse by 2030, KPJ has set a goal to reduce waste generation by 2030 through the practices of prevention, reduction, reuse and recycling. We understand that our hospital operations and medical care services generate a significant amount of regulated medical and pharmaceutical waste which if not properly managed, can be hazardous to people and planet.

Our experience as an established healthcare provider has led us to develop an efficient and effective operational waste management protocols and framework which controls and minimises the exposure to infection sources and health hazards. Our responsible suppliers play a critical role in assisting us to appropriately handle a significant amount of regulated medical and pharmaceutical waste.

## Our Social Impacts

Our responsible supply chain management aims to minimise any potential threats to the environment, occupational health or public health for our employees.

In tandem with higher patient traffic to the hospital, our clinical waste generation and paper used for documentation has also increased.

In Malaysia, landfill space is dwindling at a rapid rate and disposing waste through landfills is linked to significant environmental costs, such as pollution and greenhouse gas emissions.

## How We Manage Our Social Impact

Operational waste management framework – created to control and reduce cradle to grave waste through source separation and segregation

Vendor evaluation – close monitoring of waste contractors’ performance by assessing and ensuring that the procedures in handling waste in the hospital premises are legal and according to regulations

Audit and inspections – all respective hospitals undergo audits and inspections to ensure that each operation adhere to the Group’s waste management policies

Adhoc inspections and cross departmental audits – conducted to ensure that the correct bins for the various types of waste are accurately utilised

Stringent waste management protocols – enforced to reduce disease risk and environmental footprint

Training for our nursing and clinical staff – inculcating knowledge to segregate clinical waste from the source where all clinical waste are deposited only in yellow bags and sharps in sharp bins only

Leverage on technology – utilise as a platform to reduce paper usage for patients and corporate processes

Exploration of alternative technology – to mitigate risks associated with landfilling and limited space available in the future due to clinical waste treatment. Our hospitals are adapting the 3R of reduce, reuse and recycling practices and promote waste into value.

## PROTECTING OUR ENVIRONMENT

Economic

### CLINICAL AND NON-CLINICAL WASTE

Hospitals produce a substantial amount of regulated medical and pharmaceutical waste, which is more costly to dispose as compared to regular waste, resulting in significant costs for the industry. In Malaysia, clinical waste production reaches up to 33,000 tonnes per year, with rates varying for each healthcare facility based on factors such as patient volume, institution size, and type. On average, healthcare waste production in Malaysia is approximately 1.9 kg per bed per day, higher than Thailand and India but lower than South America and Western Europe<sup>1</sup>.

In handling clinical and non-clinical waste and ensuring that disposal is safe and proper, hospitals must first clearly identify and label all waste, handle and store it safely, and subsequently transport it to authorised waste depositories. Clinical waste (SW404) is sent to an incinerator plant for treatment, and any residue is disposed according to DOE guidelines in Malaysia. Non-clinical waste (excluding SW404) is disposed at licenced premises.

### Guidelines on Handling and Management of Clinical Wastes

As a proprietor of hospitals and medical care facilities, we acknowledge that our establishments generate significant amounts of general and hazardous waste. As part of our commitment to ensuring safety, we adhere to the Hazardous Waste Legislation set by the DOE which is empowered under the Environmental Quality Act 1974. Our practices also comply with the guidelines established by other regulatory organisations:

World Health Organization (WHO) - Practical guidelines for Infection Control in Healthcare Facilities - Safe management of waste from healthcare facility

European Union Emissions Standards - Guidelines for Incinerator Plant

Ministry of Health (MOH) Malaysia - PHFSA = Private Healthcare Facility and Services Act - Best practice Healthcare Facility in Malaysia

Department of Occupational, Safety and Health, Malaysia (DOSH) - Guidelines for Hazard Identification, Risk Assessment and Risk Control

Guideline on the Handling and Management of Clinical Waste in Malaysia

Social

To safeguard our patients, employees, and communities in where we operate, the Group has established the following waste management initiatives and goals in order to maintain a clean and safe environment:

Implementation of training, workshops and awareness programmes on Environment and Clinical Waste Management for hospital staff, nurses and lab representatives by both internal and external experts

Appointment of a Certified Environmental Professional in Scheduled Waste Management (CePSWaM) at each hospital

Executing 3R (reduce, reuse and recycle) campaigns to encourage employees to optimise resources which leads to environmental conservation and costs saving

Establishment of Scheduled Waste e-Management System (SWeMS) by our in-house programme which addresses the requirements of the Environment Quality Act 1974 (EQA ACT 127) stating that scheduled waste are not to be kept for more than 180 days.

Governance

<sup>1</sup> Overview of Clinical Waste Management in Malaysia

Environment

## PROTECTING OUR ENVIRONMENT

## KPJ's Waste Management Process

**Source separation, labelling, storage, internal transportation, collection**

- At KPJ, our clinical waste management begins with the segregation of clinical waste using colour-coding with black bags for general waste and yellow bags for clinical waste, while sharp objects are deposited in designated sharp bins.
- Bags or containers are sent to a central storage area that is separate from the general waste collection point and kept locked until the day of collection for treatment.
- The waste is stored at a control temperature for not more than 48 hours before it is collected by porters and transported to an incineration plant.
- Our hospital staff are responsible for documenting and recording the treatment or disposal of clinical waste at the landfill sites.
- Once a year, we conduct an audit at the waste collector plant to ensure that the facility is in line and adheres to the necessary guidelines and standards.
- In addition, we also monitor effluents produced by the Sewage Treatment Plant by sending samples to the lab. The monthly sample waste data collection and monitoring is submitted to our headquarters, in line with our SOP accordingly to the SP-11 Management of Hospital Waste.
- We have implemented various initiatives, including training sessions by experts in environmental and waste management. The training sessions covered awareness programmes, proper segregation of scheduled waste, recycling activities and monthly waste monitoring.

**Clinical waste treatment by our waste management vendors**

- Malaysia adopts the methods of incineration and landfilling for clinical waste treatment.
- Incineration requires significant investment in capital, operating, and maintenance costs, and the disposal of ash at the landfill site, but it is currently the safest method available for managing infectious clinical waste in Malaysia.
- On the other hand, landfilling is the subsequent stage of clinical waste treatment, which can pose environmental pollution and health risks.

A third-party operation manages the disposal of our clinical waste using the incineration method and the resulting by-product from the incinerator is then disposed of at a landfill site. Incineration reduces the volume of waste and the space needed for landfilling. However, issues have been raised about the emission of toxic smoke from the incineration plant, which is a significant concern for the public. To minimise this impact, recycling and reduction of clinical waste are considered the most effective environmental practices for managing clinical waste.

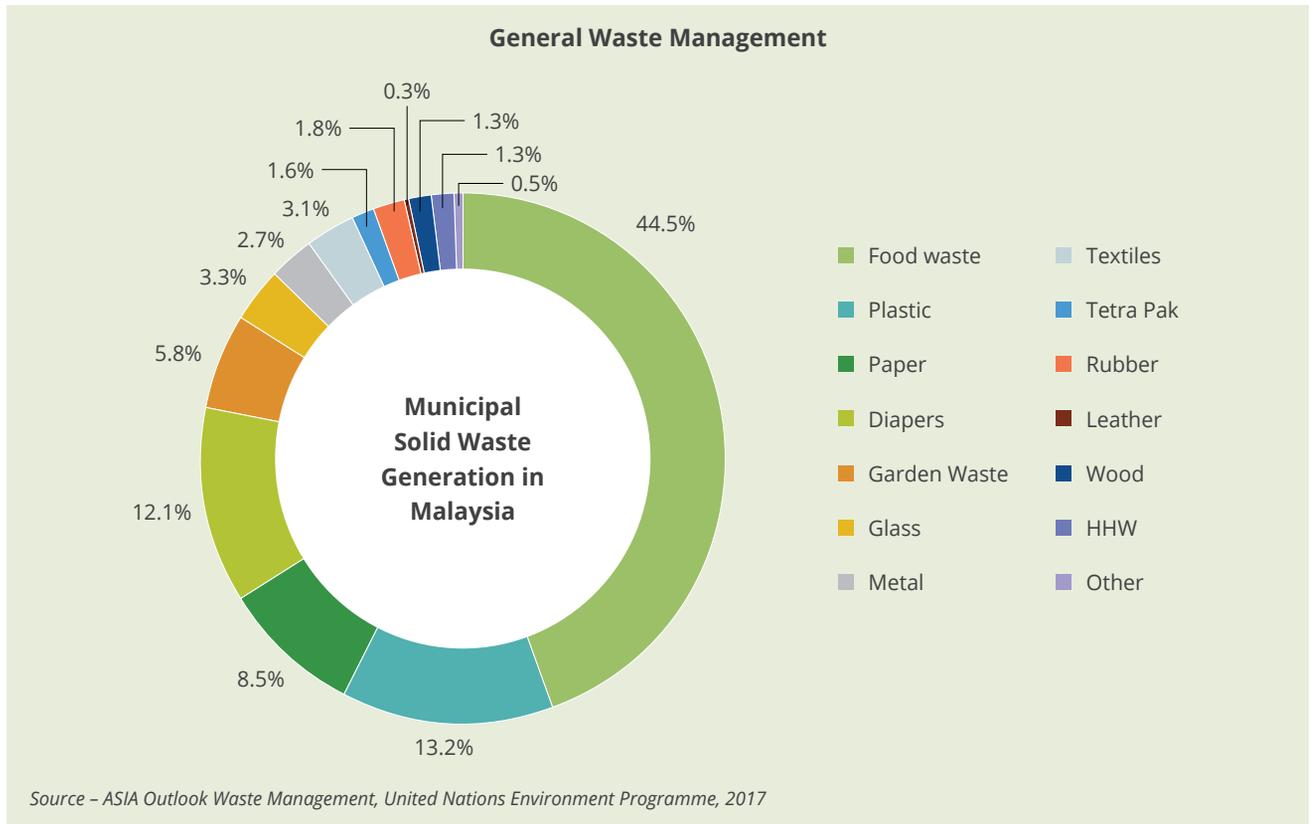
# PROTECTING OUR ENVIRONMENT

Any non-compliance incidents and concerns raised by the authorities in the year under review have been addressed accordingly.

In 2022, our 14 selected hospitals produced 1,181,575 kg of clinical waste as compared to 1,301,575.24 kg in the previous year. The decrease is attributed to proper waste management practices in handling consumable items during COVID-19 screening and testing. We also recorded 7,358,360 kg of recycled waste.

	2022	2021	2020
Clinical waste (kg)	<b>1,181,575</b>	1,301,575	1,358,007
Total area of 14 KPJ hospitals in m <sup>2</sup>	<b>391,889.86</b>	391,889.86	391,889.86
Clinical waste per gross floor area	<b>3.02</b>	3.32	3.47
Patients number	<b>1,889,243</b>	1,733,780	1,598,091
Clinical waste per patient	<b>0.63</b>	0.75	0.85

Note: The data above is limited to 14 selected hospitals. In previous years, KPJ has made every effort to manage water and energy usage for its MSQH accredited hospitals due to their expanded policies and processes. The data above reflects both MSQH and non-MSQH hospitals.



Since 2020, we have not achieved our target of not more than 0/50 kg of clinical waste generated per patient due to the pandemic and other safety protocols. However, the waste gradually reduced in tandem with the lower demand for COVID-19 tests where in 2022, our clinical waste per patient was down by 16% or 0.63 kg from 0.75 kg per patient. We foresee that the level of clinical waste will be reduced to pre-pandemic levels next year.

Economic

Environment

Social

Governance

## PROTECTING OUR ENVIRONMENT

### Moving forward: Food Waste Sustainability Programme

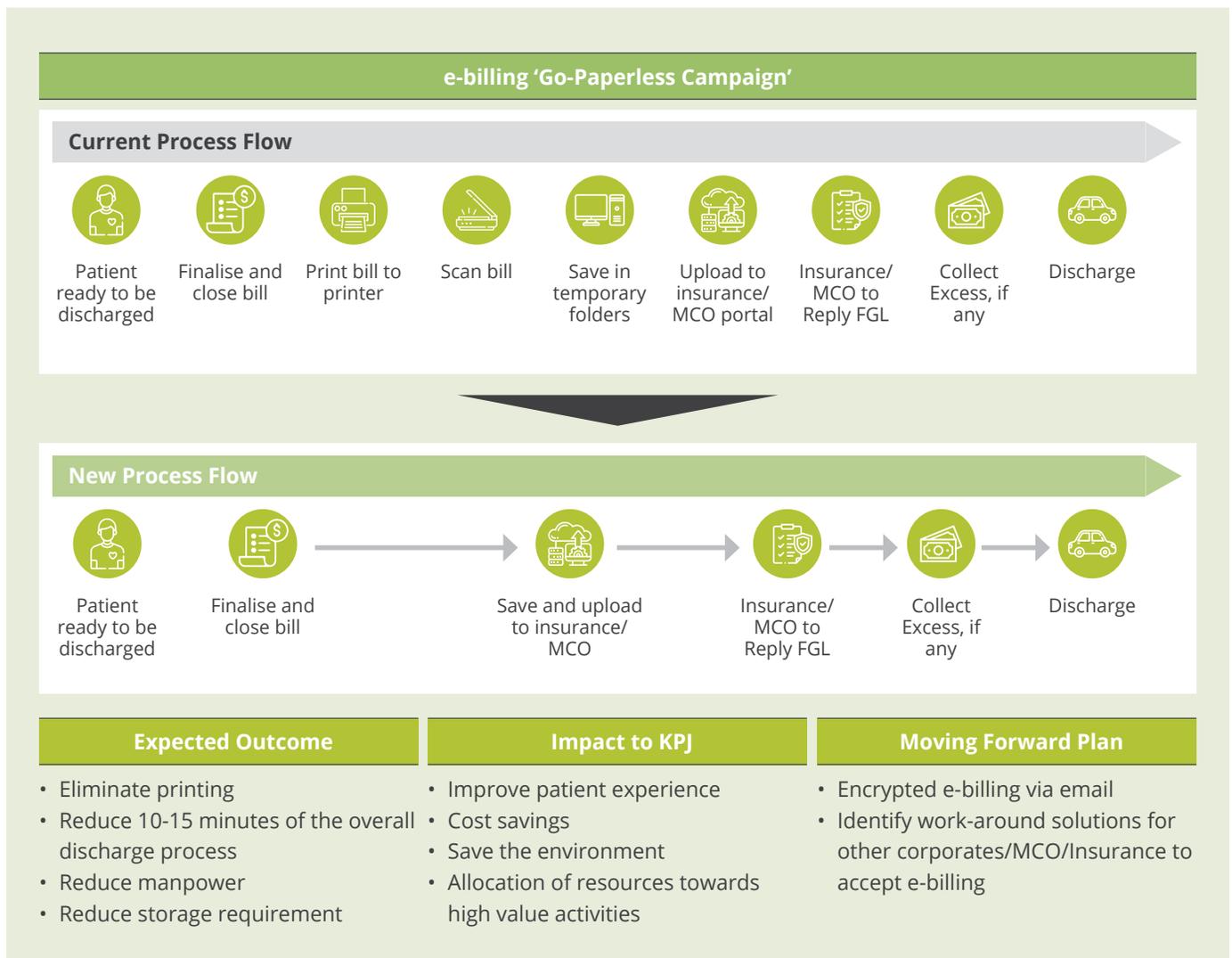
Food waste accounts for the highest percentage, at 44.5%, of municipal solid waste generation in Malaysia. Since last year, we have been exploring several methods to manage our food waste and prevent it from ending up at landfills, including waste-to-energy conversion technologies to convert organic waste into biogas, which can generate energy.

Our aim is to solve issues of rising costs associated with energy supply and waste disposal and increased public concern over environmental quality. The conversion of food waste to energy is becoming an environmentally benign and economically attractive practice. Therefore, on 13 March 2023, we visited the Smart PJ Waste Solution Lab under the

the auspices of the Petaling Jaya City Council. The visit has had a great impact, especially on the hospital teams (KPJ Kajang, KPJ Rawang and KPJ Tawakkal KL) on how food waste is being sustainably managed.

### Go-Paperless Campaign: e-Billing

Paper waste makes up 8.5% of solid waste generation and ranks as the third largest component. In response to this matter, KPJ launched a “Go-Paperless Campaign” to improve our digital medical records. This initiative can reduce the overall patient discharge process by 10 to 15 minutes, in addition to reducing storage requirements and optimising our manpower in critical areas.



## PROTECTING OUR ENVIRONMENT

Economic

### Go-Paperless Campaign: Physiotherapy Exercise QR Code

Our home-treatment physiotherapy leverages on our digital platforms and paperless programme. This initiative was first introduced by KPJ Penang as a method of treating patients remotely during the MCO and was subsequently adopted by six of our hospitals. This resulted to the increase in the revenue by around RM400,00 from the previous year and cost saving on stationery and printing by RM13,025.

Patients who are users of the platform have shown significant progress in achieving their goals and demonstrate greater improvement in physical fitness. The digital platform also reduces the need to re-educate patients for physio exercises.

As a result of this programme, our patients' experience is enhanced which in turn, increased patient satisfaction, expediate recovery process and increase patients' knowledge and understanding during their healing process. We are expecting more hospitals to adopt this initiative to maintain patient relationships and at the same time, reduce carbon footprint.

Our current participating hospitals for this programme are:

KPJ Penang

KPJ Sentosa

KPJ Damansara

KPJ Sabah

KPJ Pahang

KPJ Tawakkal KL

Environment

Social

### Physiotherapy Exercise Template



Ankle Sprain



BPPV



CTS



Facial

Frozen  
ShoulderGlofer's  
ElbowJumper's  
KneeLow Back  
PainNeck  
StretchingPlantar  
FasciitisRunner's  
Knee

Tennis Elbow

Governance

## PROTECTING OUR ENVIRONMENT

### RESOURCE MANAGEMENT

**Efficient resource management is vital in enabling us to reduce our environmental footprint. Given the nature of our business, which operates 24 hours a day, we naturally have a higher resource consumption compared to businesses that are less essential. As such, we have always prioritised resource management in our operations. Our efforts include recycling water, harvesting rainwater, employing energy saving mechanisms and creating awareness among employees. We comply with all the necessary laws and regulatory rules and remain guided by the international standards of Environment Management Systems ISO 14001:2015. We also comply with the yearly targets set by KPJHQ in reducing water, electricity, paper and waste by 10%.**

We are currently exploring other methods to intensify our environmental management and reduce our environmental footprint. The environmental data disclosed in this chapter represent 14\* selected hospitals that are both MSQH and non-MSQH compliant. We are currently reviewing our data collection and targets, and we aspire to include the data for all our operations in the next financial year.

\* Refer to the About This Report for the list of the 14 selected hospitals.

### WATER MANAGEMENT

KPJ is committed to ensuring that its healthcare facilities have access to safe and clean water, in alignment with SDG 6's target 6.2 to provide equal access to sanitation and hygiene. The availability of clean water is critical for the operations of our hospitals as it enables cooling, cleaning and washing facilities for both patients and staff.

We are aware that clean water is essential to support the practical needs of society. Our water management initiatives include organising awareness programmes and activities to meet our target of reducing water usage by 20% per patient, come year 2025. All water-related efforts by the Group adhere to the MSQH Standards (6<sup>th</sup> Edition).

We do not operate in areas with water stress, and we do not share natural water resources with the local communities. We consume water supplied by the local water companies.



## PROTECTING OUR ENVIRONMENT

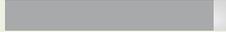
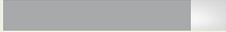
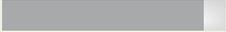
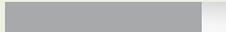
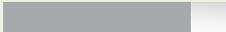
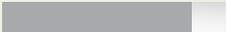
Economic

KPJ has also implemented an efficient Rainwater Harvesting System at selected hospitals such as KPJ Bandar Dato' Onn, KPJ Seremban, KPJ Ampang and KPJ Selangor. These are various capacities of the rainwater harvesting systems and the usage of collected water.

KPJ HOSPITALS	SYSTEM CAPACITY (LITRES)	PURPOSE OF USAGE
KPJ Bandar Dato' Onn	180,000	Gardening/general use
KPJ Seremban	30,000	Work in Progress
KPJ Ampang	56,000	Toilet Facilities
KPJ Selangor	8,000	Toilet Facilities

Environment

In 2022, we utilised 783,493 m<sup>3</sup> of water as compared to 729,733 m<sup>3</sup> in the previous year, which is an increase of 7.5%. The increase in water consumption was due to an increase in the number of patients. As of the end of 2022, our water consumption per square meter of gross floor area was 1.99m<sup>3</sup>. Moving forward, our energy and waste reduction initiatives will be planned for all entities within the KPJ Group including hospitals which have yet to obtain MSQH accreditation.

Water Consumption (m <sup>3</sup> )	Gross Floor Area (m <sup>3</sup> )	Average Water Consumption per Employee (m <sup>3</sup> )
2020  774,630	2020  391,889.86	2020  1.97
2021  729,733	2021  391,889.86	2021  1.86
<b>2022  783,493</b>	<b>2022  391,889.86</b>	<b>2022  1.99</b>

*Note: The data above is limited to 14 selected hospitals. In previous years, KPJ has made every effort to manage water and energy usage for its MSQH accredited hospitals due to their expanded policies and processes. The data above reflects both MSQH and non-MSQH hospitals.*

Social

### Management of Water Discharge Related Impacts

We are committed to complying with local waste regulations and effectively managing the waste generated by our operations. This is to ensure that the effluent produced by KPJ hospitals meets all relevant regulatory standards. The license to dispose effluent is only granted after our Maintenance Manager's reports reveal satisfactory findings. Hospitals must adhere to the standards established in the Environmental Quality Act 1974, the National Water Services Commission Act 2006 (Act 654), and the Water Services Industry Act 2006.

We strive to meet the minimum standards set for effluent discharge, which are determined according to the following:

Governance

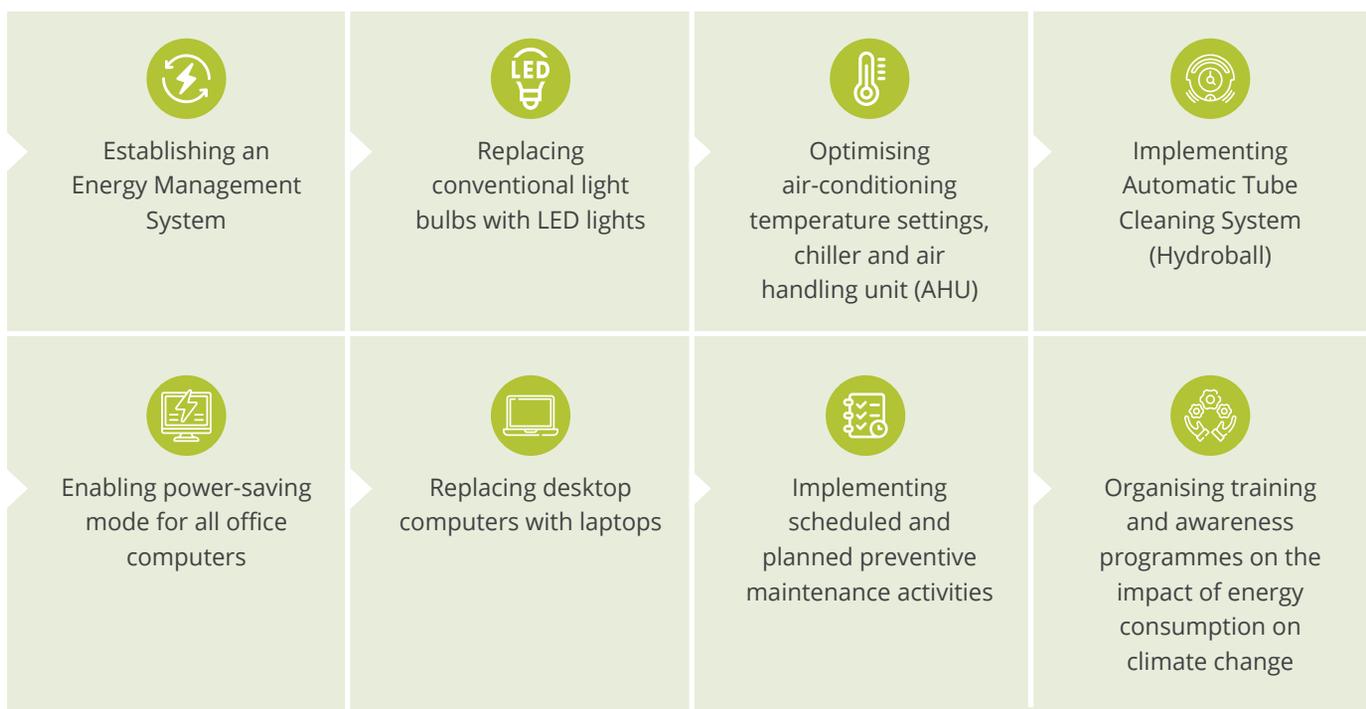
Identifying standards for facilities operating in locations with no local discharge requirements;	Any related sector-specific standards;
Any internally developed water quality standards or guidelines;	Whether the profile of the receiving waterbody was considered.

## PROTECTING OUR ENVIRONMENT

### ENERGY MANAGEMENT

KPJ's hospital operations require a significant amount of energy, due to the large hospital buildings and the use of high-energy equipment including HVAC systems and medical devices. In addition, our hospitals operate 24/7, indicating they are the primary source of energy consumption within the Group. We utilise both electricity and diesel for gensets to power our hospitals.

We continue to implement energy efficient initiatives within our operations, such as:



### KPJ Hospitals Participation in SEDA's Grant Programme

Apart from the initiatives above, our hospitals have also participated in the Energy Efficiency Projects Malaysia, an incentive by the Sustainable Energy Development Authority (SEDA) for the Commercial Building sector to manage and reduce energy consumption. The programme awards a RM55,000 grant to hospitals for conducting energy audit, improving the management of energy consumption and identifying energy cost savings. Under the 11<sup>th</sup> Malaysian Plan, eight of our hospitals received the grant. From the audit findings, the top three hospitals that generated the most savings were KPJ Selangor, KPJ Klang and KPJ Seremban.

ENERGY SAVING MECHANISM			
	KPJ Selangor (%)	KPJ Seremban (%)	KPJ Klang (%)
Lighting (Installation of high-efficient units only)	79	55.6	70.6
Operation Control	10	11.1	17.6
Others	8	11.1	11.8
Inverter/VSD/VFD	3	11.1	-

## PROTECTING OUR ENVIRONMENT

Economic

Moving forward, six other hospitals have applied for the grant in the next Malaysian Plan to benefit from the energy saving incentive. They are:

KPJ Sabah

KPJ Bandar Dato' Onn

KPJ Rawang

KPJ Ampang Puteri

KPJ Pahang

KPJ Tawakkal KL

Environment

Apart from that, we are collaborating with several contractors/vendors to venture into carbon offsetting and energy management initiatives through a decarbonisation programme. This will include installing rooftop solar panels and charging stations for electric vehicles in selected hospitals. We are also currently applying for the Corporate Green Power Programme (CGPP) by the Energy Commission to source renewable energy from solar farms. The Group's energy-related efforts are in alignment with the Energy Commission's Efficient Management of Electrical Energy Regulations 2008 (EMEER 2008) and the MSQH Standards 6<sup>th</sup> Edition.

In 2022, KPJ's electricity consumption stood at 162,897,600 kWh compared to 161,268,664 kWh in 2021, which had an increase of 1.01%. The total built-up area of the 14 selected KPJ hospitals is 391,889.86 m<sup>2</sup>. The increase in electricity consumption was due to a higher number of patients.

### ELECTRICITY CONSUMPTION 2020-2022

	2020		2021		2022	
	kWh	Gigajoules	kWh	Gigajoules	kWh	Gigajoules
<b>Electricity Consumption</b>	157,651,139.00	567,544.10	161,268,664.00	580,567.19	162,897,600	586,431.36
<b>Total Area of 14 KPJ Hospitals (m<sup>2</sup>)</b>	391,889.86		391,889.86		391,889.86	
<b>Electricity Intensity Consumption (per m<sup>2</sup>)</b>	402.28	1.45	411.52	1.48	415.67	1.50

Social

### Diesel Consumption for Genset

Since 2020, no overall reduction has been recorded, the highest patient registration in 2022 resulting in increased consumption of diesel and energy, as well as clinical and recycled waste generation.

YEAR	LITRES (L)	GIGAJOULES (GJ)	INTENSITY (L/M <sup>2</sup> )	INTENSITY (GJ/M <sup>2</sup> )
<b>2020</b>	27,227.6	1,034.6	0.069	0.003
<b>2021</b>	26,377.6	1,002.3	0.067	0.003
<b>2022</b>	26,827.6	1,019.4	0.068	0.003

Governance

Note: The data above is limited to 14 selected hospitals. In previous years, KPJ has made every effort to manage water and energy usage for its MSQH accredited hospitals due to their expanded policies and processes. The data above reflects both MSQH and non-MSQH hospitals.

## PROTECTING OUR ENVIRONMENT

## GHG EMISSIONS

**Climate change is a pressing issue which affects various aspects of health including access to clean air, safe drinking water and food resources. These changes are apparent through fluctuations in local climate patterns, extreme natural disasters, rising of surface temperatures and sea levels. As climate change can severely impact human health and the environment, it requires immediate action by all parties. Every industry should play its part by reducing its greenhouse gas (GHG) emissions.**

In the healthcare industry, hospitals can lead by example by adopting the following three-pillar approach to combat climate change:



**MITIGATION:** Reduce the carbon footprint from operations and implement low-carbon health care delivery.



**RESILIENCE:** Prepare its facilities for climate impacts and help build community health and climate resilience.



**LEADERSHIP:** Use the trusted voice and purchasing power of the sector to support the transition to climate-smart policies and a low-carbon economy.

The reduction of GHG emissions is a significant matter to us as it is in line with our commitment to sustainability. Prioritising in this issue also contributes to our reputation, ensures adherence to environmental regulations, and can assist us in achieving cost savings.

We are fulfilling this commitment through our healthcare facilities by transitioning to mixed energy. We adopt a comprehensive approach to address our GHG emissions, which

encompasses energy efficiency and conservation, utilisation of renewable energy, waste management, and green building practices. These strategies enable the organisation to mitigate its environmental footprint and encourage sustainable practices.

Our decarbonisation programme covers a few targets such as to source 10% of energy from renewable sources and to reduce 25% of our GHG emissions per patient by 2025. One of our initiatives under renewable energy sourcing includes the exploration of solar farm project to offset KPJ's emissions through the Corporate Green Power Purchase (CGPP) Programme by the Energy Commission. The application for CGPP is currently being processed.

The Group is also in the midst of completing our Green Building Index (GBI) certification which includes the installation of solar panels on rooftops and carparks at the selected hospitals:

KPJ Bandar Dato' Onn

KPJ Ampang Puteri

KPJ Damansara 2

To monitor its GHG emissions, we conduct benchmarking activities, including energy audits to compare our performance with industry standards and to identify opportunities for improvement. The Group also requires its hospitals and subsidiaries to submit monthly reports for inventory purposes. Additionally, a comprehensive GHG benchmarking exercise for the entire Group has been scheduled in the sustainability action plan, which will commence in 2023.

While we ensure that the management of emissions is a group-wide effort, we are currently working towards improving our data collection and strengthening our disclosures. As at the end of 2022, our environmental and GHG emissions data represent 14 selected hospitals and are from five emission sources. They are diesel, purchased electricity, clinical waste, recycled waste and water consumption.

We did not experience an overall reduction since 2020 as we recorded the highest patient registration in 2022 post pandemic. This naturally led to an increased consumption of diesel and energy, along with the generation of clinical and recycled waste.

# PROTECTING OUR ENVIRONMENT

In the year under review, our GHG emissions intensity per m<sup>2</sup> gross floor area of 14 hospitals rose by 1.27% to 272.77 kgCO<sub>2</sub>e/m<sup>2</sup> from 269.35kgCO<sub>2</sub>e/m<sup>2</sup> in 2021.

Economic

Environment

Social

Governance

### Scope 1 Stationary Combustion (Diesel Genset)

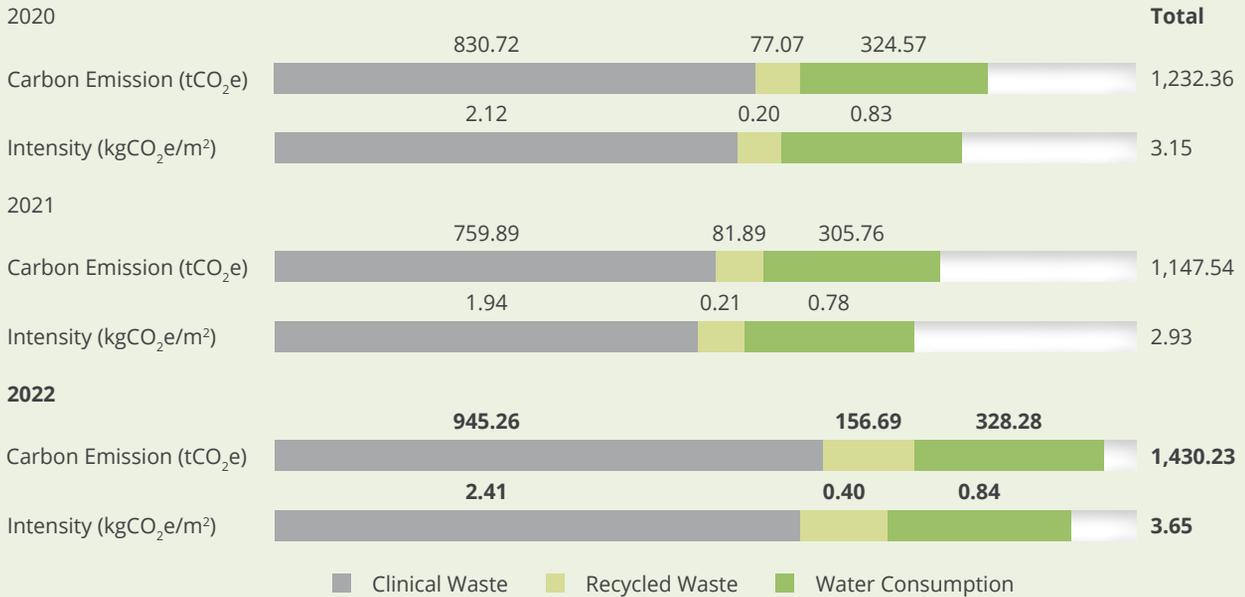


### Scope 2 Purchased Electricity



■ Carbon Emission (tCO<sub>2</sub>e) ■ Intensity (kgCO<sub>2</sub>e/m<sup>2</sup>)

### Scope 3 Indirect Emissions



■ Clinical Waste ■ Recycled Waste ■ Water Consumption

### GHG Emissions Intensity (Gross Floor Area of 14 hospitals)



All Scope 1,2 and 3 are included in the intensity ratio. GHG calculation was performed using the GHG Protocol Standard.

## PROTECTING OUR ENVIRONMENT

## CLIMATE CHANGE RESILIENCE

## Scenario in Malaysia

“

*All healthcare facilities and services are environmentally sustainable: using safely managed water, sanitation services and clean energy; implementing sustainable waste management practises, procuring eco-friendly goods; and being resilient to extreme weather conditions, while prioritising the health and safety of their workforce.*

”

According to an ongoing temperature analysis led by scientists at NASA's Goddard Institute for Space Studies (GISS), the average global temperature on Earth has increased by at least 1.1° Celsius (1.9° Fahrenheit) since 1880.

## CLIMATE CHANGE IMPACTS ON HUMAN HEALTH

Malaysia faces numerous potential threats to our population's health and development due to climate change. Thus, the country has adopted a National Policy on Climate Change which incorporates health perspectives. It includes a number of policies and plans to address the potential health impacts of climate change, such as flood mitigation plans, fire suppression plans, and response measures.

Our local communities that live in coastal regions could be exposed to risk of flooding due to the expected rise of sea-levels which are expected to reach 0.4 m–0.7 m by 2100, with the magnitude expected to be much greater in Sabah and Sarawak<sup>1</sup>. Climate sensitive diseases such as malaria, cholera and dengue as well as heat-stress are likely to rise with increased temperatures and changes in precipitation patterns. Climate change also adversely impacts wildlife, as 2°C would see a larger number of animals and insects lose their habitat due to increased occurrences of forest fires.

Dengue cases have increased eightfold in the past two decades. According to the WHO, over 100 countries have endemic dengue including Malaysia which reported 66,102 dengue cases in December 2022, an increase from 26,365 in 2021. Additional findings revealed that dengue death cases increased by 180% to 56 cases from 20 cases in 2021<sup>2</sup>. Dengue, a potentially fatal illness, can be reduced through careful management planning to reduce its severity and frequency.

Climate change is expected to worsen the dengue outbreak in Malaysia, as higher temperatures reduce the amount of time required for mosquito larvae and female mosquitoes to mature. The monsoon seasons may also create new mosquito breeding grounds due to unstable temperatures.

KPJ holds mortality and morbidity meetings and evaluates dengue fever management (both hemorrhagic and non-hemorrhagic) to improve patient care and to identify and correct flaws in patient management. The 2<sup>nd</sup> Revision of the Malaysian clinical practice guidelines for the Management of Dengue Infection in Adults requires hospitals and states to audit dengue-related deaths and monitor the Dengue Case Fatality Rate and Dengue Hemorrhagic Fever Fatality Rate. Infectious disease epidemics and pandemics can be prevented by early outbreak detection and notification.

**In recent years, the frequency of floods in Malaysia has increased, with some experts attributing this to climate change. According to the World Bank, between 1971 and 2004, severe flooding affected 73,212 Malaysians and 175,502 people will be impacted by floods between 2035 and 2044.**

<sup>1</sup> Climate Risk Country Profile published by the World Bank and the Asian Development Bank (2021)

<sup>2</sup> National Crisis Preparedness and Response Centre (CPRC)

## PROTECTING OUR ENVIRONMENT

Economic

Environment

Social

Governance

Flood disasters did not only result in loss of homes, properties and possessions but also impacted the physical and mental health of those affected. Some of our employees were also flood victims and suffered losses that caused more damage than the pandemic. The following are some of the impacts caused by floods due to climate change:

Injury and mortality from extreme weather events

Water-borne diseases and other water-related health impacts

Heat-related ailments and respiratory illnesses

Non-communicable diseases

Mental and psychosocial health

### Health Impacts of Climate Change

To effectively mitigate and manage psychiatric risks of our patients and employees due to the impacts of climate change, KPJ has in place a structured mental health programme for the employees as well as established guidelines for managing patients with mental health problems within KPJ Hospitals. This guideline was developed by a KPJ Resident Psychiatrist to handle patients with mental health issues, as the KPJ group is planning to recruit more clinical counselors for patients to uphold the mental health of its employees.

The guideline supports the MOH's action plans for floods, haze, and climate-sensitive diseases, which emphasise the mental health of disaster victims, including children who are also affected by climate change and environmental degradation. Children are exposed to air pollution, which raises respiratory morbidity, mortality, and hospitalisations among children.<sup>3</sup> Children's developing brains are vulnerable to neuro-inflammation, neuro-degenerative diseases, and white matter loss due to air pollution<sup>4</sup>.

<sup>3</sup> *The climate crisis is causing mental health issues (The Star, 2021)*

<sup>4</sup> *United Nations International Children's Emergency Fund (UNICEF, 2022)*

### READINESS TO RESPOND TO MAJOR INTERNAL OR EXTERNAL INCIDENTS

Extreme weather events associated with climate change could present physical threats to healthcare delivery facilities and create challenges in serving affected populations. KPJ's disclosure on policies, practices, and preparedness relating to climate change will assist our investors in understanding how we create and protect value. We are committed to contributing to the global efforts of lowering global temperature rise to 1.5°C, as per the Paris Agreement.

It was predicted that climate change would displace 25% of Malaysia's population by 2023. Poverty, illiteracy, and limited access to information exacerbate climate and environmental risks in marginalised communities. People with disabilities, youths, women, members of minority groups, indigenous people, internally displaced people, and foreign nationals, as well as urban poor communities, are all marginalised (based on the poverty line income in the country).

We adopted the requirements of the Private Healthcare Facilities and Services Act 1998 (Act 586), Occupational Safety and Health 1994 (Act 514), Environmental Quality Act 1974 (EQA ACT 127) and MSQH in formulating the KPJ Business Continuity Framework (BCM). KPJ also has adequate insurance coverage in place for our major assets and which will protect the organisation against potential liability arising from its operations.

We developed the KPJ BCM Framework according to the ISO 22301:2019 to help strengthen the existing management plan under disaster and emergency situations. The framework facilitates a structured and scalable approach for designing and executing a disaster contingency plan for our hospital to protect our people's safety.

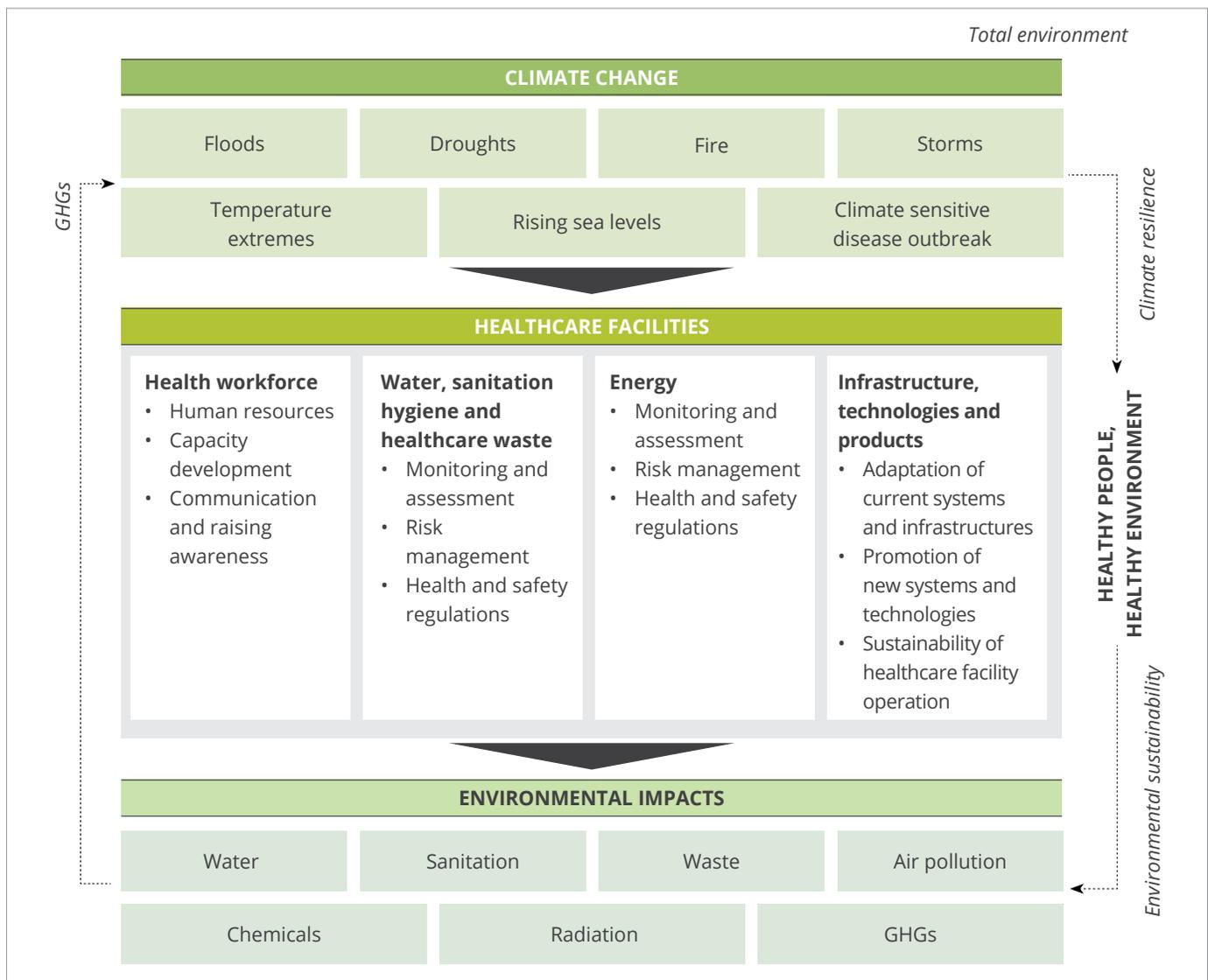
# PROTECTING OUR ENVIRONMENT

## INCREASING CLIMATE RESILIENCE IN HEALTHCARE FACILITIES

In 2022, we proposed the issuance of RM3.0 billion worth of Sustainability Sukuk Wakalah to continue providing sustainable healthcare by investing in eligible green projects to achieve our net zero target by 2050. These projects include green buildings, energy efficient technology, sustainable water and wastewater management, pollution prevention and control, and adapting to climate change. We will measure energy, water usage and waste generation to set targets for optimal usage and our green initiatives are explained in the respective materialities in Waste Management, Resource Management and GHG Emissions sections of this Report.

We actively engage and select sustainable partners for energy efficient projects, including solar photovoltaic systems in Malaysia with natural sunlight to power healthcare facilities and local communities.

KPJ hospitals are prepared to manage climate-related risks, to minimise negative impacts on the environment. We also work towards restoring and improving the environment to bring long-term and sustainable healthcare to our communities and the future generations.



## PROTECTING OUR ENVIRONMENT

Economic

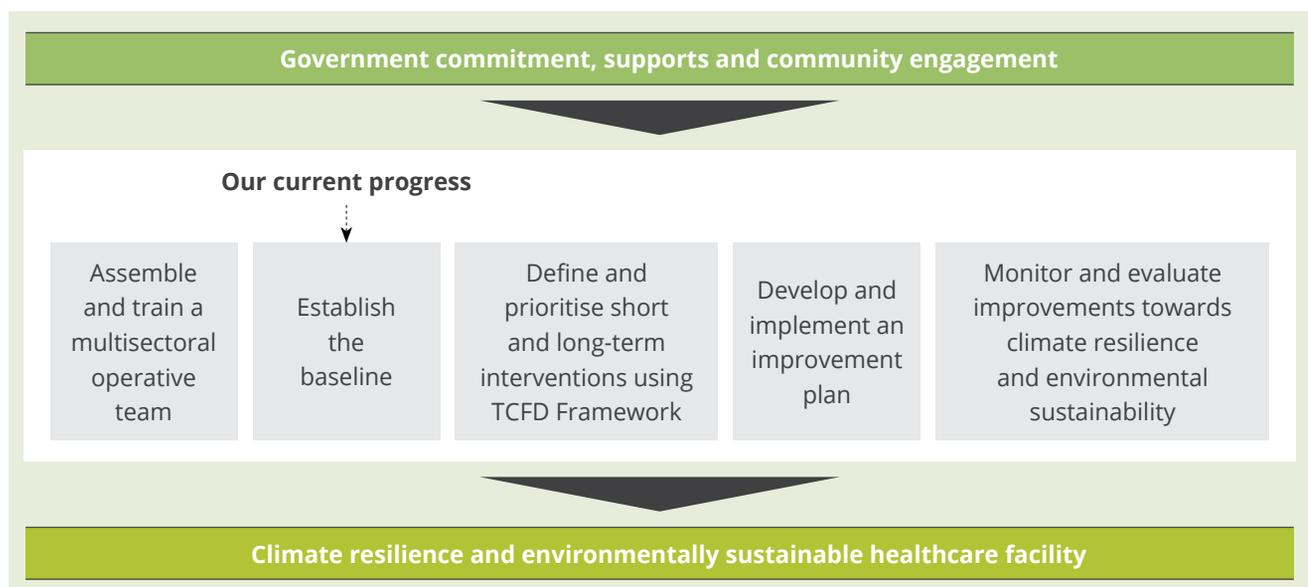
Environment

Social

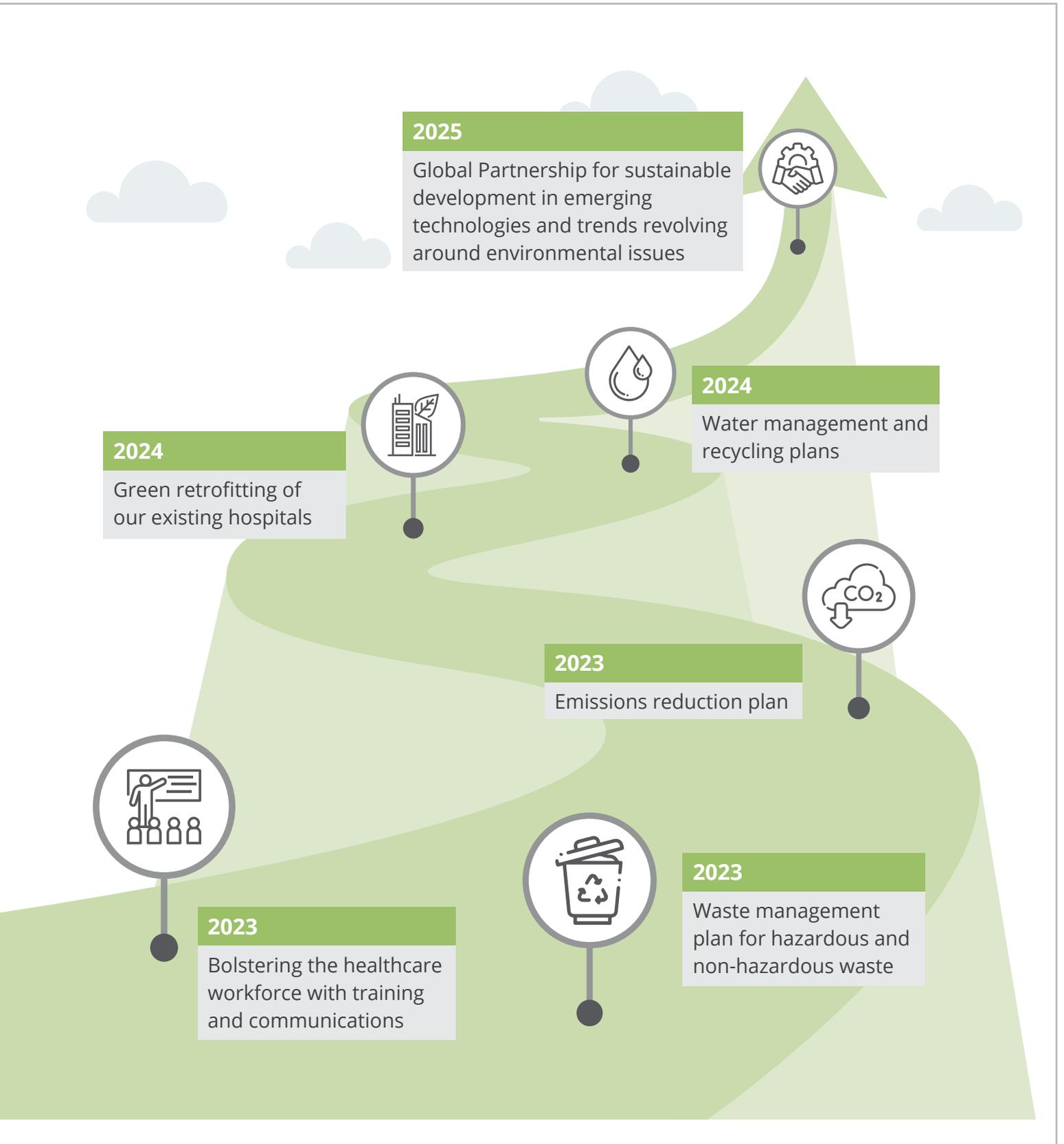
Governance



Our approach in increasing climate resilience and environmental sustainability in our facilities is supported by the Board of Directors. In line with our aspiration to achieve 25% of GHG emissions per patient by 2025 from the 2021 baseline, we will embark on our TCFD journey in 2023, to identify climate-related risks and to develop mitigation plans.



# PROTECTING OUR ENVIRONMENT



524



# We put **the interests of our patients first**

My life changed forever after seeing my mother in excruciating pain as her nails were being removed before the numbing effects of the local analgesia could take hold. Even though this took place 50 years ago, her distressed look and screams of pain have been lodged in my mind forever.

From then on, I promised myself that no one else should have to go through an experience like that. This is the reason I am with KPJ as we put the interests of our patients first and foremost, as caring for them is indeed a privilege, which we undertake with the greatest compassion, kindness, warmth and empathy. At KPJ, we 'Care for Life'.

- **Puan Ulfat Begum bte Mohd Hassan,**  
*Patient Liaison Officer,*  
*KPJ Ampang Puteri Specialist Hospital*

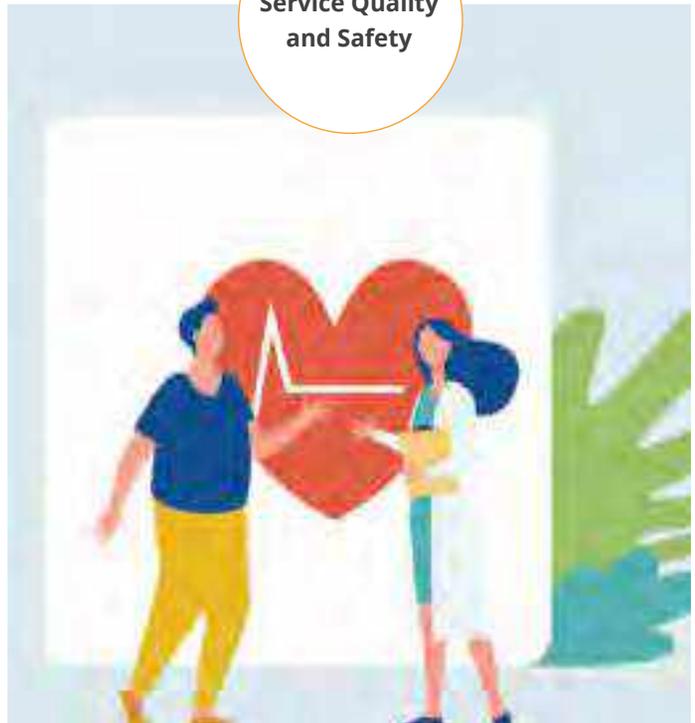


# SUSTAINABILITY THEME: UPLIFTING OUR PATIENTS AND COMMUNITIES

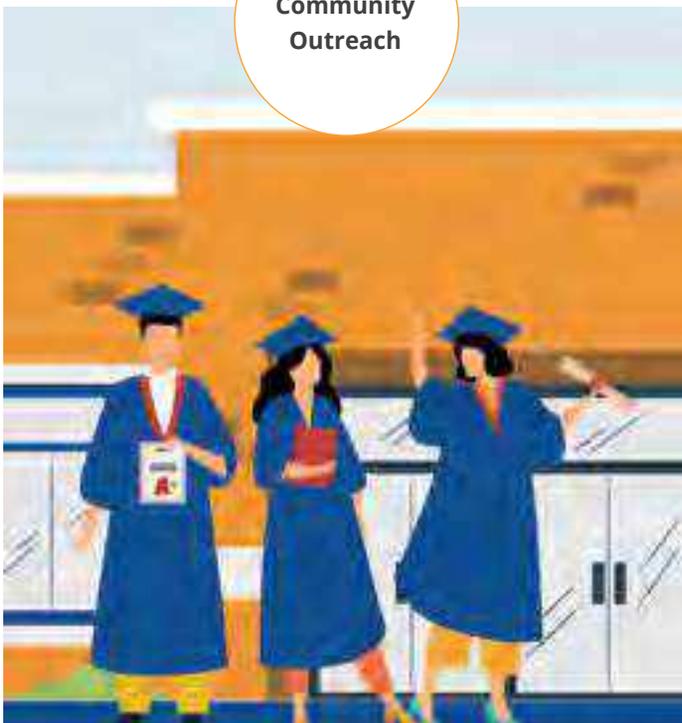
Customer  
Welfare and  
Satisfaction



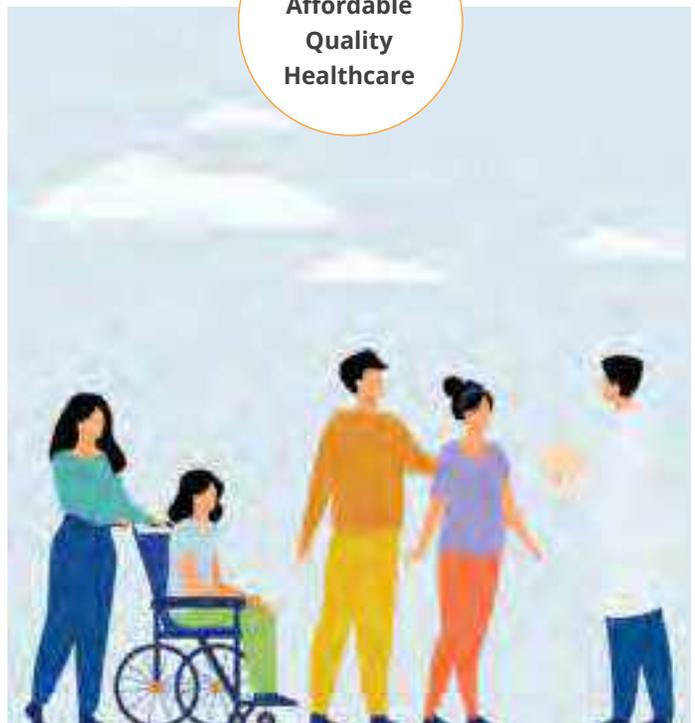
Service Quality  
and Safety



Community  
Outreach



Access to  
Affordable  
Quality  
Healthcare



# UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

## CUSTOMER WELFARE AND SATISFACTION

**Customer welfare and satisfaction is a significant material matter that will impact the sustainability of our business growth. Our aim is to protect the safety of patients receiving treatment and upholding patient satisfaction through delivering excellent healthcare experience. This includes the delivery and provision of products and services to customers in a fair and safe manner and leveraging off customer feedback to produce greater value.**

Environment

### Our Social Impacts

Aligning our healthcare services pricing with industry standards will minimise and mitigate regulatory scrutiny and reputational risk

Lack of transparency will mislead patients into making risky decisions and impact their clinical care

Customer-centric care is vital in delivering excellence

### How We Manage Our Social Impact

Ensuring transparency in pricing and billing to promote ethical business conduct and integrity

Enabling patients to make informed decisions by providing transparency in pricing and billing

The practice in upholding transparency enables us to negotiate with healthcare funders that will have a direct impact on our profits and strengthen our reputation

Adhering to all relevant laws and regulations

Obtaining feedback from customers via customer satisfaction survey

## Social

### PRICE BILLING AND TRANSPARENCY

We strive to provide transparency in pricing and billing to accommodate our patients and to facilitate decision-making in relation to our medication, treatment and diagnostic services. Guided by KPJ's Patient Charter, clinical policies and guidelines, we make every effort to be as transparent as possible to build trust and to enable our patients to access the treatment options available to them. To this end, we avoid manipulating our pricing, in alignment with the Private Healthcare Facilities and Services Act (PHFSA), Schedule Thirteenth. Our practice complies with the PHFSA Regulations, which state that patients have the right to be informed of the estimated charges that may be incurred prior to the initiation of care or treatment. The patient also has a right to be informed of other unanticipated charges for services that are routine, usual and customary. Ensuring transparency also facilitates insurance enquiries and the facilities that are available.

Governance

Apart from underpinning hospital integrity, providing transparency in billing and pricing demonstrates our commitment in patient safety. We are aware that upholding transparency is crucial in enabling our patients to make informed decisions that will not jeopardise their health and safety. The lack of transparency could lead to patients refusing medication, diagnosis or even medical treatment and discharging against medical advice.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### Delivering the Best Care for Patients, Regardless of Cost

We ensure that our patients are informed of the risks and costs of any procedures via informed consent forms, in compliance with medical legal requirements. We have in place a set of policies and guidelines that set out the rules and principles in managing pricing and billing transparency. These include:

KPJ Refusal for Treatment/Procedure and Refusal to conform to Medication Policies

KPJ Informed Consent Form

Management of Fact Sheets

KPJ Consent Policy

Environment

Prior to any medical procedure, patients or family members are required to sign a set of consent documents in agreement to the procedure and the potential risks and cost involved, which are explained in detail as part of a compulsory process for all patients.

Our Consultants and clinicians, supported by the billing staff will initiate a discussion with patients and the patients' family on the procedure involved, with estimates of the procedure and financial terms. An agreement on the procedure and estimate price together with a consent and undertaking form will need to be signed between all parties. The Patient's Charter and Hospital's Charter are available across all KPJ hospitals to ensure all patients and next of kin are well-informed on their responsibilities and obligations.

### Communicating the Pricing of Our Services

We advocate pricing transparency by displaying our fees and charges on our official social media accounts, which are registered under the Group or hospitals, as required by the Guideline on Advertising Using Social Media.

Competitive pricing via promotional packages is offered through KPJ's digital and social media platforms, namely KPJ Care Facebook, monthly KPJ Care E-News, weekly Sembang Santai Bersama KPJ (Facebook Live session with Specialist Consultants and Allied Health Practitioners), and KPJ Care Contests. All promotional packages that

are advertised via the Group's social media accounts or hospitals adhere to the Guideline on Advertising Using Social Media.

We ensure that our patients are informed of KPJ's doctors' professional fees including consultation fees, fees for ward visits, and procedure or operation fees. The professional fees are regulated by the fees in the 13<sup>th</sup> Schedule of the PHFSA Regulations which are the maximum permitted.



### EXCELLENT CUSTOMER SATISFACTION

According to the World Health Organization (WHO, 2021), substandard care wastes significant resources and jeopardises public health by degrading human capital and decreasing productivity. The delivery of high-quality healthcare should be person-centred. As such, communities must be engaged in the design, implementation and evaluation of health services.

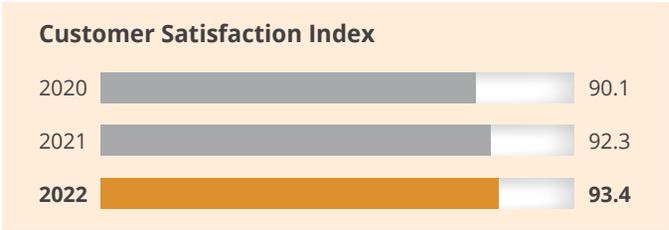
Our philosophy of 'Care for Life' is in line with the WHO's focus on person-centred healthcare. This will ensure we stay true to our core value of providing universal healthcare coverage.

We strive to understand patients' experience, treat them with empathy and help them to feel as comfortable as possible. We use patient satisfaction surveys to identify opportunities for service improvement and to fulfil patient needs. We will continue to hold patient satisfaction surveys to gather feedback and gauge the satisfaction level of our patients, to ensure our hospitals grow sustainably.

Social

Governance

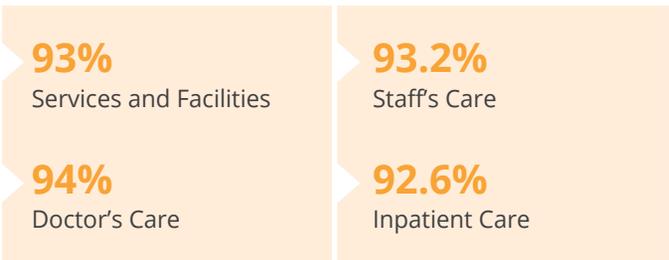
## UPLIFTING OUR PATIENTS AND COMMUNITIES



### KPJ's Customer Satisfaction Survey

To bolster KPJ's Customer Experience (CX), we conducted an external Satisfaction Survey in 2022 to gauge the satisfaction levels of our services and facilities. Surveys were administered to patients, their families and visitors to assess their level of satisfaction with the services provided. The results from these surveys determined our Customer Satisfaction Index (CSI) and Net Promoter Score (NPS). The survey covered healthcare services such as Accident & Emergency, Administration, Allied Health, Consultants, Nursing, Outsource and others.

### Findings of 2022's Customer Satisfaction Survey:



The professionalism and attitude of nurses, consultants and allied health staff and the extent of care shown towards patients received positive feedback in the survey. Areas that needed improvement included staff conduct and proficiency, inpatient facilities and the process for admission and discharge. However, issues such as shortage of manpower and redundancies in processes have been among the challenges we faced since the transition to the endemic, due to the increased number of patients. Thus, we will implement strategies to address waiting time factors, specifically to reduce processing time and peak visit time at key locations such as A&E and Clinics. One of the ways to remedy this would be to inform customers of the waiting time to meet their expectations and mitigate customer discontent. We will continue to address the CX gaps with rectification measures and increased training to improve our CX scoring.

Going forward, we will conduct ongoing audits and monitoring throughout our hospitals to ensure that our services, facilities and atmosphere meets the needs of our patients and visitors. We will also explore the feasibility of conducting surveys at the final phase of the patient's journey in KPJ hospitals, to allow more accurate measurements of our customers' overall perception of our performance and services.

### Standard People Practice and Premier Customer Service

Delivering excellence and ensuring customer satisfaction are part of our DNA. Across our KPJ Group of Hospitals and subsidiaries, we are ingrained with the Service Excellent-KPJ Way (SE-KPJ Way). We adhere to the values in Standard People Practice (SPP) training, which were provided by the Service Quality Management (SQM) team.

SQM introduced the Premier Customer Service (PCS) training programme in 2021, which was fully implemented in all KPJ Group of Hospitals in 2022. The PCS training, which is in addition to the SPP training, aims to enhance the level of service deliveries and position our brand as one that provides excellent customer service experience. As of 31 December 2022, 12,749 staff have received the PCS training.



Going forward, we have laid out a strategic plan for 2023 to 2028 to enhance our service quality. This includes transforming our people and culture and elevating the SE-KPJ Way as a micro credential course through collaboration with KPJUC. These certifications are intended to provide learners with knowledge, skills, values and competencies in SPP and the SE-KPJ Way.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### AWARDS AND ACHIEVEMENTS IN CUSTOMER SERVICE MANAGEMENT



#### SIRIM INDUSTRY 2022 EVENT – CUSTOMER SERVICE MANAGEMENT (SIRIM 6:2016) RECOGNITION

KPJ Group of Hospitals relies on standardised and certified customer service documents and policies to establish a strong foundation to inculcate the best practises and to cultivate the desired culture. To ensure effectiveness of the standardisation, the SQMHQ will monitor the customer service index and net promoter score, along with benchmark references and feedback from customers.

In 2022, nine KPJ hospitals successfully completed the Customer Service Management (SIRIM 6:2016) Recognition in 2020 and 2021:

KPJ Rawang	KPJ Sabah	KPJ Klang
KPJ Kuching	KPJ Bandar Dato' Onn	KPJ Sri Manjung
KPJ Sibul	KPJ Kluang	KPJ Perlis

#### CXP BEST CUSTOMER EXPERIENCE AWARD 2022

KPJ Puteri Specialist Hospital won the CXP Best Customer Experience Award 2022 for the second consecutive year in 2022. The award is the first and only regional award that identifies and honours best-in-class organisations that demonstrate excellence in customer experience, as judged by our own customers. Since its inception, the award has expanded to Malaysia, Singapore, Hong Kong and Thailand.

### WAITING TIME AND ITS ASSOCIATED FACTORS

Unnecessary long waiting time can disrupt the continuity of treatment and care. It can also negatively impact patient outcomes. In line with MOH's aspirations for patient satisfaction, the Malaysian Society for Quality in Health (MSQH) guideline states that patients must be seen within 90 minutes after their first register in the hospital. We target for more than 80% of outpatients to be treated within 15 minutes. The triage system is used to sort patients based on the level of urgency required by a patient. Priority is given to those who need medical treatment first.

Our average waiting time in Accident and Emergency (A&E) is around 15 minutes, and it varies for outpatient consultation sessions between 15 and 20 minutes. The waiting time at our drug dispensary is around 10 minutes. Longer waiting times are expected during peak hours.

In the past few years, KPJ has adopted the Lean Management programme as an improvement tool and we are pleased to share that our efforts in improving waiting time has been recognised by the Malaysia Productivity Corporation (MPC). We acknowledge that despite our progress, there are instances where patients have to wait longer than expected. To this end, we are always seeking solutions to improve our efficiency to shorten patient waiting time. This included deploying/rostering more staff during peak hours, digitalising internal processes, e-payment system and e-appointment system. We have also extended clinical operation hours during weekends and provided continuous training to frontliners on communication skills to ensure clear information is communicated to patients and their family members.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Our hospital areas are safe for patients and their families. The consultation rooms, surgical rooms, laboratories, and imaging floors are commonly used by patients as their waiting areas. Our hospitals are built with amenities and equipped with facilities to make waiting time more tolerable and less stressful. A reading section, a safe playground, a herb garden, and a hot drink corner are some of the facilities provided for patients' comfort while they wait for their turn to see their consultants.

For inpatient care, we work closely with insurance companies and corporate clients to provide seamless admission and discharge processes. This includes offering an integrated platform for eGL and e-billing. The in-house custom-made bed management system is installed in all our hospitals to ease bed management and improve patient admission process.

Other than that, we also measure the efficiency of medical consultants in delivering care and treatment via selected clinical indicators. For example the time taken for a patient triaged as green zone to be seen by a doctor should be within 20 minutes at 80% of the time. The average time taken is 90 minutes from primary PCI (door to balloon). For 2022, out of the 31,000 patients triaged in the green zone, 95% managed to see a doctor within 20 minutes, while the average time taken for 15 PCI cases was below 90 minutes. We have also developed a clinical indicator dashboard for the regular monitoring of the selected clinical indicators.

KPJ's initiatives to reduce patients' waiting time include:

Digital forms where patients are required to fill via a digital tablet and their data will be automatically sent to various departments for all tests.

Online appointment system Encore Med where patients can schedule their appointments prior to physical visits.

Flexible payment options such as JomPAY and Pine Labs Malaysia for credit and debit card as well as installment plans.

The management of patient flow was improved, based on the Lean Management principle. Each staff was given a specific role in the patient journey, starting from arrival, up until treatment.

Waiting time at Accident and Emergency Services were standardised and monitored.

Extended clinical operation hours implemented during weekends.

### Quality Indicators for Accident and Emergency (A&E) Services

A&E QUALITY INDICATORS		TARGETS
<b>QI 1 Unplanned Re-attendance</b>	Within 24H Within 3 days Within 7 days	< 3% (MSQH target) 2 - 3% (International) < 5% (International)
<b>QI 2 Total Time in A&amp;E</b>	Within < 4 hours (%)	95% patients leave within 4 hours (International)
<b>QI 3 Left Without Being Seen by a Doctor</b>	Percentage of patients leaving without being seen	< 5% (International)
<b>QI 4 Time to Assessment</b>	Patients assessed by SRN within ≤ 15 min (%)	95% patients assessed by SRN within ≤ 15 min (International)
<b>QI 5 Time to Treatment</b>	All patients seen within 60 min	Green zone - assessed within 20 min (%) Yellow zone - assessed within 30 min (%) All patients seen assessed within 30 min (%)

# UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### Waiting Time and Aligning to the MSQH 6<sup>th</sup> Edition

According to the MSQH 6<sup>th</sup> Edition, one of the primary measures of patient satisfaction is waiting time. In the recent standards, MSQH improves Audiology Services, which provides an opportunity for improvement in KPJ's rehabilitative care. This service receives a high volume of referrals and necessitates the provision of appropriate interventions within a reasonable time frame. This underscores the prioritisation of patients' needs, which is evident in our effort to reduce consultation waiting time. Therefore, in 2022, we standardised the procedures and policies on the Audiology Services to meet requirements.

Environment

With four of our projects identified for process transformation, We are actively pursuing a number of initiatives through our Lean Management programme. The programme enables improvement and establishes a long-term strategy that makes small but incremental changes in processes for efficiency and quality. KPJ Ampang, KPJ Rawang, and KPJ Selangor's procedures will be evaluated based on the following indicators:

Number of cases for Door to Balloon time successfully achieved within 90 minutes.

Number of outpatient plain X-rays reported within one hour of procedure during office hours.

Number of first ECG for AMI-STEMI cases done within the first ten minutes of A&E admission (A&E Triage).

Number of outpatient ultrasounds reported within one hour of procedure during office hours.

Transformation of patient experience and patient outcome will be studied in the projects below:

Readmission after 30 days post-PCI for AMI-STEMI.

60 days' post non-surgical intervention lower back pain.

90 days' post-total knee replacement.

Social

Governance

A set of questionnaires were developed to study patient experience; while appropriate corrective action and improvement activities will be implemented to obtain positive patient outcome.

### Waiting Time and the PPM Schedules for Medical Equipment Servicing

Preventive maintenance of medical equipment is essential for healthcare organisations to ensure the safety and effectiveness of their equipment. The lack of maintenance of equipment may result in break downs and require repairs or replacements, leading to delays in patient care. By performing regular preventive maintenance, healthcare facilities can reduce the likelihood of equipment failure and minimise disruptions to patient care, improving patient outcomes and maintaining the overall efficiency and effectiveness of healthcare. Our PPM for equipment are monitored and measured monthly as per MSQH indicators:

PLANT PREVENTIVE MAINTENANCE/ MONTHLY	RESPONSE TIME TO EQUIPMENT FAILURE/ MONTHLY
<ul style="list-style-type: none"> <li>Maintenance was performed on schedule 98%</li> <li>Percentage of system/service uptime 92%</li> <li>Percentage of system/service uptime 92%/ monthly</li> </ul>	<p><b>BEMS</b></p> <ul style="list-style-type: none"> <li>Critical care equipment - 15 minutes</li> <li>Other equipment - 2 hours</li> </ul> <p><b>FEMS</b></p> <ul style="list-style-type: none"> <li>Emergency - 15 minutes</li> <li>Non-emergency- 2 hours</li> </ul> <p><b>Repair time</b></p> <ul style="list-style-type: none"> <li>7 working days</li> </ul>

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### SERVICE QUALITY AND SAFETY

**At KPJ, we understand that a high standard of service delivery is paramount in satisfying customers and building a sustainable business within the healthcare sector. In our hospitals, customer satisfaction has always been and will continue to be our priority. The 'Care for Life' philosophy is ingrained in the KPJ model of patient-centred care, which emphasises on patients and provides affordable healthcare services that are on par with international standards.**

We are committed to providing the highest quality in medical facilities and care. As a leading hospital in Malaysia, KPJ continues to adopt new solutions that enhance patient safety and reduce discomfort during procedures.

As part of our commitment to the safety and well-being of all patients, we have put in place extensive and thorough processes and procedures across all of our hospitals nationwide to help lower and manage clinical incidents. Our analysis shows that the incident rates at our hospitals are within the range recommended by the Ministry of Health (MOH) and international standards.

Our clinical duties are governed by the Group's Medical Advisory Committee (MAC). The MAC oversees the policies, guidelines, and evidence-based best practices aimed at enhancing clinical governance, clinical compliance, performance, patient safety outcomes, and the introduction of new services.

#### Our Social Impacts

Service quality and safety play a crucial role in the operational activities of a hospital since service quality impacts the satisfaction and the loyalty of a patient.

Recognising and taking into account patients' needs, preferences, and values is crucial to healthcare quality management.

The impact on revenue, reputation, and cost of capital will be directly related to how well the related indicators are doing in terms of size, direction, and timing.

Hospital readmission is becoming a global issue for healthcare quality, health outcomes, and finances as it increases unnecessary costs for two main reasons:

- To assist transitional care delivery for the right target patient, especially higher-risk patients

#### How We Manage Our Social Impact

We conducted an annual clinical survey to evaluate the Group's compliance with the MOH's standards/guidelines, domestic and international accreditation standards, Malaysian Medical Council (MMC) Guidelines and KPJ Governing Policies.

Putting in place good clinical management systems to ensure minimal disruptions to daily operations.

Adhering to all laws, regulatory rules, guidelines and international standards to uphold quality healthcare and services.

Reviewing and updating our policies and guidelines to align and comply with the evolving regulatory requirement Group.

Decreasing our vulnerability to malpractice by developing a comprehensive risk management plan that prioritizes patient safety and care.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### QUALITY PATIENT-CENTRIC CARE

#### Malaysian Patient Safety Goals (MPSG)

The Patient Safety Council was established by the Malaysian government in 2013 to improve patient safety in both public and private healthcare facilities throughout the country. Following its establishment, the Council formulated the Malaysian Patient Safety Targets (MPSG) to monitor the health of Malaysian citizens. The first version of the MPSG consisted of 13 goals for hospitals with ICUs and 11 for those without ICUs. MPSG Version 2.0 was later developed, combining global and national indicators across seven objectives and nine key performance indicators (KPIs), most of which are outcome-based indicators. The systematic implementation and monitoring of these KPIs enable to help healthcare facilities to improve their performance.

Healthcare facilities can benefit greatly from using MPSG 2.0 as it facilitates objective, systematic, and standardised implementation and monitoring of key performance indicators. At KPJ, we report our MPSG performance statistics each year to the Malaysia Patient Safety Council. Our performance data shows an annual increase in compliance, as indicated in the table.

#### MALAYSIAN PATIENT SAFETY GOALS 2.0

##### Goal 1 Infection Prevention and Control

**KPI 1: Hand Hygiene Compliance Rate**

Target:  $\geq 75\%$

**KPI 2: Rate of Catheter Associated Blood Stream Infection (CABSI)**

Target:  $\leq 0.5$  per 100 admissions

##### Goal 2: Surgical Safety "Safe Surgery Saves Lives"

**KPI 3: Number of "Wrong Surgery Performed"**

Target: Zero Cases

**KPI 4: Number of "Unintended Retained Surgical Item" (URSI)**

Target: Zero Cases of Category 2 and 3

##### Goal 3 Medication Safety "Medication without Harm"

**KPI 5: Number of Medication Error Related to Severe Harm or Death**

Target: Zero Cases

##### Goal 4 Transfusion Safety

**KPI 6: Number of Incorrect Blood Component Transfused (IBCT)**

Target: Zero Cases

##### Goal 5 Patient Fall Prevention

**KPI 7: Rate of Patient Fall**

Target: Inpatient:  $\leq 5$  per 1000 patient-days  
Outpatient and Primary Healthcare Facilities:  $\leq 5\%$

##### Goal 6 Correct Patient Identification

**KPI 8: Number of Patient Safety Incidents Caused by Wrong Patient Identification (Detected by incident reporting and investigation)**

Target: Zero Cases

##### Goal 7 Incident Reporting and Learning System

**KPI 9: Implementation of Patient Safety Incident Reporting and Learning System**

Target: System Implemented

Economic

Environment

Social

Governance

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### Adherence to the accreditation standards

KPJ hospitals benchmark patient satisfaction against the MSQH, which is internationally linked to the International Society for Health Care (ISQua) and the Joint Commission International (JCI), an American based accreditation and certification organisation. JCI is recognised as a global leader and the international gold standard to ensure the best healthcare practices in quality and patient safety.

KPJ's comprehensive set of patient-centric frameworks, measures, processes and procedures are all aimed at delivering excellent clinical and service quality to our patients.

As at April 2023, KPJ accounted for 32% of the MSQH accredited and 29% of JCI accredited of private hospital in Malaysia.

### 19

KPJ Hospitals have been accredited by MSQH

### 4

KPJ hospitals have received accreditation from the JCI:

KPJ Ampang Puteri

KPJ Johor

KPJ Ipoh

KPJ Penang

### 2

KPJ Ampang Puteri and KPJ Damansara were certified with the Gold-Level Excellence in Person-Centred Care from Planetree International, the first and only in the Asia Pacific region. The hospitals underwent recertification in the first quarter of 2022.

### 21

KPJ hospitals are certified with IMS Certification the ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management, ISO 14000:2015 Environmental Management System and ISO 22000:2018 Food Safety Management System.

### 19

hospitals are recognised as Baby-Friendly Hospitals (BFH). The BFHI Global Criteria guidelines were prepared by United Nations Children's Fund (UNICEF), the World Health Organization (WHO), with support from Wellstart International.

### 93.6%

#### Average Percentage of Clinical Survey 2022

28 KPJ hospitals were surveyed for MOH, MSQH, JCI, MMC, and KPJ Governing Policies compliance. There was a total of 16 services evaluated including Prevention and Control of Infection (PCI), Accident and Emergency Service (A&E) and Pharmacy Service.

As we move forward to establish strong foundations and fulfil our goals, the organisation will continue to strive for both national and international accreditations to maintain its status as a leader in the healthcare industry and to aid health tourism efforts.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

Environment

Social

Governance



### Good Clinical Management by Real Time Data Monitoring – KPJ’s Clinical Dashboard

KPJ’s Clinical Dashboard Project that was launched in mid-2020, tracks and disseminates the clinical safety and performance data of the Group. The data is also being utilised to monitor the Key Performance Indicators (KPIs) of the hospitals. Currently, there are five indicators being monitored and the data collection is based on the following five domains:

NO.	CLINICAL QUALITY INDICATOR	INDICATORS	DOMAINS
1	“Know, Check, Explain, Ask”	Medication Error	Safety
2	“Prevention of Inpatient Falls”	Patient Falls	Safety
3	“Prevention of I.V Phlebitis”	IV Phlebitis	Safety
4	“Recognise a Heart Attack: Save a Life”	PCI within 90 minutes	Safety, Responsiveness, Efficiency, Effectiveness
5	“Time to Treatment”: A&E Quality Indicator”	A&E patient’s treatment initiated by a doctor within 20 minutes	Responsiveness

We also have a collaborative framework to promote clinical and financial transparency. Every hospital submits their collated statistics using Google Excel Sheets, which will then auto-populate the Power BI application, to allow for real time data monitoring. The CEO/GM of each hospital has been appointed to monitor and manage the Risk Reduction Action Plans (RRAP). The RRAP ensures that patient satisfaction is maintained at a high level and minimise the liabilities exposures that related to the medical negligence to patients.

### Incident Reporting and Learning Systems

We are committed to implementing incident reporting and learning systems and has designed an incident reporting guideline for its healthcare facilities in compliance with regulations. KPJ Healthcare reports on serious reportable events (SREs). The guidelines on the implementation of the KPJ Healthcare’s reporting are based on the Incidents Reporting and Learning System 2.0.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### PATIENT HEALTH OUTCOMES – COMPLIANCE WITH ACCREDITATION REQUIREMENTS

#### Quality Nursing

As a leading healthcare provider, we are committed to ensuring our employees uphold service quality through programmes such as Standard People Practice by Service Quality Coaches. As for our nurses, we train them to implement best practices in infusion therapy.

In 2022, eight KPJ hospitals in the Klang Valley collaborated with the Infusion Nurses Society Malaysia, which advocated good infusion therapy practices.

Project Infuze is an initiative by the Infusion Nurses Society (INS) Malaysia to promote the implementation and adoption of best practices in the field of infusion nursing. This initiative also seeks to enhance the working conditions of nurses to provide safe and quality care for patients. Additionally, the project is designed to standardise and integrate national policies and procedures for (IV) treatment within hospital practices by incorporating proven best practices and adhering to established operational guidelines.

The project aims to improve the clinical practice of infusion therapy among healthcare professionals in Malaysia. It also aims to inculcate a culture of effective clinical governance by creating a reliable, timely and accurate data system to support their work.

With a goal of promoting the best standards in infusion therapy, INS Malaysia is working towards reducing the incidence of complications related to IV treatment, as well as cutting down hospital stay costs. By standardising IV care, the quality of IV-related practices will improve, leading to greater efficiency and higher patient satisfaction.

#### **MPSG 1: Infection Prevention and Control - Hospital Acquired Infections (HAIs) and Patient for Patient Safety (PFPS)**

The rise of Hospital Acquired Infections (HAIs) in healthcare facilities globally are concerning. These infections can have a devastating impacts on patients, employees and visitors resulting in prolonged hospital stays, increased healthcare costs, and even potentially life-threatening complications.

The most frequent types of HAIs include those related to intravascular devices and infections acquired through the respiratory tract in critically ill patients with comorbidities. KPJ is dedicated to preventing HAIs to decrease morbidity, mortality, prolonged hospital stays and rising costs. HAIs are commonly transmitted through the hands of healthcare providers, making hand hygiene the key effective measure in controlling HAIs.

As such, we empower our patients with the Patient for Patient Safety (PFPS) initiative to allow patients to ask healthcare providers about hand hygiene before receiving care. KPJ strictly adheres to the MPSG 1, KPI 1 Hand hygiene rates and has a compliance rate of 92% in 2022. Hand hygiene audits are conducted based on the World Health Organization's guidelines for the five moments when healthcare providers should perform hand hygiene.

Our policies are reviewed regularly to align with guidelines from organisations such as the JCI and the Centre for Disease Control (CDC). This helps us ensure that our patients receive safe, high-quality healthcare in an environment that protects everyone – including our employees.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### MPSG 2: Surgical Safety “Safe Surgery Saves Lives”

The Safe Surgery Saves Lives campaign by the World Health Organization (WHO) aims to implement safe surgical procedures and best practices for patient safety to reduce adverse incidences in the operating room and ward. During these procedures, non-technical skills and interpersonal communications play a significant role in preventing harm.

While surgeons focus on clinical care, decision-making, and technical skills required to perform surgical procedures with the best possible outcome, mistakes are inevitable in the pre-operative clinic, operating room (OR), intensive care unit and surgical ward.

KPJ's patient safety goal policy on site marking for elective cases, states the holding bay as the last point for marking the site. We have also initiated time out at points of care during invasive procedures at different clinical settings and random audits to ensure compliance.

We continue to enforce the current process to stop entry or if there is no site marking for the identified surgical and swab counts, we will adopt the protocol of using VIGO (Visual Gauze Organiser) trays.

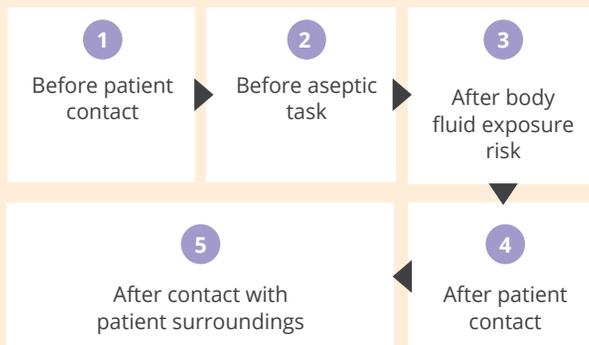
Environment



**HAND HYGIENE**  
through “Hand Rub”  
or “Hand Wash”

#### INDICATIONS

#### 5 Moments for Hand Hygiene



#### OPPORTUNITIES

The accounting unit for the action of hand hygiene:

**1 Opportunity = 1 Action of Hand Hygiene (Rub or Wash) is Required**

1 Opportunity may have single moments or multiple moments to perform 1 hand hygiene.

*(Refer to 5 Moments of Hand Hygiene)*

#### HAND HYGIENE COMPLIANCE RATE

Numerator (N)

Number of Hand Hygiene Actions  
(Wash or Rub) Performed

Number of Opportunities Observed

Denominator (D)

**X 100 =**

Hand  
Hygiene  
Compliance  
Rate

**TARGET:  
≥ 75%**

Social

### PATIENT PAIN MANAGEMENT AND MEDICAL SAFETY

#### MPSG Goal 3: Medication Safety

In supporting the MPSG Goal 3 (KPI 5 - Number of Medication Error Related to Severe Harm and Death), KPJ Hospitals introduced our Clinical Pharmacy Services in 2020 to meet customer expectations while striving to create a safe healing environment. Our pharmacists at KPJ Hospitals are divided into specialised roles, including Oncology Pharmacist, Clinical Pharmacist, and Nuclear Pharmacist, while other pharmacists focus on covering the wards, outpatient and inpatient departments, as well as managing inventory. We fully adhere to the Issuance of Medication in Inpatient and Outpatient policies and comply to the triangular checking during the prescription process.

Governance

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Medication adherence means that the patient follows the consultant's advice about when, how much, and how often to take the medicine for the length of time that was given.

To promote medication adherence, we have a clinical campaign, "Know, Check, Explain, Ask" to educate patients on their medications and encourage them to ask questions. Through this campaign, we strive to reduce the occurrence of medication errors and improve patient health outcomes.

Our initiative toward zero medication error is through:

Mentor-mentee programme – applicable for junior staff whereby they will be evaluated at the end of their probationary period

Master formulary and standardised auto-calculated worksheet – designed for Internal checking

Extemporaneous Preparation developed and implemented Group-wide – to eliminate manual form and reduce calculation errors

Independent random medication audit – to be conducted prior to dispensing in accordance to Managing High Alert Medication Policy

Annual competencies evaluation – to reinforce the compliance towards medication safety practice

Standard extemporaneous formulation - developed for hospitals of the Group, to utilise a standard format (i.e. auto-calculated template) to reduce calculation errors

7R guidelines – reinforced policies and procedures

### MANAGEMENT OF CONTROL SUBSTANCES

Pain treatment requires special knowledge, expertise and skills. Our clinicians who undertake pain management understand that treatment recommendations and safety concerns are a priority in prescribing controlled substances. The process requires them to conduct physical examinations to determine the need for medication. In prescribing the appropriate drugs

and other non-drug approaches such as exercise or relaxation techniques, our physicians take the lead in determining the most effective pain management methods. The preparation, administration and disposal of controlled substances must be witnessed by an independent person, as they are classified as High Alert Medication.

To prevent dispensing errors, the supply of controlled substances is strictly managed by pharmacists and is in accordance with the requirements of the Poison Act 1951. Additionally, the sale or supply of psychotropic substances is limited to one month for consultants and one week for medical officers. Prescriptions of more than 90 days after the prescription date will not be fulfilled, as stipulated in Poisons (Psychotropic Substances) Regulations 1989. To ensure the adequacy of prescribed drugs, each prescription for controlled and non-controlled substances undergoes an appropriateness review and is monitored through our Prescription Drug Monitoring Programme (PDMP).

Our policies and guidelines for pharmacy services are reviewed and updated from time to time to keep up with the rapidly evolving regulatory requirements.

Use of Pethidine/Opiates for Management of Pain

Policy on Prescription of Drugs by Consultants or Medical Practitioners

Duration Limit for Psychotropic Drug Order and Prescribing Repeat Medication 12

Policy on Procedural Sedation for Non – Anaesthesiologist (reviewed in 2020)

KPJ Sedation Policy

Management of High Alert Medication

In 2022, there were no financial losses recorded due to legal proceedings related to prescription dispensing errors.

# UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

## DEFINITION FOR MEDICATION ERROR

### Actual Medication Error

Medication error that **occurred and reached the patient.**

If **patient detected** the error, it is consider as an **actual error.**

### Near Miss Medication Error

Medication error that has the potential to cause an adverse event (patient harm) but **did not reach the patient** because it was intercepted in the process.

If the **healthcare personnel detected and corrected the error BEFORE it reach the patient,** it is consider **near miss.**

Environment

## CLASSIFICATION FOR MEDICATION ERROR

ERROR OUTCOME	DESCRIPTION OF SEVERITY	CATEGORY
Potential Error	Circumstances or events that have the capacity to cause error	A
Error, No Harm	An error occurred but the error did not reach the patient (An "error of omission" does reach the patient)	B
	An error occurred that reached the patient but did not cause patient harm	C
	An error occurred that reached the patient and required monitoring to confirm that it resulted in no harm to the patient and/or required intervention to preclude harm	D
Error, Harm	An error occurred that may have contributed to or resulted in temporary harm to the patient and required intervention	E
	An error occurred that may have contributed to or resulted in temporary harm to the patient and required initial or prolonged hospitalisation	F
	An error occurred that may have contributed to or resulted in permanent patient harm	G
	An error occurred that required intervention necessary to sustain life	H
Error, Harm, Death	An error occurred that may have contributed to or resulted in the patient's death	I

Category A and B is NEAR MISS

Category C To I IS ACTUAL

Governance

Social

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### MPSG Goal 4: Transfusion Safety

Unsafe blood products may cause transfusion-transmissible infections. Therefore, our current preventive measures have been further enhanced by conducting cross audits using the National Nursing Audit (NNA) tool for all blood transfusions. The team approaches at every check point by using two identifiers to verify that the correct patient obtains the correct blood component. Verification and validation of blood and blood product processes have been initiated in the laboratory apart from double-checking the blood and blood product prior to administration.

### MPSG Goal 5: Patient Fall Prevention

We are taking corrective and preventative measures to ensure similar incidents do not occur by communicating to all levels of the Group on insights gathered and corrective actions that should be taken. We have identified a hospital that has revised its fall prevention processes. We believe that early warning signs allow for quicker recognition of patient deterioration which enables prompt intervention, resulting in fewer occurrences of Code Blue. We also provide proper training and education to enable staff to identify early warning signs to look for in a patient's condition as well as responding to a deteriorating patient. In initiating our fall prevention campaigns, we use fall prevention tool kits comprising fall assessment scale, fall prevention nursing care plans and frequent structured ward rounds using the EPEEP concept which includes:

- Explain purpose of visit

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- Pain assessment

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- Elimination needs

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- Safe Environment

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- Plan of return



### MPSG Goal 6: Correct Patient Identification

Patient identification is the process of “correctly matching a patient with appropriately intended interventions and communicating information about the patient’s identity across the continuum of care”. Patient identification encompasses not only the patient’s physical identification, but also technologies that can improve patient identification accurately. The primary characteristics of ideal patient identifiers have been described as being unique, pervasive, and immutable. Different technological approaches, practices, and operational processes that optimise accurate patient identification are required to meet the growing and diverse demands of different stakeholders for the use and reuse of data. We actively educate patients on admission of the two identifiers that healthcare professionals/providers should ask before rendering care or administering any treatment.

### MPSG Goal 7: Incident Reporting and Learning Systems

KPJ Healthcare is committed to implementing incident reporting and learning systems. We have designed an incident reporting guideline for healthcare facilities in compliance with regulations and KPJ Healthcare reports on serious reportable events (SREs). The guidelines on implementation of the KPJ Healthcare reporting are based on the Incidents Reporting and Learning System 2.0. In 2022, we focus on the occurrence of adverse events during the recovery period from the operation theatre.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### RESEARCH AND DEVELOPMENT (R&D)

R&D Clinical research and research on health services are closely linked to research on care improvement. The objective of research on the quality of healthcare is to provide scientific support for actual quality-improving activities and to investigate methods, tools, approaches, instruments and programmes that are the most cost-effective, practicable and acceptable in evaluating and enhancing the quality of patient care.

In August 2019, we opened the Academic Health Center (AHC) at KPJ Seremban in collaboration with KPJ University College. AHC is the Group's first practical learning facility that is dedicated to R&D. To facilitate integration of patient care activities with academic pursuits, students are given access to Big Data from KPJ hospitals to support complex R&D. The AHC also fosters synergistic partnerships between KPJUC lecturers and healthcare professionals as they work together to deliver education on healthcare services. The following table outlines some of these collaborative activities:

### AHC ACTIVITIES

DEPARTMENT/SCHOOL	ACTIVITIES
Physiotherapy	Physiotherapy lecturers providing services at Physiotherapy department
Medical Imaging	Continuous Professional Development (CPD) training
Pharmacy	KPJUC lecturers providing Outpatient services on counselling for medication
Nursing	Home nursing – assisting the hospital in providing home nursing services Staff attachment – update on National Nursing Audit and MPSPG
Business Management	CPD training for medical record staff Access to Health Information System
Centre for Global Professional and Social Development	CPD training focusing on soft skills for KPJ Seremban

Environment

Social

KPJUC is fully committed to supporting R&D activities that benefit the community at large by providing training in the following subjects:

Developing research questions

Conducting interviews and surveys

Reviewing medical and healthcare literature and journals

Writing analysis and findings

### KPJ Medical Journal (KPJMJ)

KPJMJ is a peer-reviewed journal that publishes high-quality research on all aspects of medicine, healthcare, and biomedical sciences, with a focus on clinically relevant research, contributed by KPJ consultants and KPJUC lecturers. The Journal aspires to be the preferred platform in the Asian region for current medical and healthcare studies and commentaries.

Since 2003, KPJMJ has published original research, clinical case reports, reviews, educational articles and brief reports with commentaries and annotations on clinical practice standards, as well as on social, lab work, ethical, legal and other health-related issues. In 2018, KPJMJ transitioned from a print-only journal to an electronic open access journal through the Research Management Centre of KPJ Healthcare University College (KPJUC) and is publicly available on the KPJUC's website.

Governance

The following are some of the studies that KPJ has conducted on patient safety, quality nurses and best practices. Information on these studies can also be found at KPJ University's website or <https://www.kpjuc.edu.my/research/>.

### Research Studies Conducted within KPJ

#### Needle Stick Injury: Towards Better Compliance (2016)

*Parameswary V, SRN1, Nor Afizah MS, SRN, Sumaria AM, SRN, and Nor'aini S, SRN1*

This study was conducted to determine prevalence and factors associated with needle stick injuries and to identify a counter measure for better compliance. A questionnaire was disseminated to 100 nurses in KPJ Selangor. The questionnaires were divided into five categories:

Knowledge	Compliance	Adequate placement of sharp bins	Sufficient training	Reasons for non-compliance of nurses
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Results showed:

**100%**

compliance in knowledge and compliance

**13%**

for limited sharp bins placed

**78%**

non-compliance on proper disposal of needles

KPJ Medical Journal 2016; 6:28–31

Keywords: Needle stick injury, nurses

#### Our Response

Aligned with MPSG, safety of our clinical staff is our utmost priority. Training and mentor-mentee programmes between new hires and experienced employees contributed to the reduction of needle prick injuries.

#### Five Moments Hand Hygiene (5MHH) - Acceptance and Compliance Among Clinicians (2016)

*Norzana A. Rajak, SRN, Hamidah Hassan, PhD, MSN, RN, and Anjali Misra*

This study explored doctors' perception on 5MHH compliance in a private hospital. A qualitative study was carried out on 17 consultant doctors from various disciplines. An interview session with semi structured open-ended questions was also conducted with each participant.

11 domains were explained to each consultant doctor, covering areas such as knowledge, social influence, perception, behaviour regulation, and perception among other factors that may influence consultants' practises.

Interviews were carried out to explore the consultant's self-perception and to change their mindset towards 5MHH. We found that clinicians' compliance for 5MHH would increase concurrently with their levels of perception and knowledge.

KPJ Medical Journal 2016; 6:38–41

Keywords: 5 moments hand hygiene, consultant, self-perception, compliance

#### Our Response

Continued to raise awareness via 5MHH awareness training programmes and internal clinical audits. This solution is explained in further detail in the Quality Service and Safety section of this Report.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### Research Studies Conducted within KPJ

#### A Study of Dropouts Amongst Student Nurses

*Azlina Azmi and Rasidah Mohamed*

The objective of this study was to identify the most common reasons for the attrition of nursing students in a private learning institution, and to develop recommendations. Attrition rates were identified according to students' gender, state of origination and the reasons for attrition.

These were the findings from the study:

Many nursing students dropped out to join other colleges or courses, while some students lost their interest to continue their studies, citing personal issues or family problems.

To reduce the attrition rate, recommendations were established, such as continuous multi-level support from educators.

KPJ Medical Journal 2012; 5:44-49

Environment

### Our Response

Allocation of education sponsorship and financial assistance to underprivileged or B40 income group students. More details can be found in the Community Outreach section of this Report.

Social

Governance



## UPLIFTING OUR PATIENTS AND COMMUNITIES

### COMMUNITY OUTREACH

**KPJ strongly believes that the concept of creating shared value is important in sustaining a business. In this regard, we recognise that we can play a role in improving the health of our community by sharing healthcare information through community outreach programmes. As such, we view service to the community as an integral part of its business and has taken active steps towards pursuing community health development programmes. This is how we give back to society and emphasises our commitment to “Connecting Hearts, Providing Care”.**

We consistently partnered with both government and non-governmental organisations to promote preventive healthcare through our educational and community service programmes. To enhance health awareness among the public, we conducted health seminars, talks, exhibitions, school visits and nationwide campaigns throughout the year. These initiatives were aimed at providing information on healthcare to the public and promoting healthy living practises. Our efforts reflect our commitment to promoting preventive healthcare and contributing to the overall well-being of society.

#### Our Social Impacts

Providing basic needs and education for an underprivileged child or young person.

Providing accessible healthcare to the rural and underserved communities by bringing facilities directly to them.

Relieving pressure from public healthcare institutions by providing affordable and quality healthcare.

Inculcating the spirit of volunteerism and care amongst employees through community engagement and corporate responsibility programmes.

Addressing social issues through humane and sustainable solutions.

Spreading healthcare literacy to create awareness on physical and mental health through engaging initiatives.

#### How We Manage Our Social Impact

Sponsorship is a way of providing basic needs and education for an underprivileged child or young person through our education arm, KPJ University College (KPJUC).

Easing the burden of public healthcare providers by leveraging the current response to strengthen both pandemic preparedness and health systems.

Providing relief to the communities in need in other circumstances such as natural disasters, widespread pandemic and even on-going social issues that requires our attention.

Striving to be inclusive in providing healthcare facilities, infrastructure, and medical solutions while simultaneously growing our economic portfolio.

Serving the healthcare needs of employed citizens (B40), enhancing national healthcare infrastructure, training healthcare workers and managing sustainability practices in our supply chain.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### SCHOLARSHIPS AND STUDENT SPONSORSHIP PROGRAMME

One of our solutions for reducing inequality in our country in line with SDG10, is to secure the future of low-income or B40 income bracket and underprivileged students. We provide education sponsorship to qualified local community members who wish to pursue their dreams at KPJUC.

In addition to the Group's sponsorship programme, KPJUC's scholarship programme provides financial assistance to students with high potential or financial difficulties. Eligible candidates may receive financial aid in-kind worth up to RM48,000 to attend KPJUC in Nilai and our colleges in Johor and Penang. The final scholarship amount will be determined by each student's academic and personal history. Additionally, each student will receive a monthly stipend or allowance based on their financial background. Applicants who are eligible for more than one type of scholarship will receive the most advantageous programme. In 2022, we allocated RM7.2 million for education to 553 candidates' enrollment. We support the 85.8% of B40 students' parents and families by providing an additional RM1.8 million of allowance to support their children's three-year academic journey.

Not only do these scholarships allow KPJ to provide opportunities to the surrounding communities, but it also helped KPJUC recruit students from the B40 demographic with 89% of graduate employability in 2022. This strategic endeavour bodes well for KPJUC, as it will be a deciding factor for students who are considering enrollment. The objective of attracting a greater number of students is to increase revenue, which will be used to fund more scholarships, thereby creating a sustainable cycle of opportunity.

SCHOOL	Total Number of Student Scholarships	Total Number of Sponsored Students (B40)	Total Number of Students Receiving Allowances	Total Amount (RM) Scholarships	Total Amount (RM) Sponsored	Total Amount (RM) Allowance	Total Amount of Spend in 2022
<b>NILAI</b>							
School of Nursing	33	20	0	264,000.00	163,200.00	-	54,800.00
School of Pharmacy	110	84	84	1,426,375.00	837,675.00	151,200.00	370,400.00
School of Business Management	31	30	30	123,800.00	112,800.00	68,400.00	22,828.57
School of Health Sciences	62	47	47	769,084.40	499,146.00	100,800.00	81,314.50
Graduate School of Medicine	0	0	5	-	-	1,200,000.00	300,000.00
CGPS	0	0	0	-	-	-	-
<b>JOHOR BAHRU</b>							
School of Nursing	18	15	0	175,560.00	147,840.00	-	26,460.00
<b>PENANG</b>							
School of Pharmacy	37	34	34	381,450.00	362,250.00	61,200.00	127,975.00
School of Health Sciences	16	16	16	165,500.00	165,500.00	28,800.00	56,400.00
<b>Total</b>	<b>307</b>	<b>246</b>	<b>216</b>	<b>3,305,769.40</b>	<b>2,288,411.00</b>	<b>1,610,400.00</b>	<b>1,040,178.07</b>

Economic

Environment

Social

Governance

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### EDUCATING THE PUBLIC

We believe that healthcare literacy is a crucial requirement for a community to develop sustainably, therefore we are committed to continuously instil healthcare awareness through our programmes and public talks.

While initiatives like baby hatches are a necessary step towards saving lives, they are only a part of the solution of the social issue of unwanted pregnancies. Educating the community to recognise and avoid risky behaviours and teen pregnancy plays a significant role in addressing the root cause of the problem.

For instance, KPJ Sabah recently resumed their Health Education (HeaLed) programme at Sekolah Menengah Kebangsaan Tambulion (SMK Tambulion) in Kota Belud, Sabah, after putting it on hold due to the pandemic. HeaLed is a programme that goes into schools in Sabah to promote healthcare literacy. Other than basic health checkups, the programme is aimed at raising awareness about hygiene, managing their transition to adulthood, emerging issues such as the limitations of digital media and improving learning skills from online platforms. During their visit to SMK Tambulion, KPJ Sabah emphasised the importance of hand hygiene to about 1,000 of pupils and their teachers in the prevention of hand, food, and mouth disease (HFMD) to around 1,000 students. Kota Belud, as well as Tawau, Sandakan, Lahad Datu, and Papar, had the highest number of HFMD cases in 2022. The initial plan was to bring health education to 70 schools and 20 nurseries in Sabah.

### BABY HATCHES

**This programme saved 85 lives nationwide. Of the total infants saved, KPJ hospitals received 41 or 48% of the babies to give them a chance for a future.**

KPJ hospitals are part of the government's baby hatch programme, which adopts newborn babies to give them a chance for a future and saving parents from a lifetime of guilt, anguish and legal prosecution. Our collaboration with the Social Welfare Department (JKM) and OrphanCare, a child protection NGO, led to the establishment of our baby hatch programme in 2014 to curb the rise of infant abandonment cases.

In 2022, two babies were received in KPJ Seremban and KPJ Ipoh, bringing the total to 41 babies received since the programme's inception. These babies are cared by JKJ with some being placed under the OrphanCare Adoption Programme in Peninsular Malaysia.

Our hospitals will continue to carry out programmes and activities to reduce unwanted pregnancies, at the young age.



## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

We will continue to engage experts from our hospitals to give talks to students on sexual health to cover key topics such as sexually transmitted diseases, teenage pregnancy and the use of contraceptives at the locations where we operate. In the meantime, our ACC will also conduct programmes on family planning and mental health other than chronic disease management, paediatric care and women's healthcare.

With regards to the ongoing COVID-19, we continued to host online talks about the virus to highlight key concerns such as misinformation about drugs, intervention policies and vaccinations as well as mental and stress management.

Environment



Social

### Promoting Healthcare Activities

In the year under review, we conducted four activities under various categories to engage the targeted demographics. Under Health Education, we celebrated the International Children's Day with more than 500 happy children as they enjoyed fun activities incorporated with knowledge in personal hygiene and healthy lifestyles which included indigenous children of Kampung Orang Asli, Ulu Kemensah, Selangor. In KPJ Pahang, 30 happy children were given exposure to the medical field to pique their interest in medical school.

Working with the Tulip Movement under our Mental Well-being category, we collaborated with International UNITAR University through the representation of our female leaders including our Officer In Charge, Norhaizam Mohammad. Additionally, to advocate a Healthy Lifestyle, we conducted the #SamaSamaSihatCampaign to inculcate the importance of healthy living and responsible sugar consumption to the public.

Our Healthy Lifestyle and Preventative initiatives also saw our continuous support of the baby-friendly hospital initiative (BFHI) launched by the World Health Organization (WHO) and United Nations Children's Fund (UNICEF). KPJ's 19 BFHI-certified hospitals ensure that our staff and maternity patients are aware of infant care as we strive to offer the best level of attention for infant feeding and mother-baby bonding. For expectant mothers, they are required to attend classes on breastfeeding and infant care. All our staff in our BFHI-certified hospitals received training from MOH.

Governance

# UPLIFTING OUR PATIENTS AND COMMUNITIES

## KLINIK WAKAF AN-NUR (KWAN)

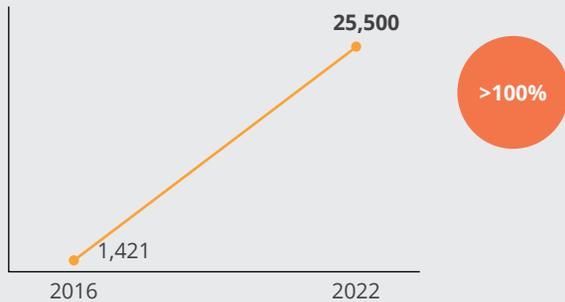
Klinik Wakaf, or Waqf-based health, is one of our alternatives for financing the development of affordable healthcare services to meet the needs of the poor and low-income households. Waqf is a mechanism for sharing wealth with society, where the title of owned property is shared among people. The flexibility of Waqf in terms of donor contributions and its broad-ranging benefits for all segments of society make it an excellent tool for distributing wealth, alleviating poverty, and creating a healthy society.

Waqf-based healthcare institutions were first established in Malaysia in 1998 with the opening of KWAN Clinic in Plaza Kotaraya, Johor Bahru, now known as Galleria @ Kotaraya. These institutions have contributed significantly to enhancing the availability of affordable healthcare services to the less privileged in society. With Waqf-based healthcare institutions, the community can now access healthcare services that were previously unavailable due to financial constraints.

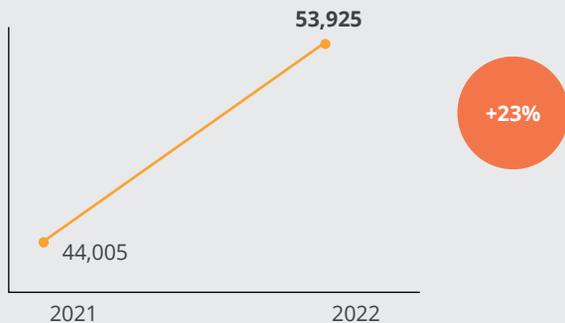
Our flagship outreach programme is targeted at the underprivileged and Bottom 40% (B40) income earners, whereby we have positively impacted close to two million patients since 1998. KWAN provides quality healthcare services at affordable rates as part of the Group’s business strategy of providing high quality medical services. KWAN clinics only charges RM10 to patients for medical consultations and medicines while dialysis treatments cost patients RM130 per session.

Our objectives of providing affordable and quality healthcare services are to relieve the pressure on public healthcare services and be a contributor to the nation’s underserved communities’ social well-being.

From one mobile clinic in 2016 treating 1,421 patients, KWAN Clinics has grown to serve over 25,500 patients in 2022.



As of 2022, 53,925 patients have been served in KWAN clinics an increase of 33% from 44,005 last year.



To date, we have 17 KWANS and six mobile clinics nationwide, equipped with 66 dialysis machines in eight dialysis centres.



Our dialysis centres have served 210 patients with an overall utilisation rate of 94%.



## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### Signing of Collective Agreement between KPJ, Waqaf An-Nur Corporation Berhad (WANCorp) and Zakat Pulau Pinang (ZPP), and the launch of KWAN ZPP.

We recently signed a collective agreement with Waqaf An-Nur Corporation Berhad (WANCorp) and Zakat Pulau Pinang (ZPP) and on the same occasion launched our eight mobile clinic, KWAN ZPP. ZPP will be responsible for the expenditure, development and management of the mobile clinic while KPJ Penang will share its expertise through healthcare services and medicine supplies. WANCorp will continue to play its supporting role in establishing and operating the KWAN network through KPJ hospitals nationwide.

The preparation process for the vehicle modification took nine months and involved an investment of RM379,000 which was fully funded by ZPP. We have undertaken the operational costs which amounts to RM30,000 to RM40,000 monthly. The operational costs which are similar to our other mobile clinics include manpower and medicine supplies. KWAN ZPP is equipped with a consultation room, a medical check-up space, a lift facility for patients and a storage area according to the guidelines by the MOH.

Environment

Over the years, we have strategically partnered with various local authorities, banks and NGOs. Our partners include:

State Islamic Regional Council (Majlis Agama Islam Negeri)

Johor | Negeri Sembilan | Selangor | Perak | Penang | Kelantan | Sarawak

Institution of Zakat, Selangor and Penang

Non-Governmental Organisations (NGOs)

Baitulmal Sarawak

Bank Muamalat Malaysia Berhad

Waqaf An-Nur Corporation Berhad

Zakat Institution

Social

We continue to prevent infections and implement control measures, which are crucial in protecting our communities from infection exposure. As a Muslim nation, the public's acceptance of the male circumcision procedure that is to be performed for religious reasons is clinically accepted by people of other religions and ethnicities in Malaysia.

The yearly circumcision programme for around 400 children of the underprivileged community was organised in collaboration with NGOs, Majlis Agama Islam Negeri and Waqaf Selangor Muamalat. The Asnaf circumcision effort were participated by 11 hospitals from the Central Region and the Southern Region. The programmes were conducted at:

Klinik Waqaf  
An-Nur USJ 9

Klinik Bergerak  
Waqaf An-Nur KPJ,  
Damansara

Klinik Bergerak  
Waqaf An-Nur  
KPJ, Kajang

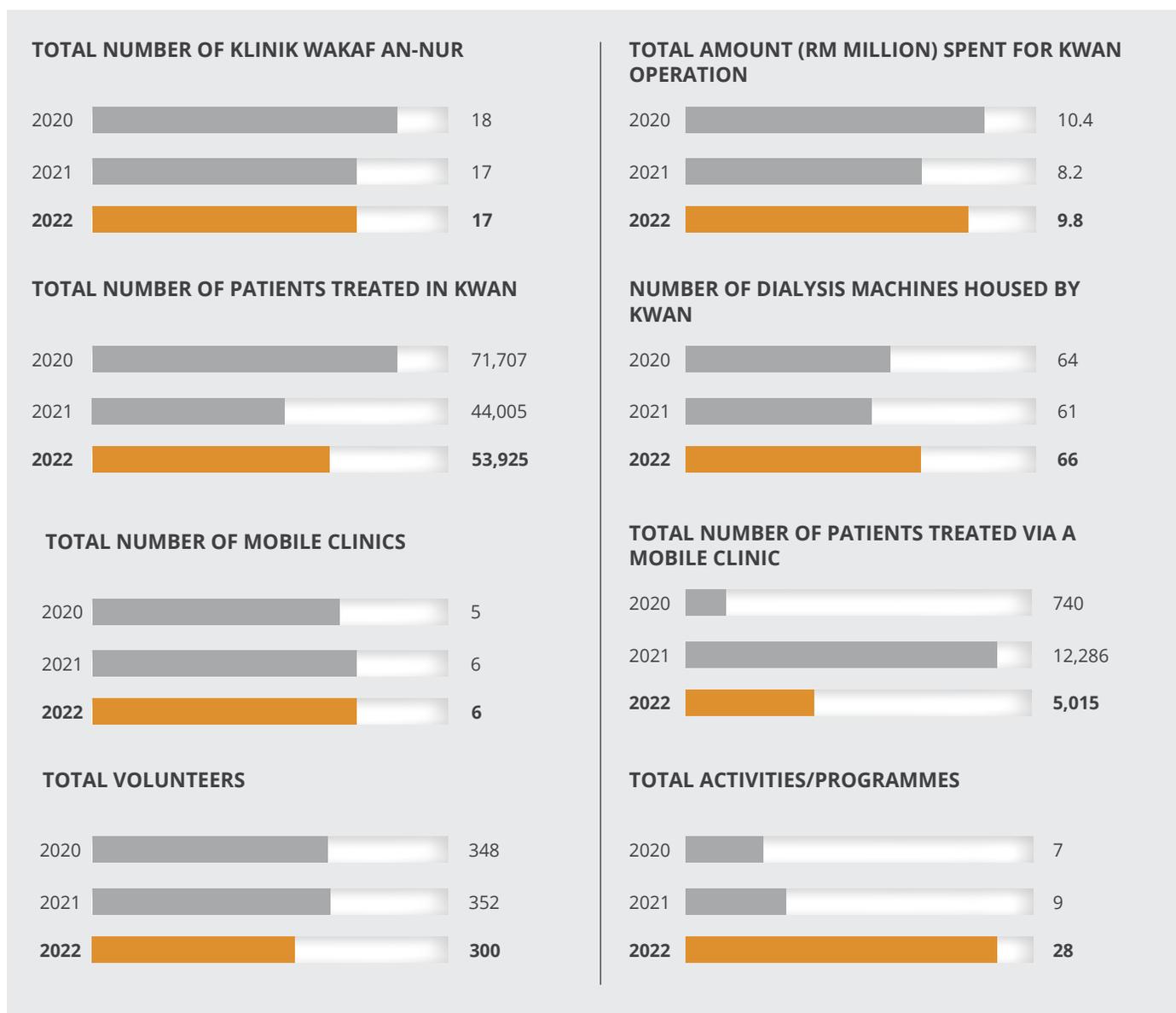
Klinik Waqaf  
An-Nur, Johor

Governance

## UPLIFTING OUR PATIENTS AND COMMUNITIES

A healthy society requires the presence of adequate healthcare facilities and the capability of individuals to fulfil their own healthcare needs. However, healthcare financing has emerged as a major challenge, particularly in supporting the low-income groups. These groups face a lower health status in comparison to higher income groups, primarily due to overcrowding in public health facilities, limited financial resources, and payment difficulties such as the absence of insurance coverage. Additionally, factors such as inadequate essential nutrients, limited access to healthcare services and prevention, lower education and healthcare awareness levels, and insufficient access to healthcare facilities also exacerbates the problem.

In 2022, a total of RM9.8 million was invested into our community programmes with the following breakdown summary:



# UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

## BRIDGED WAKAF

Our parent company, JCorp formed a voluntary group in 2007 as Brigid Wakaf through the Waqaf An-Nur Corporation Berhad (WANCorp). The group has transformed into a non-profit organisation and was recognised by the National Security Council two years after its inception.

Brigid Waqaf is a common platform for JCorp Group’s employees and its subsidiary companies to come together and volunteer for humanitarian aid during times of national disaster. Volunteer staff members contribute accordingly to their skill sets and capacity.

As of 2022, KPJ has 196 volunteers from six hospitals in the Southern Region which are known as Brigid Waqaf Kompeni Salahuddin Al-Ayubi. Our staff members are from:

Environment

KPJ Johor	KPJ Bandar Maharani
KPJ Puteri	KPJ Bandar Dato’ Onn
KPJ Pasir Gudang	Klinik Wakaf An-Nur Pasir Gudang
KPJ Kluang Utama	

In the Central Region, we have 104 staff who serve under the Brigid Waqaf Kompeni Ibnu Sina from KPJ’s Klang Valley hospitals and KPJ Headquarters (KPJHQ).

Social

KPJ Ampang Puteri	KPJ Selangor
KPJ Damansara	KPJ Sentosa
KPJ Klang	KPJ Tawakkal KL
KPJ Seremban	

Our employees play their roles in the medical aspects of Brigid Wakaf’s disaster relief missions including conducting basic health checks and treatments as well as distributing medicines to survivors. Volunteers on duty are given a daily allowance by the company.

### Over the past decade, Brigid Wakaf has mobilised more than 100 KPJ volunteers to assist flood victims.

Governance



## UPLIFTING OUR PATIENTS AND COMMUNITIES

### ACCESS AND AFFORDABILITY TO QUALITY HEALTH

As we aspire to improve the lives of community members across Malaysia, it is our long-term aim to ensure the communities we serve have access to healthcare, which in line with our commitment to ensuring affordable and accessible healthcare is in line with UN SDG 3: Good Health and Well-being.

#### HEALTHCARE SYSTEM IN MALAYSIA

The healthcare in Malaysia consists of both private and public health services. While the Government provides healthcare through public hospitals and health clinics across the country, private health services are in demand and complement the medical services provided by the Government. In addition, public healthcare services are heavily subsidised by the Government as services offered are delivered at a nominal fee.

Significant efforts are currently made to make healthcare more affordable, such as the Government's plan to table a Health White Paper to future-proof Malaysia's healthcare system, through sustainable and robust efforts to support the health needs of Malaysians.

The MOH also suggested a social health insurance scheme, where fund contributions would be on a sliding scale based on income, waived or fully subsidised for low-income earners. Another possibility would be to allow contributions in the Employees Provident Fund (EPF), Employment Insurance System (EIS), or Social Security Organization (SOCSO) to be utilised as payment for a national health insurance scheme. Currently, the Malaysian health financing system is based on direct taxes, indirect taxes, contributions to EPF and SOCSO, private insurance premiums and out-of-pocket payments. There is also a growing number of Malaysians who have affordable healthcare packages that are personalised to meet their needs or allow them to invest in prevention healthcare.

#### Our Social Impacts

The rising cost of medical services, medication, insurance programmes and the aging population has increased the need for affordable and quality healthcare in Malaysia.

KPJ's commitment to affordable and quality healthcare promotes and maintains the health of the general public.

Our efforts help to prevent and manage diseases, reduce unnecessary disabilities, premature death, and to achieve health equity for all.

#### How We Manage Our Social Impact

Providing access to quality healthcare by developing innovative pricing structures and services to enable all communities including low-income patients to afford medical services via digitalised clinical services, flexible payment options and Group-wide packages.

Offering a myriad of quality services such as rehabilitation services, senior living care, therapy, bariatric surgery and many others to provide more healthcare options for the public.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

### Healthcare Services Available to All

Given our current healthcare financing system, KPJ strives to make its healthcare services available to all in order to promote and maintain health, prevent and manage diseases, and provide health equity for all. We work to improve access to enhance the level of awareness, knowledge, and involvement of medical healthcare and services. We work to improve access by taking into account factors such as the cost and ease of travel to our hospitals (for example, KPJ Klang and KPJ Tawakkal KL), the type of treatment, and payment options.

Environment

We also launched our digital offerings, such as telemedicine, home physiotherapy and clinical information self-assessment as part of our crisis preparedness processes to avoid any disruption for patients to continue receiving treatment in the event of a disaster or emergency. Supporting low-income earners' healthcare needs has also become more urgent as the cost of medical supplies, medication, and insurance programmes has risen. To that end, we make every effort to ensure that all patients have access to quality healthcare by developing innovative pricing structures that benefit needy patients through preventive and general wellness programmes.

Social

Aside from that, the recent Sustainability Sukuk Issuance and green scheme with tax exemption incentives allow KPJ to maximise its financial capital and invest in green assets and technology. We are expanding the use of information technology to achieve improvements in the healthcare of our local communities or KWAN patients via REMEDI, a self-care application. In line with the purpose of our Governance pillar, our streamlined Group procurement will be able to reduce costs, and we will continue to explore and expand our collaborations with strategic partners.

### GROUP-WIDE WELLNESS PACKAGES

We prioritise health equity in our efforts to increase access and support the development of a sustainable healthcare system. We believe that every patient, regardless of their socioeconomic status, age, ability, gender, race, or religion, should be given equal opportunities in

Governance

healthcare. This is also a means of making healthcare information accessible to a wider community. As part of our efforts to promote health equity, every KPJ hospital in Malaysia offers packages tailored to the current health issues of their local communities.

We offer special packages at competitive and affordable pricing which are promoted through interactive, personalised marketing strategies on social media. Some of the special packages we offered in 2022, provided cancer-related screening and maternity packages which contributed to more than 13,000 packages sold, equivalent to RM28.1 million, which increased by 1.3 times compared to 5,797 in 2021. Among the promotions, which supported the needs of patients and increased our revenue were:

PROMOTIONAL PACKAGES OFFERED IN 2022	PACKAGES SOLD
Cancer Campaign	2,252
Merdeka Maternity	4,574
Pink October	1,337
YES Campaign	3,957

### OUR PATIENTS MOSTLY ARE NON-CASH PAYORS

We recognise the various methods our patients use to pay for their treatments, such as healthcare insurance, corporate expenses and out-of-pocket expenses. A significant portion of KPJ's patients are referred by our corporate clients, who provide healthcare benefits to their employees. This target market is a significant revenue source for KPJ, thus we centralise the administration and management of these important customers at the Group level to meet their end-to-end needs.

Another strategic approach to provide wider access to health care services by KPJ is through the CCM unit with our corporate clients, by identifying health risks of employees or jobs with the highest risks and claim amounts. This would be followed up with a benefit plan focusing on preventive healthcare to support the general health needs of employees.

## UPLIFTING OUR PATIENTS AND COMMUNITIES

We will continue to participate in the Public-Private-Partnership programme to decant patients from government hospitals who need immediate attention at minimal costs, subsidised by the government.

Our most recent partnership was with three leading corporations, Standard Chartered, PwC Malaysia and Volvo Ingress Swede in 2023, to provide complimentary pap smear screening to employees. KPJ's female employees also enjoyed a special rate on HPV vaccination, which is highly effective in preventing cervical infection.

The initiative is in addition to the complimentary pap smear screening in KPJ Johor, KPJ Puteri and KPJ Kluang for women who earn less than RM5,000 per month. This is part of our long-term partnership with the National Cancer Society of Malaysia, which has benefitted over 2,000 patients from KPJ Puteri and KPJ Kluang in the last five years.

### Flexible Payment Options

All of our hospitals provide flexible payment options as we offer blended payment systems and adaptations of traditional payment methods, to ensure quality and efficiency. Our hospitals provide eCommerce payments that are recognised in Malaysia such as bank transfers, digital wallets (JomPAY and Touch 'n Go) and cards (credit/debit).

In collaboration with Pine Labs Malaysia, KPJ now offers flexible payment options to patients through an extensive network of banking partners across KPJ Klang Valley and our hospitals in the southern region.

Our Point-of-Sale (PoS) terminals enable the conversion of payments into zero-interest installment plans, as well as the added convenience of the "Buy Now Pay Later" option. Pine Lab's PoS terminals will be made available in the first quarter of 2023 across 28 KPJ hospitals.

### PROVIDING CUTTING-EDGE TECHNOLOGY FOR AFFORDABLE CARE

#### KPJ Telemedicine

Our venture into digitalisation saves lives and supports the medical industry to meet its most urgent objective, which is to deliver world-class services to everyone who needs effective and affordable healthcare. Although Malaysia is still advancing in healthcare, it is still challenging for people to gain access to quality diagnoses and treatments in certain parts of the country. That said, COVID-19 provided an opportunity as it led to government supported telemedicine initiatives such as MySejahtera, an online tracking application launched in April 2020.<sup>1</sup>

Due to its success and wide acceptance from the public, we introduced its telemedicine services in March 2021, setting new standards for healthcare through telehealth and telemedicine. In a study conducted between June and July 2020 at KPJ Ampang Puteri, KPJ Seremban, KPJ Damansara and KPJ Penang, many of our KPJ consultants found telemedicine useful and believed that it should be integrated as a daily clinical practice, specifically for follow-up cases of patients under their care.

Telemedicine is the practice of medicine integrated with audio, video and data communications, which utilises real-time interactive or live interactive online applications such as teleconsultation, video-conferencing, telesurgery and so on. All teleconsultation sessions are recorded in compliance with KPJ's internal policies and procedures to safeguard the medical consultant and the patient.

Advantages to telemedicine include its usage in preoperative and postoperative assessments, reducing the need for patients to go to the hospital as well as offering discounted consultation fees. Many of our Specialty Centres such as our Eye Centre, actively promotes telemedicine and uses an online appointment system. Telemedicine also has better security in terms of patient-consultation sessions. For more information on patients' data protection, refer to page 148 in the Governance section – Data Privacy and Security.

<sup>1</sup> Perception of telemedicine among medical practitioners in Malaysia during COVID-19 (July, 2021)

# UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

## Digitalising our Services to Support Impoverished Communities

As always, we place emphasis on our 'Care for Life' philosophy. It underlines our commitment to providing quality healthcare services to the underprivileged and the underserved communities, specifically those in the B40 group. In 2022, we digitalised our Klinik Wakaf An Nur (KWAN) arm to offer digital services in various aspects. This ranges from insurance programmes for B40 patients to the medical marketplace in order to provide sustainable quality healthcare services. Our efforts to completely digitalise our clinic operations provided a centralised command for all our clinics, enabling us to keep track of our operations digitally including:

<p><b>Management of patients' appointments, registrations and sales reports</b></p>	<p><b>Directly connects team to the clinic's appointment system and KWAN virtual doctors</b></p>	<p><b>Offers direct access to medical records, medicines and COVID-19 management</b></p>	<p><b>Provides easy access to the health data of registered community</b></p>
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Environment

## REACHING OUT TO THE WIDER COMMUNITY

### Ambulatory Care Centre (ACC)

With the exception of Melaka and Terengganu, our niche services are distinct from the healthcare services provided by the 29 KPJ hospitals nationwide. We stood strong with 19% market share and is well-known as Malaysia's largest private hospital chain. Our niche centres enable us to expand our footprint with sub-specialist services, increasing our presence and allowing us to reach a larger community. Capturing niche markets allows us to provide quality healthcare to states where we do not operate in states.

Currently, KPJ provides the following services under the Ambulatory Care and Wellness Division:

SERVICES AVAILABLE	CENTRE	LOCATION
<ul style="list-style-type: none"> <li>Dental Specialist</li> <li>Haemodialysis</li> <li>Rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>Radiology</li> <li>Senior Living Care (SLC)</li> <li>Specialist Clinics</li> </ul>	Tawakkal Health Centre Kuala Lumpur
<ul style="list-style-type: none"> <li>Dental Specialist</li> <li>Endoscopy</li> <li>Specialist Clinics</li> </ul>	<ul style="list-style-type: none"> <li>Radiology</li> <li>Operation Theatre</li> </ul>	Ambulatory Care Centre Kinrara Bandar Kinrara, Puchong, Selangor
<ul style="list-style-type: none"> <li>Assisted Living Care (ALC)</li> <li>Confinement</li> <li>Haemodialysis</li> </ul>	<ul style="list-style-type: none"> <li>Home Nursing</li> <li>Rehabilitation</li> <li>SweatSpa</li> </ul>	Kuantan Care & Wellness Centre Kuantan, Pahang
<ul style="list-style-type: none"> <li>Eye Specialist</li> </ul>	Centre for Sight (CFS)	Kuala Lumpur Petaling Jaya, Rawang, Bandar Kinrara, Puchong, Selangor
<ul style="list-style-type: none"> <li>Senior Living Care</li> </ul>	Loving Care Centre	Sibu, Sarawak

Social

We are very proud with our new KPJ Ambulatory Care Centre (ACC) that located in Bandar Kinrara, Puchong, Selangir. ACC Kinrara is a medical specialist outpatient centre that provides a broad spectrum of primary healthcare services conducted by Family Medicine Specialists (FMS) from 9 a.m. to 10 p.m. With the latest technology and digital platforms, the ACC Kinrara continues to deliver new approaches to widen its delivery of modern healthcare, offering services such as diagnosis, observation, treatment, intervention, rehabilitation, outpatient and day-care services. In 2022, ACC Kinrara has served more than 4,400 patients and 30 referral cases to other KPJ Hospitals.

Governance

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### Confinement Centre

Our confinement centre in Kuantan, Pahang offers a comprehensive range of services aimed at easing the worries of new mothers while meeting their needs with the 7, 14- and 28-day service packages with features that include a combination of traditional and modern treatments. A total of 46 mothers were served in 2022, an increase from the 36 mothers served in the preceding year.

### Dental Specialist Care

KPJ Tawakkal KL's Dental Specialist Centre offers an extensive range of dentistry services and is equipped with the latest facilities, supported by experienced caring staff. The centre recently upgraded its equipment with the latest technology and refurbished the interior to provide better service and comfort to its patients.

In 2022, the centre served a total of 5,149 customers as compared to 5,338 customers in 2021.

#### Customers Served in 2022

	2022	2021		2022	2021
Local	4,737	4,929	Foreign	412	409

### Eye Specialist

The KPJ Pusat Pakar Mata Centre for Sight (KPJCFS) is one of Malaysia's leading eye specialist centres offering high-quality and affordable eye care and treatment. KPJCFS ophthalmologists specialise in refractive surgery (LASIK), cataract, retina diseases, oculoplastic surgery, as well as diagnosis and treatment of corneal diseases and conditions. Currently, we have three KPJCFS branches in operation: Pusat Bandar Rawang, Taman SEA in Petaling Jaya and Jalan Pahang, Kuala Lumpur. A total of 30,574 customers visited KPJCFS' eye centres in 2022, marking a 25% increase from the 24,377 customers in 2021.



### Haemodialysis

We have two centres in Kuantan, Pahang and Kuala Lumpur that provide modern haemodialysis and haemodiafiltration services. Patients are regularly assessed by our nephrologist and given the best care, as well as guided with the next steps to lead a better quality of life.

#### NUMBER OF PATIENTS

	2022	2021
KPJ Kuantan Care and Wellness Centre (KCWC)	9,843	10,145

#### NUMBER OF TREATMENTS

	2022	2021
KPJ Tawakkal KL	8,239	7,392

## UPLIFTING OUR PATIENTS AND COMMUNITIES

Economic

Environment

Social

Governance

### Senior and Assisted Living Care (SALC)

As Malaysia's population ages, it is imperative for the appropriate healthcare infrastructure to be in place. In order to meet the demand for aged care, KPJ began its SALC initiative in 2011 and has steadily expanded its service offerings in this area. KPJ provides care for the senior citizen segment through our SALC homes which provide the aged with assisted nursing care services in a home-like atmosphere. We foresee a demand in the future, and as such we are preparing our future workforce with training to equip them to meet the demands of those in SALC.

SALC	2022	2021
<b>Tawakkal Health Care</b>		
Total no. of residents	272	329
Occupancy	55%	65%
<b>Sibu Geriatric</b>		
Total no. of residents	360	320
Occupancy	100%	95%
<b>Kuantan Wellness Centre</b>		
Total no. of residents	260	258
Occupancy	100%	100%
<b>Damai Wellness Centre</b>		
Total no. of residents*	-	137
Occupancy	-	34%

\* Ceased business operations on 31 March 2022

### Rehabilitation Services

Our rehabilitation centres offer a broad range of therapies and programmes to help people to achieve their optimum level of functionality. Currently, two of our rehabilitation centres are located in Kuantan Care and Wellness Centre (KCWC) and the Tawakkal Health Centre.

Aside from that, the KPJ iRehab (Physiotherapy and Occupational Therapy) which is located at KCWC is also equipped with a gymnasium and cutting-edge medical equipment to restore patients' mobility and functionality. Since it began its operations in 2019, iRehab's team comprises one occupational therapist and four physiotherapists.

In 2022, we committed to a two-year strategic Return-To-Work collaboration with SOCSO through its wholly owned subsidiary, SOCSO Rehabilitation Centre (Pusat Rehabilitasi Perkeso) to help patients recover physically, vocationally and psychologically. This would enable employees to return to work as soon as possible with the support of early intervention, comprehensive rehabilitation services and improve access to individuals insured with the organisation at KPJ specialist hospitals in Malaysia.



REHABILITATION SERVICES	2022	2021
KPJ Damai Care and Wellness Centre (DWC)*	-	3,600
KPJ Kuantan Care and Wellness Centre	4,962	4,738
KL Rehabilitation Centre	15,049	12,892

\* Ceased business operations on 31 March 2022

## UPLIFTING OUR PATIENTS AND COMMUNITIES

### Rehabilitation Services (Cont'd)

The Rehabilitation Centre provides various services including rehabilitation home treatment, continence and women's health therapy, occupational therapy, speech therapy, senior living care, orthopaedics rehabilitation, Return-to-Work programme and physical assessments. In 2022, we introduced a new physiotherapy service using QR codes to optimise our healthcare capacity, widening our reach to patients in remote areas, while reducing long-distance travel to access rehabilitation care services.

Packages offered by KCWC:

#### Post-Natal Rehabilitation

helps new mothers recover from pregnancy or delivery

#### Pencen Rehab

improves the quality of life in senior citizens by restoring functionality or enhancing residual functional capabilities

#### Paediatrics Occupational Therapy

supports the special needs of children\* such as those with Autism, Dyslexia, ADHD, Down Syndrome, Cerebral Palsy, behavioural disorders and speech delays

#### Physiotherapy Packages

restores physical, sensory and mental capabilities lost due to injury, illness or disease

Meanwhile, the KPJ KL Rehabilitation Centre housed at Tawakkal Health Centre provides intensive and interactive Neurological/Stroke rehabilitation programmes, offering a multi-disciplinary approach to rehabilitation, combining rehabilitation, physiotherapy, occupational therapy, speech therapy and clinical psychology.

With the support of four physiotherapists, three occupational therapists, two outsourced speech therapists and one psychologist, the centre offers a simplified way for patients to book appointments and treatments with doctors and therapists via a Rehab WhatsApp line.



### JX Pharmacy and KPJ Healthshoppe

The JX Pharmacy and KPJ Healthshoppe form the Group's retail division. Each branch has a specific customer service line to enhance customer and supplier communication and interaction. Our retail outlets have expanded their operations through digital channels to raise brand recognition and reach a wider audience. In this effort, 13 of the 15 KPJ Healthshoppes have listed health products on Foodpanda to make their products accessible to the general public.

In 2022, both JX Pharmacy and KPJ Healthshoppe continued to engage with customers through digital marketing activities using platforms such as Facebook Live. This includes organising talks by KPJ Hospital professionals, KPJ Wellness and other vendors.



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)  
(SUSTAINABILITY CHAMPION)

KPJ AMPANG PUTER  
SPECIALIST HOSPITAL



ENVIRONMENTAL  
SOCIAL & GOVERNANCE  
(ESG) AWARD  
HOSPITAL  
RM20,000  
Care for Life

# A True Embodiment of Sustainability

In KPJ, we continue to push and widen sustainability boundaries by involving the heart of our establishment - our people. The Sustainability Award acknowledges the sustainability initiatives of KPJ hospitals and companies nationwide. It also recognises outstanding staff contributions to the creation of a sustainable business.

Apart from engaging our employees, this Award truly expresses our best intentions for our people and the planet as we encourage them to pay it forward by ingraining sustainability values beyond company walls.

ESG) AWARD

RI  
AL

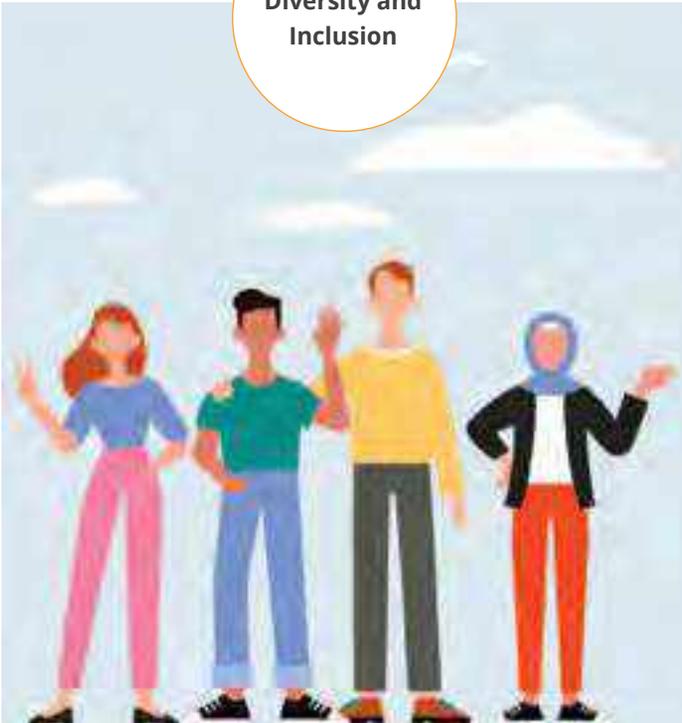


# SUSTAINABILITY THEME: FOSTERING OUR PEOPLE

Employee  
Engagement and  
Development



Diversity and  
Inclusion



Labour and  
Human Rights



Health  
and Safety



# FOSTERING OUR PEOPLE

Economic

## ▶ EMPLOYEE ENGAGEMENT AND DEVELOPMENT

**The nation is currently facing a shortage of medical consultants, nurses and allied health professionals. This has accelerated the impetus to recruit, develop and retain more healthcare practitioners to meet the increasing demands of our patients and our industry.**

At KPJ, we recognise that our strengths lie in the capability and performance of our dedicated workforce. As such, we aim to embed a positive work culture that supports the professional and personal growth of our employees. We remain guided by the latest laws and amendments outlined in the Employment Act (Revised) 2022 which are aligned with the International Labour Organization (ILO) Convention and other applicable laws, policies and regulations such as PHFSA Act 1998, Code of Medical Ethics, MMA and Code of Professional Conduct, MMC.

Environment

### Our Social Impacts

- The increasing shortage of medical staff (medical officers, nurses and allied health professionals) affects the efficiency of emergency and trauma wards in hospitals.
- Overworked employees, especially healthcare workers, will lead to high employee turnover, which impacts the morale and productivity of employees, eventually causing customer dissatisfaction.

### How We Manage Our Social Impact

- Establishing a human capital strategy to identify and meet the needs of healthcare professionals, especially nurses, to ensure talent retention.
- Providing various platforms such as town halls, activities and performance reviews to gather feedback and promote employee engagement.
- Investing in training and development through structured learning programmes to support career progression and ultimately retain the best talents.
- Filling vacancies within the Group via internal transfers and external recruitment.
- Providing transition assistance programmes to facilitate continued employability due to retirement or termination of employment.

Social

Governance

Recipient of the  
**'Best Employer Brand Graduates' Choice Award 2022'**

**+3.82% increased**  
**8,974**  
Nurses and Allied Health Professionals in 2022  
(2021: 8,644)

**+9.83% increased**  
**1,374**  
Medical Consultants (2021: 1,251)

**+0.15% increased**  
**5,811**  
Support Services (2021: 5,802)

# FOSTERING OUR PEOPLE

Economic

Environment

Social

Governance

## EMPLOYEE ENGAGEMENT

**“The aim of measures for workplace well-being is to complement OSH measures to make sure workers are safe, healthy, satisfied and engaged at work” ~ International Labour Organization.**

We prioritise employee engagement to provide our employees with a sense of ownership. A highly engaged workforce leads to increased productivity, improved retention, enhanced customer satisfaction and better teamwork, which is advantageous to both our employees and our organisation’s profitability.

In 2022, we conducted several surveys to identify gaps in our human capital management and meet the needs of our people. These included Employee Engagement Survey (EES), Happy Employee Survey (HES) and Healthcare Well-being Assessment, Job Satisfaction Survey, as well

as skill assessment. The surveys were in addition to focus group discussions at KPJ Tawakkal KL, KPJ Ampang Puteri, KPJ Klang and KPJ HQ and online/ physical counselling to respond to our employees’ key concerns.

Based on the findings of the surveys, we have taken various strategies to address key concerns raised by our employees. The key issues included pay and benefit gaps, well-being and mental health issues, leadership and engagement, and development and work qualities. We plan to implement better structured leadership training to promote compassionate and competent leadership qualities, and incorporate workplace culture and employee well-being. We will also practise transparent and emphatic communication with our employees through town hall sessions in addition to equipping managers with counselling skills to ensure that we listen to our employees.

<b>Digital surveys to actively engage employees and medical consultants</b>	<b>Employee Engagement Survey: 77% Participants, 80% Employees Satisfaction Rate</b>
<b>Happy Employee Survey: 94% Participants, 76% Happy Employees</b>	<b>The Group Medical Directors’ Council and Appreciation Dinner convened for its first event on 23 January 2023</b>
<b>Engaging Our Workforce at All Levels</b>	
<ul style="list-style-type: none"> <li>• <b>KPJ Town hall</b> An annual event which acts as a communication platform to interact and engage employees and consultants to share feedback. At the same time, employees can participate in a dialogue with KPJ’s President and Managing Director. This year’s event was held online on 12 July 2022.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Corporate Orientation Programme (COP)</b> We welcome new and retain top talents through our Onboarding Programme, a quarterly initiative which features talks by our top executives. There were four COP programmes conducted in 2022 on a quarterly basis.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Coffee with Leaders</b> Provides opportunities for employees to strengthen their relationship with their leaders and build rapport between co-workers. Among the leaders were Pn. Norhaizam Bt Mohammad (Officer In Charge) Mr. Nantha Kumar (Chief Digital Officer) and Dr. Nik Fawaz Nik Abdul Aziz (Chief Commercial Officer).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>KPJ HR Pitstop</b> KPJ Pitstop or formerly known as the HR Day sees our Group Human Resources scheduling a roadshow to engage with hospitals’ employees in all hospitals. The KPJ Pitstop was launched on 22 March 2022.</li> </ul>

# Awareness Programme

It is our responsibility to protect the environment for future generations. Knowing the impact on our profits and people, KPJ launched #KPJRecyclingHeroes as our first large-scale programme to encourage creative recycling. KPJ took advantage of this opportunity to celebrate Global Recycling Day with its employees, who will be future waste-to-value experts by converting old plastic toys, tyres, and cloth scraps into useful products. Participants had seven days to complete the projects and were required to submit at least two photos: a "before" and "after" photo of the materials on the KPJ Buzz.

The post with the most likes won RM500 worth of Decathlon vouchers, while runners-up each received RM350, RM250, RM150, and RM100.



# FOSTERING OUR PEOPLE

Economic

Environment

Social

Governance

## Nurses and Allied Healthcare Professionals

We celebrated our healthcare professionals while raising awareness of the valuable work that they contribute to our communities:

- **Nursing Town Hall**

The town hall provides a platform for nurses to discuss challenges, current issues, practices and ideas to improve nursing services.

- **International Nurses Day**

In May 2022, we partnered with local designer, Christy Ng, to produce a KPJ x Christy Ng; Nurse Edition tote bag for our nurses, as an acknowledgement of their service in KPJ Hospitals. Our nurses represent 70% of our workforce.

- **World Physical Therapy Day**

To appreciate our physiotherapists, each of the hospitals celebrated the occasion in their own way.

- **Allied Health Professions Day**

We dedicated a day to celebrate allied health professionals at all levels in each of the hospitals.

- **KPJ World Pharmacist Day 2022**

Paying homage to the work of pharmacists across KPJ hospitals.



## FOSTERING OUR PEOPLE

**Understanding the Needs of Our Nurses**

We actively engage with our nurses to fully understand their needs and offset the challenges they face by supporting their well-being, competitive remuneration and opportunity in career progression path.

In managing their feedback, we have upgraded the remuneration scale including the night shift allowance to support nurses' motivation, productivity, satisfaction, and even improve nurses' retention.

We also remodeled the nurses' career pathway to suit their specialties, which involve various training, skills and duties. To this end, we invested about RM1 million in our nurses' career development by allowing them to pursue their degrees and post-basic programmes. In addition, the nurses are provided with allowances while pursuing their courses. We believe that investing in our nurses' career development will lead us to better performance and enable us to deliver higher quality of healthcare services.

**Medical Consultants' Engagement**

We make every effort to actively engage with our medical consultants to maintain high standards of medical excellence. To this end, we collect, tabulate and present clinical indicators from all our hospitals, which are submitted to the Medical Advisory Committee (MAC) every quarter, providing them with an overview of our performance. Consultants are most worried of long patient waiting time, as this could have a negative impact on MSQH's indicators for patient satisfaction with each procedure. Service Quality and Safety in this Report explains our focus on providing high-standard care which can be found in page 77.

To fulfil our commitment towards clinical excellence and professionalism, we organised the KPJ Healthcare Conference 2022 on 15 and 16 of July 2022 at KLCC Convention Centre, Kuala Lumpur, Malaysia which addressed key developments in the field of medical practices and research. The event also served as a platform for our medical consultants to network with their counterparts from other hospitals as well as the Management, fostering team spirit and commitment to the Group.



# FOSTERING OUR PEOPLE

## RECRUITMENT, DEVELOPMENT AND RETENTION

Amid the shortage of healthcare talents in the industry, we strive to develop and retain our talents to stay ahead of our competitions. Our efforts include providing above industry average remuneration and keeping our employees motivated in delivering our strategy and goals. In addition, we demonstrate inclusion and equality by offering equal opportunities across our human resource management, ranging from hiring to training, upskilling and advancing the careers of our employees.

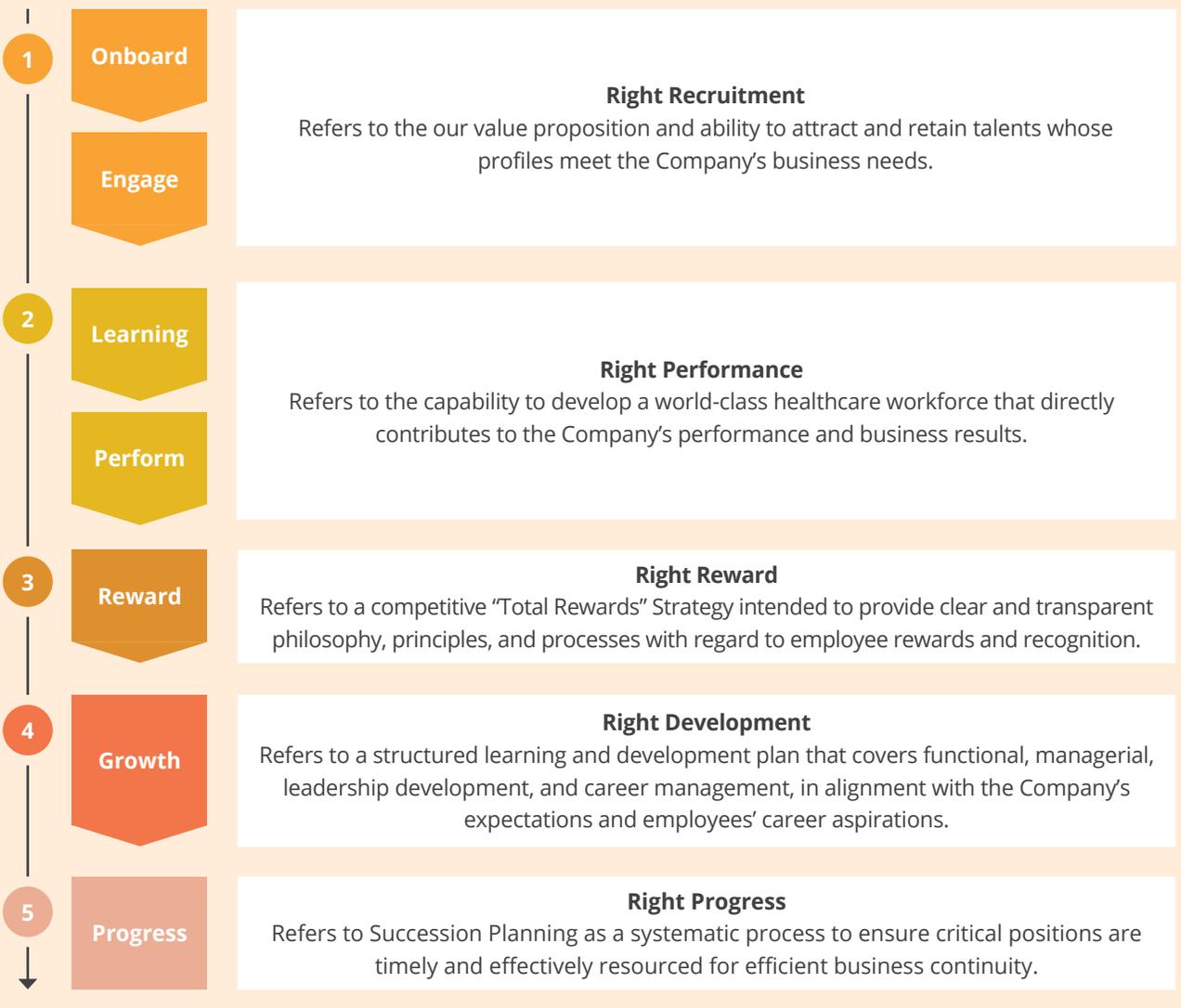
Economic

Environment

Social

Governance

### The Employee's Journey @ KPJ



## FOSTERING OUR PEOPLE

### KPJ's Hiring Process

In line with our commitment in supporting employees' career progression, we prioritise recruiting internal talents through inter-department transfers before resorting to external recruitment. Our hiring policy ensures that all potential candidates are given a fair chance and are not discriminated, be it in the form of race, religion, gender, age, sexual orientation, disabilities, political beliefs or nationality and the Group also strictly prohibits child or forced labour.

KPJ recruits through various platforms including job vacancy advertisements, as explained below:

Internally	
Posting of job advertisements in our intranet portals i.e., KPJ Buzz and Employee Self-Service (ESS), which reaches all KPJ hospitals and companies	Referring to the Employee Referral Programme for selected positions
Externally	
Posting of job advertisements at selected public and private universities and colleges	Posting in newspaper advertisements or job portals such as JobStreet Malaysia, LinkedIn and KPJ's corporate website
Participating in in-campus career fairs in both public and private universities and colleges to recruit fresh nursing graduates by providing PTPTN sponsorship	Engaging headhunters for niche positions

	2022	2021	2020
Resume sent by the potential candidates	9,211	8,653	7,555

In 2022, we received 9,211 resume from potential candidates, most of whom were looking for better career growth opportunities and affected by the pandemic such as getting less pay or terminated by their current employers.



### Incorporating KPJ's Core Values in Candidate Interviewing Process

Our recruiters utilise behavioural interviewing techniques during interviews to allow us to evaluate the candidate's alignment with KPJ's core values and technical requirements. This involves asking situational and behavioural questions that elicit examples of the candidate's approach and demonstration of these values in their past or current role as well as the assessment of their technical skills.

We also take the opportunity to integrate our branding strategies during recruitment to develop a strong Employee Value Proposition (EVP). This is conducted by communicating the benefits in exchange for their skills and contributions which includes career development opportunities, enhanced learning and development and competitive compensation package.

The recruitment process also sees us participating in employer branding events such as big-scale career fairs and campus recruitment fairs. These events are effective platforms to build the brand and attract top talents as well as to provide opportunities to showcase the organisation and also connect with potential candidates in person.

# FOSTERING OUR PEOPLE

Economic

### Recruitment and Retention Strategies for KPJ Nurses

KPJ's nurses play a key role in providing care to patients and helping KPJ hospitals to meet our goals. In the last few years, there has been an increasing demand for nurses locally and internationally due to the global health crisis, higher aging population and rapid development of medical technologies that require the services of trained nurses. As such, we retained and recruited nurses through strategic measures such as offering competitive salary and employment benefits. KPJ's nurses' attrition rate in 2022 was 12.7%, 0.6 higher than 12.1% in 2021. To overcome the shortage of nurses, the Management has developed the following measures:

Leadership – Building workplace capacity	Retention and Recruitment – Providing early career preparation and workplace support	Productivity – Enabling innovation in the workplace
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Environment

### Recruitment of Fresh Graduate Nurses

In August 2022, we organised a mass recruitment drive in KPJ University College (KPJUC) in Nilai and KPJ International College (KPJIC) in Johor Bahru. A total of 85% students secured employment on that day. One of our strategies to meet the rising demand in health care needs is recruiting foreign nurses. We are currently recruiting nurses at from the post-basic level, particularly the in perioperative and critical areas.

### Recruitment of Experienced Nurses

In 2022, we conducted a pilot employee referral programme, in which the existing employee would refer their connections to join the hospitals under this programme. The programme successfully recruited ten experienced nurses and is currently pending approval to be adopted by all hospitals across the Group.

Going forward, our Group Nursing Services and Group Human Resource are planning to hire foreign nurses for post basic level, particularly in perioperative and critical areas. KPJUC and KPJIC consistently update all KPJ Hospitals on the essential Post Basic Certificates in its programme. The table below specifies the Post Basic Certificates offered by KPJUC/KPJIC to meet the training needs for post basic in KPJ Hospitals:

Social

NILAI CAMPUS	PENANG CAMPUS	JOHOR CAMPUS
<ul style="list-style-type: none"> <li>• Post Basic Certificate in Renal Nursing</li> <li>• Post Basic Certificate in Paediatric Nursing</li> <li>• Advance Diploma in Midwifery Nursing</li> <li>• Post Basic Certificate in Critical Care Nursing</li> <li>• Post Basic Certificate in Perioperative Nursing</li> </ul>	<ul style="list-style-type: none"> <li>• Post Basic Certificate in Renal Nursing</li> <li>• Post Basic Certificate in Perioperative Nursing</li> </ul>	<ul style="list-style-type: none"> <li>• Post Basic Certificate in Orthopaedic Nursing</li> <li>• Post Basic Certificate in Renal Nursing</li> </ul>

Governance

## FOSTERING OUR PEOPLE

Going forward, the Group Nursing Services is exploring the feasibility of reshuffling experienced nurses within KPJ Hospitals as a short-term solution. We believe that our efforts in improving retention and recruitment simultaneously will ensure the attrition rate of KPJ nurses remains below the industry rate of 11%.

### Attractive Remuneration Packages for Our Nurses

In the second quarter of 2022, a special allowance was given to nurses in recognition of their contribution to KPJ Healthcare. We revised our locum rates, health benefits as well as several types of leave such as annual leave, maternity leave, and paternity leave. As our nurses are frequently required to work night shifts to administer continuous care for our patients, the welfare of our nurses is provided for, through revisions of the night shift allowance for all categories of nurses in KPJ Hospitals. We also encourage KPJ nurses to increase their nursing knowledge and skills to enhance patients' experience, and as such we provided post basic and degree allowances.

### Competitive Remuneration, Benefits and Recognition

We uphold a strict non-discrimination policy in ensuring that all employees are compensated fairly. This further reinforces our commitment in retaining and developing our talents which strengthens our position as the Employer of Choice.

In 2022, KPJ provided competitive compensation and a broad range of benefits to support the welfare of full-time employees, including a new medical benefit extended to parents of employees, which are complimentary screening packages and special discounts for treatments at KPJ hospitals. Additionally, our New Group Term Insurance has been introduced to all employees and encompasses Life, Total Permanent Disablement, Clinical Illness, Funeral Expenses, Terminal Illness and Repatriation.

### Transitioning Towards Retirement

Employees must contribute to their retirement savings through monthly salary deductions by their employers. The contribution will be credited into employees EPF account. Other than that, we also introduced voluntary long-term savings and investment scheme which is Private Retirement Schemes (PRS).

These are some of the employment benefits offered to full-time employees:

Annual medical screening for employees, also extended to their spouse and parents;

Medical coverage for inpatient and outpatient services for employees and their immediate families, as well as discounted price for their parents;

Employees Provident Fund (EPF) contributions of up to 15%, applicable for employees who have been in service for a minimum of four years;

Employee Share Option Scheme (ESOS) for employees with at least three years of service as executives and above;

Educational support in the form of scholarships for employees' children pursuing medical-related studies at KPJUC, and placement in KPJ Hospitals based on their final results;

Living Well Programme for employees with critical lifestyle-related illnesses such as diabetes and hypertension;

Parental Leave – 98 days paid maternity leave and seven days paid parental leave;

KPJ Top-Up Fund to ease the financial burden of employees faced with high medical expenses incurred for medical treatment for their dependents. Up to RM1.5 million has been allocated Group-wide.

# FOSTERING OUR PEOPLE

Economic

The Group's welfare initiatives encompass emergency financial assistance for its employees. During the 2021 flood disasters. Approximately 333 KPJ employees were impacted, as they suffered property loss and was exposed to climate-sensitive diseases such as malaria, cholera, and dengue. This also impacted the quality of life as the population begins to recover from the pandemic. We continue to assist in their recovery by providing up to five days of calamity leave (in addition to the two days of compassionate leave) and up to RM1,000 in calamity assistance. We hope that the recently revised salary and benefits will alleviate their burden and allow them to contribute to the company's, patients', and other stakeholders' success.

### Parental Leave

The implementation of Employment Act (Amendment) 2022 for parental leave is positive news for our young parents who majority are female. Paid parental leave was originally intended to encourage women to work by giving new mothers time to bond with their babies and recover from childbirth.

Environment

The Malaysian Employment Act mandates maternity leave while paternity leave was only made a right recently. In 2022, 98% of female employees came back to work whereas to 88% of male and still employed 12 months after the parental leaves ended.



*We care of our employees' generation who will be the future leaders.*

### Our Remuneration Philosophy

Our remuneration rewards employees for their hard work and dedication to the Group and supports our ability to attract and retain our pool of talents at all levels. Decisions on remuneration are based on individual and team performance as well as values and conducts that promote the delivery of customer-centric health and care.

We have in place remuneration policies for members of the highest governance body and senior executives including:

Fixed pay and variable pay	Sign-on bonuses or recruitment incentive payments
Termination payments	Clawbacks
Retirement benefits	



Social

In 2022 we made several changes to our remuneration packages such as revising the salaries of all employees and providing ex-gratia for all KPJ Group employees for their persistence throughout challenging times. We also raised the minimum wage to RM1,500 and implemented a new salary structure as per current industry standards for all non-executive and junior executive positions.

Governance

## FOSTERING OUR PEOPLE

## New Hires and Attrition

	2022	2021	2020
<b>New Hires (No. of Employees)</b>	<b>2,622</b>	<b>1,438</b>	<b>1,473</b>
<b>New Hires Breakdown by Categories (%)</b>			
Specialist and MO	1%	4%	2%
Medical Employees	61%	60%	61%
All other Employees/Support Staff	37%	36%	37%
<b>New Hires Breakdown by Gender</b>			
Female	2,071	1,122	1,125
Male	551	316	348
<b>Attrition (No. of Employees)</b>	<b>2,076</b>	<b>1,547</b>	<b>1,336</b>
<b>Attrition Breakdown by Categories (%)</b>			
Specialist and MO	1%	2%	1%
Medical Employees	61%	61%	68%
All other Employees/Support Staff	38%	36%	31%
<b>Attrition Breakdown by Gender</b>			
Female	1,640	1,198	1,007
Male	436	349	349
<b>Attrition Rate (Voluntary)</b>			
Specialist Consultants	7.27%	4.26%	4.52%
Medical Employees	12.9%	9.3%	7.0%
All other Employees/Support Staff	13.8%	10.4%	8.2%
<b>Attrition Rate (Involuntary)</b>			
Specialist Consultants	NIL	NIL	NIL
Medical Employees	1.0%	0.9%	1.1%
All other Employees/Support Staff	1.0%	1.3%	1.7%



# FOSTERING OUR PEOPLE

Economic

## TRAINING AND UPSKILLING

We are committed to train and upskill our employees to increase their product and efficiency on top of improving their quality of work performance and problem-solving skills. Upskilling will also enable our employees to be more resilient and adaptable to new responsibilities and challenges.

**RM6.44 million**  
invested in Training and Development  
(2021: RM3.74 million)

**39.5 Average Hours**  
of Training per-year, per-employee  
(2021: 34 hour per employee)

Total Training Hours:  
**569,957**  
(2021: 471,974 total hours)

New Salary Structure with a minimum of  
**RM1,500**  
for all Non-executives and Junior Executives

Environment



Social

### Linking Our Human Capital Investments to Our Transformation Strategy

To meet the global requirements of KPJUC, we constantly make efforts to upgrade our structured training and development programmes to increase the capabilities of our nursing staff and allied health professionals. In 2022, we organised the following initiatives for our employees:

- Organised academic development programmes to fill skill gaps in areas such as business communication.
- 17% of training was invested in upskilling nurses.
- Continued our commitment towards education sponsorship to support more than 130 nurses and allied health professionals to pursue post basic programmes, Bachelors and Masters in nursing, diploma in radiology and diploma in pharmacy at KPJUC.

Governance

### Nurturing Future Medical Professionals at KPJ University

- Our 40 programmes focus on upskilling our people in formal qualifications in nursing, pharmacy, and emergency services and to develop a diverse pipeline of scarce and strategic skills. We also seek to provide vocational opportunities for unemployed youth and retaining them after they have completed the programme.
- KPJUC specialises in medical and healthcare education. Training young specialist consultants through medical specialty programmes, upskilling registered nurses, paramedics and pharmacy practitioners to support the limited number of healthcare professionals in Malaysia.

## FOSTERING OUR PEOPLE

**Investing in our Nurses and Allied Health Professionals**

In 2022, we invested RM1.34 million to upskill more than 130 of our nurses. We implemented a series of training for nurses from across the Group to equip them with the latest industry knowledge through the following training programmes:

**In 2022, 116 of our nurses attended post-basic training:**

<b>14</b> Professional Certificate in Critical Care Nursing	<b>20</b> Post Basic In Renal Nursing	<b>20</b> Certificate In Paediatric Nursing
<b>14</b> Advance Diploma in Midwifery	<b>19</b> Post Basic Certificate in Renal Nursing -Johor	<b>5</b> Post Basic in Orthopaedic Nursing - Johor
<b>13</b> Post Basic Certificate in Peri-Operative Nursing	<b>5</b> Certificate of Post Basic in Perioperative Nursing - Penang	<b>6</b> Basic Care Course for Healthcare Assistance/Care Givers - Johor

**Project INFUZE by INS Malaysia\***

A project for nursing services, the programme engaged nurses through simulations and critical-thinking activities in line with the International Infusion Nursing Standards, 8<sup>th</sup> Edition 2022.

**Vascular Access Programme**

Assessed the level of knowledge, practice and skills of peripheral intravenous cannula insertion, maintenance and identification of complications. A collaboration between KPJ Group Nursing Services and Becton Dickson's clinical team, the programme was held to improve care of patients.

**Basic Life Support (BLS) Training**

Provided standardised guidelines on techniques to be used by KPJ nurses during the initial resuscitation of cardiac arrest. BLS training is conducted regularly and is updated every two years.

**Other Clinical Training Programmes**

- Fall Prevention and Root Cause Analysis Workshops and clinical indicators
- Intensive Course in Obstetric Emergency Workshop (ICOE)
- Support Programme to Advance and Reinforce Knowledge and Skills (SPARK)
- Perioperative Mortality Review (POMR)
- Reporting to MOH, Hospital MAC, KPJ MAC
- Incident, Infection Control, Nursing and Pharmacy Reporting
- MSQH Accreditation Standards 5

\* Read more about Project INFUZE by INS Malaysia on page 81.

# FOSTERING OUR PEOPLE

Economic

Environment

Social

Governance

## Talent Development Programmes

In addition to upskilling initiatives, we also organised talent development programmes to future proof our workforce and raise the standards of our healthcare services. In 2022, we rolled out the following programmes:



### Talent Validation Programme (TVP)

A condensed version of the Talent Validation Programme (TVP) known as TDP was introduced, focusing on Public Relations and Marketing Heads across the Group. Our next programme will focus on HR Heads, Chief Nursing Officers and other HOS to develop our mid-level leaders and key personnel.

### PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

224 employees across the Group were promoted to senior roles in 2022, compared to 21 promotions in 2021.

We conduct employee performance and career development reviews bi-annually to enable 80% of our employees to learn about their key strengths and areas they should focus on improving, as outlined in the Policy on Performance Management. During reviews, we are able to engage with our employees to gather feedback and set individual goals and development plans.

To support career development, we conducted a Nursing Career Pathway Assessment Development Workshop to discuss the career pathway of nurses. Held in collaboration with KPJUC, KPJ APSh, KPJ DSH, KPJ Tawakkal KL and GHR, the workshop included discussions with the principal of KPJUC, colleges in Penang and Johor and Group HR.

# FOSTERING OUR PEOPLE

## Empowering Our Nurses

In December 2022, a Nursing Leaders' Orientation Programme was conducted to stay ahead of the challenges of nursing services and drive the transformation of nursing leaders. During the session, nursing leaders shared knowledge on their professional role, followed by a clinical attachment with selected nursing leaders from clinical areas. We also reviewed our Group nursing policy and procedures to standardise nursing practices and direction for all KPJ nurses. Moving forward, we plan to start mental healthcare initiatives for nursing leaders in 2023, as well as conduct leadership coaching for nursing leaders on a quarterly basis.

### SNIPPETS OF KPJ'S PERFORMANCE MANAGEMENT

A continuous and holistic approach to engage everyone in a collaborative process towards achieving the organisation's goals



Assessment period: Jan - Dec



- 1:1 goal setting, mid-year and year-end review and assessment recorded in HRMS
- With year-round ongoing and meaningful performance conversations



It is a shared responsibility between the line manager and the staff.



A composition of KRA (What) and Competencies (How)



**Our Performance Matters**

# FOSTERING OUR PEOPLE

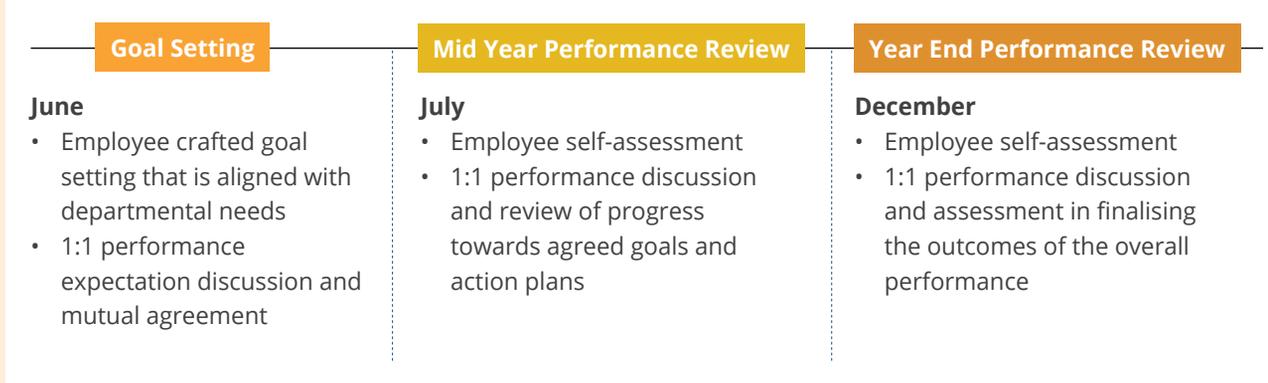
Economic

Environment

Social

Governance

## Timeline Overview for 2022 Performance Management



Continuous performance discussions, formal and informal coaching and feedback occurs throughout the year.



### Quality Assessment of Our Nurses

Group Nursing Services conducts clinical surveys annually to ensure clinical and non-clinical processes are implemented and are in accordance with regulatory and accreditation standard requirements. The clinical survey panel comprises a multi-disciplinary team and selected leaders from the hospitals. The report and findings of the survey will be shared with the hospital management team for continuous improvement. Guidance and coaching on MSQH and JCI is carried out by the Group Clinical team.



### Research and Innovation by our Nurses

In Q3, Group Nursing Services intends to conduct an International Nursing Symposium to cultivate a research culture among nurses in hospitals and to empower nurses to share their innovative solutions and research findings. As such, KPJ Group Nursing Services will collaborate with MPA to conduct a pre-congress nursing workshop in Q4. Access to the e-library was also provided to all CNO/DCNO by KPJUC to practice evidence-based nursing in KPJ Hospitals in Q3 of 2022.

## FOSTERING OUR PEOPLE

## DIVERSITY AND INCLUSION

Our commitment towards achieving KPJ Group's long-term sustainability objectives ensures that we cultivate a progressive and positive work culture to shape a thriving workforce. We believe that diversity and inclusion are key in attracting the best talents in the industry, as our efforts will retain our employees and strengthen our reputation, along with many other positive benefits. KPJ continues to be guided by its Diversity Policy which emphasises our no-tolerance stance to discrimination within our organisation.

	2022	2021	2020
Total employees	15,224	14,431	14,567
Variance (%)	5.50%	-0.93%	0.93%
Permanent	14,986	14,203	14,267
Contract	238	225	283
Part time	-	3	17
KPJ hospitals	13,563	12,857	12,978
Subsidiaries	1,661	1,574	1,589
Employment ratio female to male	4 : 1	4 : 1	4 : 1
Basic Salary ratio female to male	0.9 : 1.0	0.89 : 1.0	1.0 : 1.01

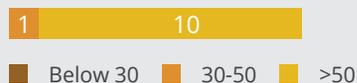
	Female	Male	Female	Male	Female	Male
Number	12,075	3,149	10,443	2,414	11,654	2,913
Variance (%)	4.30%	5.30%	-0.70%	-0.50%	6.30%	-13.90%

Employees by region by gender	Female	Male	Female	Male	Female	Male
<b>KPJ Hospitals</b>						
Central 1	2,468	637	2,643	652	2,643	652
Central 2	2,102	566	1,864	471	1,864	471
Southern 1	1,282	233	1,243	227	1,243	227
Southern 2	1,284	276	1,197	264	1,273	277
Northern	2,072	430	1,922	409	1,922	422
East Coast	782	189	744	189	744	176
East Malaysia	958	219	881	210	881	210
<b>Subsidiaries</b>						
* Kuala Lumpur and Selangor	1,127	599	894	621	1,084	478

### DIVERSITY IN BOARD OF DIRECTORS 2022

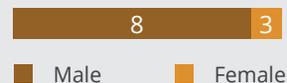
#### Age Group



#### Ethnicity



#### Gender

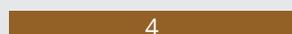


### DIVERSITY IN KGMC MEMBERS 2022

#### Male



#### Female



Legend: Malay (dark blue), Chinese (orange), Indian (yellow), Others (red)

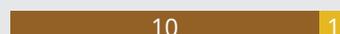
### DIVERSITY IN KPJ HOSPITAL'S MANAGEMENT (CEO & GM) 2022

47% of women are in KPJ's Group of hospital's Senior Leadership teams

#### Male



#### Female



Legend: Malay (dark blue), Chinese (orange), Indian (yellow), Others (red)

# FOSTERING OUR PEOPLE

Economic

## Diversity in KPJ Hospital's and Company Management (CEO & GM) 2022:

48% of women in KPJ Group are in Senior Leadership team

### Male



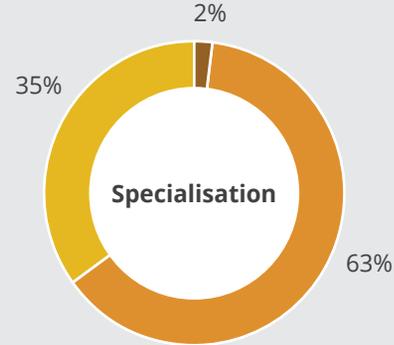
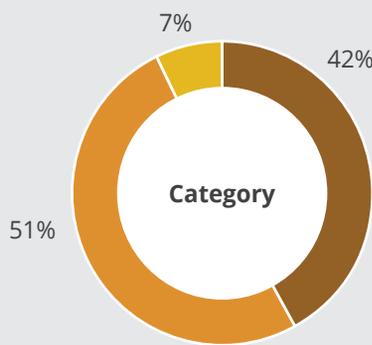
### Female



Legend: Malay (Brown), Chinese (Orange), Indian (Yellow), Others (Red)

Environment

## KPJ Malaysian Employees 2022

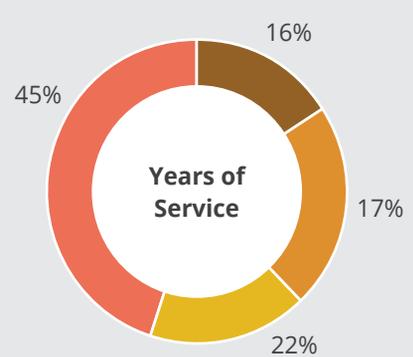
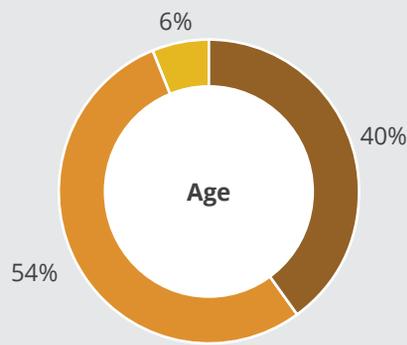
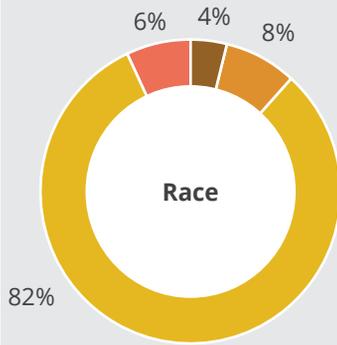


Legend for Category: Non-executive (Brown), Executive (Orange), Management (Yellow)

Legend for Specialisation: Consultants & Medical Officer (Brown), Medical Employees (Orange), All other Employees/Support Staff (Yellow)



Social



Legend for Race: Chinese (Brown), Malay (Yellow), Indian (Orange), Others (Red)

Legend for Age: Under 30\* years old (Brown), 30-50 years old (Orange), Over 50 years old (Yellow)  
\*age from 19 years old

Legend for Years of Service: Less than 1 year (Brown), 1 - 3 years (Orange), 4 - 7 years (Yellow), More than 7 years (Red)

Governance

### GRIEVANCE MECHANISM

KPJ is a responsible employer with policies and codes on workplace harassment in place, which covers non-discrimination and zero tolerance to sexual harassment as outlined in our employee handbook, available on our Employee Self-Service Portal.

For more information on our Grievance Mechanism, refer to Grievance Mechanism at Labour and Human Rights on page 126.

## FOSTERING OUR PEOPLE

## LABOUR AND HUMAN RIGHTS

As a responsible employer, it is our duty to protect our employees in every possible manner. Our dedication to provide a safe and conducive work environment is reflected in our commitment to safeguarding labour and human rights. This is enshrined in our Code of Conduct, which underpins our support and respect for internationally recognised rights, including the fundamental rights principles outlined in the Employment Act (Revised) 2022. We also support the International Labour Organisation (ILO) Convention on Fundamental Principles and Rights at Work.

### RESPECTING HUMAN RIGHTS

As a healthcare organisation that cares for lives, respecting human rights is second nature in how we run our business. Our commitment to human rights is upheld in our Code of Conduct, which is extended to our external stakeholders, including customers, vendors and suppliers. When they enter into a new commercial agreement with us, they are expected to accept or acknowledge the Code of Conduct, affirming that the fundamentals of human rights are respected and supported throughout our value chain.

#### Ways of Preventing Human Rights Abuse within Our Value Chain

We have zero tolerance for child labour, forced labour and excessive working hours across our value chain. As such, we have taken appropriate measures to ensure workplace health and safety, non-discrimination and equal opportunities are practised in our operations and by our suppliers. We ensure that all new suppliers and vendors adhere to the Supplier Code of Conduct, which is available on our website. Our initiatives in managing sustainability in our value chain are discussed in the section on Ethics and Integrity, and Supply Chain Management of this Report.

### RESPECTING LABOUR RIGHTS

As a caring and compassionate organisation, we prioritise labour rights and ensure that our employees are protected by policies that champion basic human rights. All our policies, including those pertaining to health and safety, patients' rights, and employee rights, have been formulated to ensure that these values are upheld in our organisation and our value chain. It reaffirms our commitment in protecting basic human and labour rights. This includes treating all employees and others fairly, equally, and with respect, which is free from prejudice, discrimination, bias, harassment, and/or violation. As such, we respect the right of our employees to freedom of association and trade union. In 2022, about 3% of our employees were union members.

A part of our commitment to respecting labour rights includes engaging with employees to meet their needs. We strive to maintain a diverse workforce and harness the unique perspectives of our employees from various backgrounds to build a culture of engagement. Through the strategy of blending a deep understanding and meeting employee needs while leveraging on technology, we are able to achieve behavioural change at a cultural level. To date, we have not received any reports on the violation of our employees' rights.

Our priorities are:

- Employee engagement
- Employee education
- Providing clear and ethical communication
- Leveraging on technology
- Offering value through benefits and compensation

We have also implemented all recent changes brought about by the Employment Act 1955 (Amendment) 2022, which will be effective by 1<sup>st</sup> January 2023. Key changes incorporated in our policy includes the following:

Implementation of maximum working hours of 45 hours per week

Increased entitlement of 98 days maternity leave

Separation of sick leave and hospitalisation leave entitlement

Implementation of seven days of paternity leave

Notice to raise awareness on Sexual Harassment

# FOSTERING OUR PEOPLE

Economic

For more details, refer to Employee Engagement and Development section of this Report.

### Introduction of Anti-Sexual Harassment Policy

Our workforce is predominantly female, who make up 70% of our human capital. As such, we are conscious of the importance in creating sexual harassment awareness at our workplace. To promote a safe and conducive work environment, we established the Anti-Sexual Harassment Policy on 1<sup>st</sup> September 2022 to underpin our zero tolerance for sexual harassment. The said policy mandates that all complaints on sexual harassment must be investigated in accordance with the prescribed process and procedures with utmost confidentiality. The policy was implemented ahead of legal requirement by the Employment Act 1955 (Amendment) 2022 effective 1<sup>st</sup> January 2023.

### GRIEVANCE MECHANISM

**Supporting and respecting Labour and Human Rights, especially in sexual harassment, were communicated via awareness posters at each hospital, along with providing grievance mechanism channels.**

Environment

As part of our commitment in protecting our employees, we do not tolerate workplace harassment, discrimination, or sexual harassment. As such, we are guided by various robust policies and codes on proper workplace conduct. All policies related to workplace harassment, including non-discrimination and sexual harassment, can be found in our employee handbook, which is also accessible via KPJ's Employee Self-Service Portal.

**In the event of a grievance, the Group has established the following process for the reporting and addressing of all employee grievances:**

#### Step 1

- Employee discusses the grievance with his/her immediate superior. If the complain is about the immediate superior, then the grievance is discussed with the superior's superior.
- The matter is to be resolved within two working days.
- If the employee is unsatisfied with the outcome, the employee is to proceed to Step 2.

#### Step 2

- Employee to complete a grievance form with all relevant details and submit it to the Head of Talent Management.
- Head of Group Human Resources is to solve the problem within two working days.
- If the employee is unsatisfied with the outcome, the employee is to proceed to Step 3.

#### Step 3

- The matter will be referred to the President/Managing Director/OIC (for KPJHB) or the CEO/GM (for hospitals).
- A grievance hearing will convene and a final decision will be reached within ten working days.

Social

### Whistleblowing Channels

We encourage our stakeholders to report any breaches or suspected breaches of our code of conduct, including any possible human rights abuses or infringements, in terms of our whistleblowers' standard operating procedure. A disclosure of improper conduct is to be made via e-mail to [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my) or in writing to our Whistleblowing Committee. Our Policy of Whistleblowing is available on our website.

Governance

## FOSTERING OUR PEOPLE

**HEALTH AND SAFETY**

**We are committed to provide a safe and healthy environment for our people, customers and the communities we operate in, which enables us to maintain our license to operate amid the strict regulations and requirements of the healthcare industry.**

**As such, we strive to achieve the highest standards of health and safety across our operations. Our efforts have led to several of our facilities being accredited by the Joint Commission International (JCI) and Malaysian Society for Quality in Health (MSQH). We have also attained the ISO45001:2018 Occupational Health and Safety Management System (OHSMS) Standard.**

We acknowledge that healthcare providers are exposed and contribute to the highest rates of injury and illness in comparison to other industries, especially during a pandemic or outbreak. To keep our employees safe and well, we are guided by the Group's Environmental Health & Safety (ESH) Policy, which requires all employees, workers, vendors and suppliers to abide by the Group's health and safety standards. We also implement our health and safety policies, processes and systems using the Integrated Management System (IMS). In addition, we employ the Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Environmental Aspect and Impact (EIA) systems to identify, mitigate, and manage potential hazards and environmental issues.

**Our Social Impacts**

- Work-related injuries, diseases and deaths result in high economic costs to us. The negative effects of poor OSH management include costly early retirement, the loss of skilled staff, absenteeism and presenteeism (when employees come into work despite illness, increasing the likelihood of mistakes), and high medical costs and insurance premiums.
- Failure in crisis management to provide a sufficiently safe system of work to the employee will impose legal liabilities by means of legal actions taken and will incur the monetary losses and compensation.

**How We Manage Our Social Impact**

- Implementing proactive health and safety management protocols, developing employee training requirements, and conducting regular audits of our own practises.
- Upholding the highest standards of safety and health.
- Identifying and mitigating potential hazards and to inculcate a safe workplace culture.
- Develop adequate legal defences and remedies in the form of insurance or monetary compensation
- Providing ESH training and implementing safety, health and well-being initiatives.
- Coordinating SOP with external stakeholders in the emergency response plan, developing and reviewing policy for the Group from time to time.

## FOSTERING OUR PEOPLE

Economic

### POLICIES AND ACCREDITATION

We remain guided by the following set of policies and regulations that ensure effective management and strict enforcement of occupational safety and health Standard Operating Procedures (SOPs) across all our hospitals and companies:

Management of Accident of Staff

Management of Incident Reporting

Management of Accident of Patients/Visitors

Permit to Work and Management of Contractor/  
Vendor

Management of Infection Control

Management of Hazardous Material Spillage

Management of Hazard Identification, Risk  
Assessment and Risk Control (HIRARC)

Occupational Safety, Health and Environmental  
Manual

Environment

Social

Governance

In line with the international ISO 31000:2018 risk management standard, we have developed the KPJ Risk Management Guidelines. These guidelines provide a robust, customised framework for identifying, assessing, monitoring and addressing risks across our operations. In addition to unifying our risk mitigation approach, these guidelines also ensure that all of our hospitals have access to a benchmarking approach for efficient auditing processes. Apart from that, we also reviewed

and developed our Group policy for all hospitals' Non-Clinical Support Services (NCSS) listed below:

NO.	POLICIES
1	KPJ Safety and Health Guideline
2	Bomb Threat (Code Black)
3	Safety of Ambulance
4	CCTV and Theft
5	Laser Safety
6	Safety of Fire Detection and Fire Suppression System

We are also supported by external benchmarking processes such as the voluntary Hospital Accreditation Programme (HAP) organised by the non-governmental and non-profit organisation MSQH, which is linked to the International Society for Quality in Health Care (ISQUA). The HAP is an assessment tool developed by healthcare professionals to assess and evaluate the performance of hospitals and other healthcare facilities. It serves as an effective mean for healthcare facilities to assess their level of performance against applicable national standards.



## FOSTERING OUR PEOPLE

### ENVIRONMENTAL SAFETY AND HEALTH (ESH) GOVERNANCE

According to Occupational Safety and Health Act and Regulations 94 regulations, all KPJ hospitals and subsidiaries are required to establish an OSH Committee, which includes a chairperson, secretary, and representatives from both employers and employees. This committee reports to the hospital's Top Management (CEO/GM) and must submit reports to the GM at KPJHQ after every quarterly meeting. The meeting minutes, which contain information on safety measures and new ESH developments, are emailed across the Group to keep employees informed. Incidents are reviewed at the Risk Officer Meeting, where the committee evaluates ways to enhance safety measures and update operational standards accordingly.

KPJ's ESH Governance structure includes an OSH Committee at KPJ Hospitals, as well as the JCORP Security and Safety Committee, which has representatives from KPJHQ presenting security and OSH-related incidents at the JCORP level quarterly each year.

The ESH Governance structure of the Group is outlined as follows:

**Safety and Health Officers (SHOs) directly report to the CEO and GM at KPJHQ.**

**The KPJHQ's OSHE Committee supervises OSH and environmental issues to identify hazards and assess risk control.**

**As part of the JCORP Group, representatives from KPJ Security and OSH related incidents are present at JCORP's OSHE Committee Meeting quarterly.**

In 2022, we conducted a review of our organisational structure to ensure that the ESH function is appropriately staffed and resourced for efficient operations. To facilitate the implementation of our ESH strategy, we have appointed 28 Safety & Health Officers (SHO)/Safety Officers (SO) at all

KPJ hospitals. Additionally, we are in the process of hiring occupational health doctors (OHD), nurse practitioners, and psychologists to execute the medical surveillance programme across all service platforms.

### INCIDENT REPORTING

KPJ maintains a culture of responsibility and accountability by employing a comprehensive incident reporting and learning system. Our web-based KPJ Online Incident Reporting System (Q-Radar) which was introduced in 2014, records all clinical, non-clinical incident reports, is utilised by all our hospitals and companies and remains the primary resource for the Group's reporting. The Incident Reporting Instruction and Introduction manual, which was first introduced to the Group's processes in 2015, similarly guides the Group's incident-related SOPs.

KPJ introduced the Q-Radar online system for incident reporting in 2014, and it remains the primary resource for the Group's reporting. The Incident Reporting Instruction and Introduction manual, which was first introduced to the Group's processes in 2015, similarly guides the Group's incident-related SOPs.

Both clinical and non-clinical employees are encouraged to upload reports detailing the incident, incident investigation, and root cause analysis (RCA) in the system which is easily accessible through our local network. This system also ensures that all incidents are reported and thoroughly investigated, allowing us to identify areas for improvement and take appropriate action to prevent future incidents.

As part of our standardised actions, the KPJ Group examines each matter and takes appropriate measures accordingly. Additionally, all significant incidents are required to be reported to the duty manager or the risk management team.

KPJ also has in place a matrix reporting system to enhance the support system for ESH between the Group and its subsidiaries. Under this system, both KPJHQ and KPJ Hospital management share equal responsibility for reporting and appraising all activities related to SHO/SO. This step aligns with the Group's objective of promoting a work culture that emphasises ownership, accountability, and compliance.

# FOSTERING OUR PEOPLE

In the year under review, we improved our employee incident and management reporting system to enable the identification of incident trends and facilitate targeted improvement initiatives.

The incident reporting process of KPJ is illustrated in the chart below:

Economic

Environment

Social

Governance

**RISK, SUSTAINABILITY AND GOVERNANCE COMMITTEE**

Staff member completes the incident form as soon as possible after the event.  
Grading will be conducted by the person in charge by the end of the shift.

**GRADE THE INCIDENT**

- LOW
- MODERATE
- HIGH
- EXTREME

**TAKE ACTION**

- |  |   |  |   |
|--|---|--|---|
| <ul style="list-style-type: none"> <li>No investigation. Managed by routine procedures. Aggregate data quarterly then undertake a practice improvement project.</li> </ul> | <ul style="list-style-type: none"> <li>Basic investigation undertaken by local Area Manager. Aggregate data monthly then undertake a practice project.</li> </ul> | <ul style="list-style-type: none"> <li>Intermediate investigation and RCA, consider full RCA.</li> <li>Members: Team leader plus two others. Investigate within 72 hours.</li> </ul> | <ul style="list-style-type: none"> <li>Full investigation and full RCA.</li> <li>Members: Team leader plus minimum four others and one KPJ Risk Management. Investigate within 24 hours.</li> </ul> |
|--|---|--|---|

**FEEDBACK AND FOLLOW-UP**

- |   |   |   |  |
|---|---|---|--|
| <ul style="list-style-type: none"> <li>Summary of information feedback to staff at Department/Unit meetings.</li> </ul> | <ul style="list-style-type: none"> <li>Summary of information feedback to staff at Department/Unit meetings. HOD/UM to feedback to staff involved.</li> </ul> | <ul style="list-style-type: none"> <li>Incident review report and action plan to Hospital Clinical Governance/ Risk Management/ OSH Committee. Feedback to staff as for low/very low risk incidents.</li> </ul> | <ul style="list-style-type: none"> <li>Incident review report and action plan to Hospital Clinical Governance/OSH and Risk Management/ Hospital Board/CRO at KPJHB. Feedback to staff by Chairman of review team.</li> </ul> |
|---|---|---|--|

Incident follow-up data to be sent to Chief Risk Officer, KPJHB to complete the review so that action taken to prevent recurrence is recorded on the database and Group Risk Register.

## FOSTERING OUR PEOPLE

### Initiatives To Reduce Health And Safety Incidents At KPJ Hospitals

KPJ Group is committed in maintaining and updating the safety measures at its hospitals. To achieve this, the organisation continues to implement the following initiatives:

- Workplace Inspection Checklist Form**

The OSH Committee has reviewed and revised this form, and in accordance with OSHA 1994 requirements, a workplace inspection is to be conducted every three months.

- Environmental Safety Audit and Walkabout**

Ensure the personal comfort of patients, visitors and staff which include clean and hygienic facilities, appropriate room temperature and relative humidity and permissible noise levels.

- Hazard Identification Risk Assessment and Risk Control/ Determining Risk (HIRARC/ HIRADC)**

Annual review and revision of HIRARC/HIRADC as part of legal and IMS compliance for ISO certification and accreditation of MSQH, and JCI.

- Potential Fire Risk**

Annually revised checklist on physical assessments of all potential fire hazards, particularly in remote regions or areas not frequently visited by workers and contractors/vendors.

- Feedback Form**

To take action on any feedback regarding hospital safety and health.

### INCIDENT OSH RELATED THAT BEING MONITORED

- Injury to staff (traveling to or from work)

- Injury or incident related to patient, visitor or outsourced staff/contractor

- Electric events (affecting patient/staff safety)

- Cytotoxic spillage



## FOSTERING OUR PEOPLE

Economic

### EMPLOYEES AND MEDICAL CONSULTANTS' WELL-BEING

KPJ Healthcare is committed to fostering supportive work environment by providing employees and hospital staff with a variety of health-conscious activities, including counselling, stress management, and sports. We offer a range of counselling services to support the psychosocial well-being of our hospital staff, addressing both work-related and personal issues. This includes trauma support, stress management, motivational sessions, and promoting physical activity and sports.

Despite the ongoing pandemic, KPJ consistently provided online programmes to help employees adapt to the “new normal” and protect themselves from COVID-19. KPJ offers access to vaccination and closely monitor any cases among their staff. Additionally, KPJ has developed the Living Well Programme, which is tailored to employees with critical lifestyle-related illnesses like diabetes and hypertension. Through this programme, employees can access up-to-date information about their health status and make informed decisions about lifestyle choices.

Environment

- **Positive Well-being at Workplace programme**

In 2022, our Group Human Resource collaborated with International Islamic University Malaysia (IIUM) to introduce a Positive Well-being at Workplace programme. The first phase of this programme was rolled out to central region hospitals, which engaged with employees to identify issues and provide solutions through improvement initiatives.

- **Mental Health and Peers Support Program | Well-being Assessment**

GHRM has launched a Mental Health and Peers Support Programme alongside the Joy at Work culture. As part of this initiative, IIUM Counselors initiated a #WeCare programme and gave a talk on maintaining a positive attitude in the workplace. This effort is in line with SDG 3: Good Health and Well-being.

- **#ItsOkNotToBeOk Mental Health Awareness Campaign**

As part of our #ItsOkNotToBeOk mental health awareness campaign, we have partnered with Neutrovis to promote the use of green ribbon masks as a symbol of “ending the stigma together”. By adopting the internationally recognised symbol of mental health awareness, we aim to emphasise the significance of overcoming the stigma associated with mental health.

- **AFMS Conference 2022 RE-ENERGIZED!**

The first ever AFMS Conference brought together AFMS (HQ), Healthcare Engineers, Safety and Health Officers/Safety Officers of KPJ Hospitals for a dynamic gathering session. The event was packed with valuable knowledge gained from experts, as well as engaging teamwork activities. The exchange of information and ideas among teams of the same profession boosted self-confidence, motivation, and communication among the participants.

- **Focus Group with Hospitals' Staff for Well-Being and Mental Health Campaign**

KPJ Ampang Puteri Specialist Hospital and KPJ Tawakkal KL Specialist Hospital hosted a well-being and mental health campaign for hospitals staffs. The focus group aimed to identify and address issues that affect staffs' well-being and create solutions to promote a healthy work environment.

Social

Governance

## FOSTERING OUR PEOPLE

**DISASTER AND EMERGENCY MANAGEMENT PLAN (DEMP)**

The Disaster and Emergency Management Plan (DEMP) developed by KPJ Group serves as a framework for handling potential hazards during emergency situations. It provides a structured approach for communication following an emergency event, and is implemented at all KPJ hospitals to ensure effective management in both internal and external disasters.

To ensure employees' preparedness in executing the DEMP, KPJ Group conducts regular management training and drills throughout the year, in addition to annual disaster drills at each hospital. These drills assess employee's compliance and the effectiveness of the DEMP, while also providing refresher courses on emergency preparedness. In the year under review, there is zero DEMP-related accidents occurred.

KPJ's DEMP is based on a colour-coded system that categorises the type of emergency by colour. The procedure is as follows:

In addition to the established codes, KPJ hospitals have policies and procedures in place to manage external disasters. These policies cover various emergency situations, including mass casualty incidents, which is classified as Code Yellow. The inclusion of Code Yellow is required by the MSQH and the Private Healthcare Facilities and Services Act 1998, to ensure that KPJ hospitals are well-equipped to handle external disasters.

**DISASTER AND EMERGENCY, GUIDED BY MSQH 6<sup>TH</sup> EDITION****Clinical and Non-Clinical Related**

Code Red	Fire/Explosion
Code Black	Bomb Threat
Code Grey	Violation
Code Yellow	Internal/External Disaster - Flood, Building collapse Major/Minor Hazardous Chemical Spillage, Mass Casualties
Code Pink	Baby Abduction/Missing
Code Blue	Cardiac or Respiratory Arrest/Medical Emergencies



# FOSTERING OUR PEOPLE

Economic

Environment

Social

Governance



Additionally, the DEMP is also integrated into the KPJ Group’s Business Continuity Management (BCM) plan. The primary objective of the BCM is to enable KPJ to sustain business operations during a crisis or unexpected disruption, such as the COVID-19 pandemic crisis.

As the demand for effective communication with stakeholders increases, it is essential to ensure that our business remains resilient against potential disruptors and maintains relevance in a competitive operating environment.

## FOSTERING OUR PEOPLE

In 2022, a series of yearly drills were conducted by various hospitals, as described below:

#### Code Red Drill – KPJ Rawang - 5 October

The purpose of the drill was to assess the readiness and response of employees in the event of a fire emergency inside the hospital. Local authorities, including the police, Fire and Rescue Department and Civil Defence Forces, collaborated in this effort.

#### Code Black and Code Yellow Drill – KPJ Rawang – 20 October

To ensure the readiness and response of our Emergency Response Team (ERT) and staff, “Bomb Threat” (Code Black) and “Disaster” (Code Yellow) drills were conducted. This effort involved collaboration with the Rawang branch police, the Bomb Disposal Unit, KPJ Damansara Specialist Hospital, and MMR Ambulance. The drills were successful and received positive feedback from Bomb Disposal Unit.

#### Code Black Drill – KPJ Kajang – 26 October

The Emergency Response Team (ERT) of KPJ Kajang Specialist Hospital conducted a Code Black Awareness and Drill programme involving the ERT committee and hospital staff to raise awareness and understand their roles during a code black incident. The objective was to minimise risk and ensure safety by having an adequate emergency plan in place for dealing with a bomb threat situation. The exercise began with a briefing and continued with the drill, which was conducted in collaboration with IPK Selangor.

#### Code Yellow Drill – KPJ Penang – 25 November

The purpose of the drill is to enable employees to simulate a real-life emergency, such as a food poisoning outbreak, and practise their response. All teams collaborated with the Bukit Mertajam Public Health Department (SPT) and the KPJIC ODP Lecturer to ensure the success of the programme.

#### Code Brown Drill @HAZMAT Drill – KPJ Seremban – 9 December

The exercise provides an opportunity for the team to practise their response to a major chemical spillage in a controlled setting, preparing them for a real-life emergency. The National Security Council Malaysia, Negeri Sembilan Fire and Rescue Department (Hazmat) Seremban 2, IPD Seremban 2, and Negeri Sembilan Health Department worked collaboratively and effectively in this effort.

#### Panic Button and Code Blue Drills – KPJ Rawang – 4 November

The primary aim of this exercise is to ensure that the Code Blue Team and Security Team carry out the correct protocol and to assess their response time from the activation of the panic button located at the parking area until the individual or patient is stabilised. The Code Blue Drills were a medical emergency that occurred within 100 metres of the hospital.

#### Fire Safety Training – KPJHQ

AFMS, in collaboration with the Kuala Kubu Baru Malaysia Fire and Rescue Academy, continuously organised fire safety training for employees of KPJ hospitals and KPJHQ. The objective is to enhance KPJ employees' knowledge and skills in emergency situations for the safety of patients, staff, visitors, as well as other occupants at KPJ hospitals. This initiative provides KPJ employees the opportunity to experience proper training at the academy.

# FOSTERING OUR PEOPLE

Economic

## OSH TRAINING

As healthcare industry workers, all KPJ employees are obligated to stay updated with the latest OSH practices and procedures. Consequently, our employees undergo mandatory training in OSH matters, which includes Hazard Identification, Risk Assessment, and Risk Control (HIRARC), Workplace Inspection (WPI), Root Cause Analysis and Fish Bone Accident Investigation.

All KPJ hospitals accredited by the MSQH are subjected to hospital accreditation survey visits organised by the same body. These visits are arranged upon the request of the healthcare facility and offer opportunities for external peer reviews, mutual learning, education, validation of current performance assessment, as well as sharing best practices in the healthcare industry.

Environment

In 2022, 89% of the total workforce of 13,563 employees received education and training in specific areas of Environmental, Safety, and Health. The training encompassed Occupational Safety and Health, Fire Safety, and Disaster Management, covering both External and Internal Disasters. This programme was exempted from clinical risk management and successfully met the 80% MSQH Standard objective.

this performance met the target of more than **80%**

The Hospital Accreditation Programme (HAP) places emphasis on continuous improvements and promotes a patient safety and quality culture in healthcare facilities. To support this objective, the hospital staff is obligated to undertake relevant training to ensure they are adequately equipped for the accreditation process. KPJ will also be undertaking the training and implementation of the Simple Risk Assessment and Control (SiRAC) system endorsed by DOSH.



Social



Governance

### MSQH 13<sup>th</sup> Surveyor Training

KPJ Healthcare leaders participated in this training session together with consultants, nursing leaders, engineers and pharmacists across KPJ.

## FOSTERING OUR PEOPLE

**BUSINESS CONTINUITY MANAGEMENT (BCM)**

The BCM Framework was approved and adopted for group-wide implementation since 2021. As a result, we implemented the BCM programme across all KPJ hospitals part of the Group-wide campaign. The programme mandates every KPJ hospital to conduct a Business Impact Assessment (BIA), create a customised Business Continuity Plan (BCP), and provide BCP training. To date, all KPJ hospitals have fulfilled these requirements and are currently engaged in simulation exercises.

In 2022, KPJ Johor achieved a significant milestone by becoming the first hospital in the KPJ Group of Hospitals to conduct a third-level business continuity plan (BCP) simulation that focused on a fire outbreak scenario (Loss of Operation Theatre). The simulation is a practice to minimise disruptions in hospital operations while ensuring uninterrupted care for patients, with assistance from KPJ Bandar Dato' Onn. This exercise was conducted with the aim of enhancing the hospital's preparedness during the face of potential crises.

Additionally, several of KPJ's hospitals directly affected by the flooding in December 2022 effectively implemented their BCPs to ensure continuity of care for their patients amidst the challenging circumstances. This demonstrates our commitment to ensuring uninterrupted healthcare services to their patients, even during unforeseen crises.

**OSH PERFORMANCE DATA**

We are committed to ensuring the safety of its people and has undertaken efforts to reduce the number and rate of incidents in its hospitals. The organisation's ultimate goal is to achieve and maintain zero incidents for the long term.

**ENCOURAGE A CULTURE OF SAFETY**

Our team is knowledgeable and experienced in operating the equipment, controls, and processes in their respective workplaces. This expertise enables them to identify potential safety and health risks and report any deficiencies in the safety and health programme.

In 2022, we recorded 116 OSH related incidents for employees, which marks a 14.9% increase from 101 incidents in 2021 and for nine OSH relate incidents for workers which increased by 29% from seven incidents in 2021.

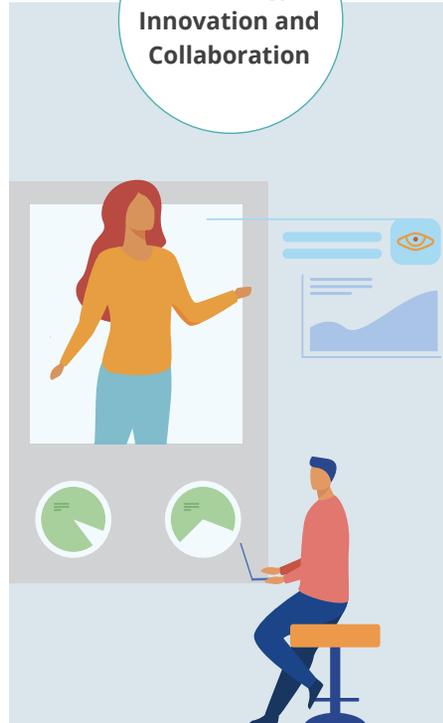
We will continue to share best practices among hospitals and organise additional training sessions to improve our staff ability in identifying and managing hazards. Our goal is to increase our employees' knowledge on the STF and the Handling Manual, which includes variety of activities such as lifting, lowering, pushing, pulling, and carrying.

# SUSTAINABILITY THEME: UPHOLDING GOOD GOVERNANCE

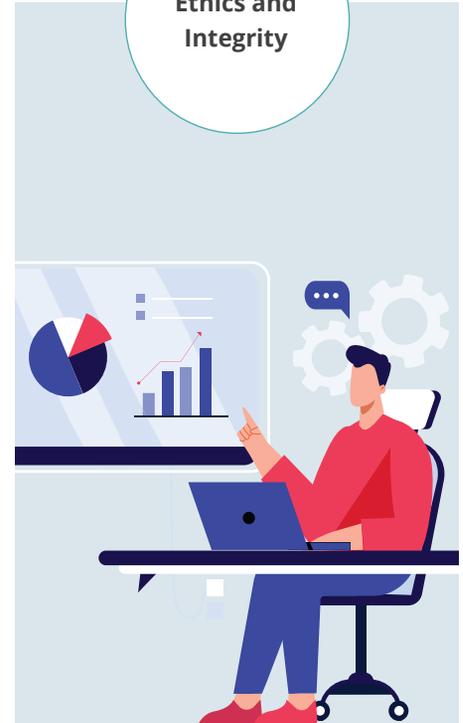
Leadership and  
Governance



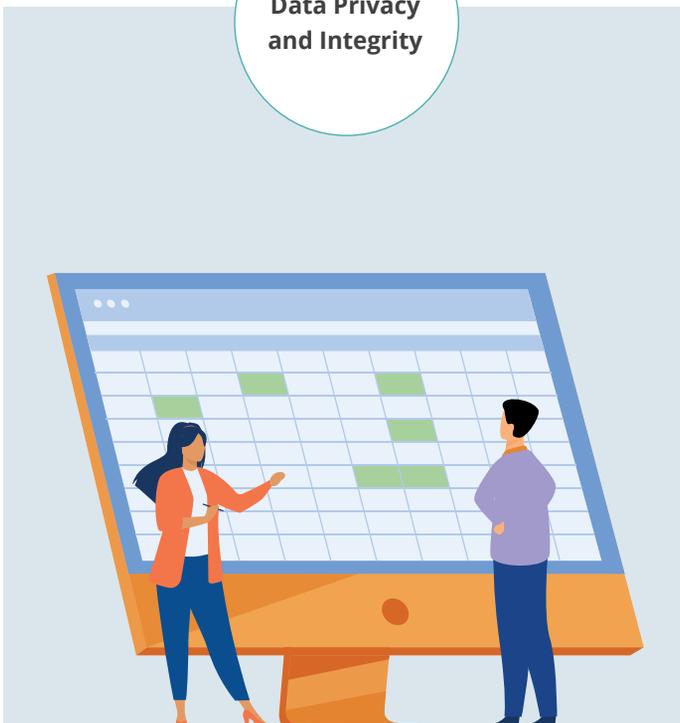
Technology,  
Innovation and  
Collaboration



Ethics and  
Integrity



Data Privacy  
and Integrity



Supply Chain  
Management



# UPHOLDING GOOD GOVERNANCE

Economic

## ▶ LEADERSHIP AND GOVERNANCE

**Our healthcare ecosystem represents our approach in managing our six capitals which covers biophysical and social elements applicable in the areas of health, and sustainability. We ensure that this robust ecosystem embraces both social and ecological dynamics through a flexible and adaptive process. We manage our day-to-day activities to empower knowledge and talent inclusion and with ethically strong leadership, our people are given long-term guidance.**

In achieving our sustainability aspirations to become a sustainability-accountable and future-ready organisation by 2025, our leaders focus on the following areas:

Environment

1

**BUSINESS MODEL RESILIENCE**  
The Board leads the Company through turbulent times and guides the Group to build resilience for the foresight, response and adaptation capabilities in managing and navigating unprecedented challenges.

2

**TECHNOLOGY, INNOVATION AND COLLABORATION**  
Our directors believe that the implementation of a suitable leadership approach that is aligned with the requirements of the industry, and utilises technology, innovation, and collaboration, can empower employees to develop feasible new offerings that meets the company's goals.

3

**DATA PRIVACY AND SECURITY**  
The Board recognises that compliance infractions and data breaches will damage brand equity, reputation and financial stability as data is becoming an organisation's most valuable asset. Compliance, data management, and data privacy threats are emerging on boardroom agendas worldwide due to regulatory and financial scrutiny.

Social

4

**ETHICS AND INTEGRITY**  
Leaders are role models to their employees in creating a conducive workplace. The employees believes that ethical leaders who act with integrity are the most important persons who contribute to organisational success.

5

**SUPPLY CHAIN MANAGEMENT**  
Our leaders are actively looking for ways to develop meaningful partnerships by driving action across the healthcare value chain.



Governance

All activities conducted by our directors in leading our organisation can be found at our Corporate Governance Overview section in the Integrated Report.

# UPHOLDING GOOD GOVERNANCE

Economic

## TECHNOLOGY, INNOVATION AND COLLABORATION

**Innovation is one of the key drivers of KPJ’s transformation plan. Combined with technology, innovation also forms the foundation for the Group’s efforts to achieve SDG 9: Industry, Innovation and Infrastructure, which reflects our commitment to building resilient infrastructure, promote sustainable industrialisation and foster innovation. To achieve this, we carry out extensive research and development in the manufacturing of essential medical products.**

### Our Social Impacts

- Improving the quality, speed and efficiency in delivering healthcare via technological upgrades for a better customer experience and management of patients’ health.
- Current and emerging technologies change how hospitals and medical practices deliver care and clinical outcomes.
- Our collaborations with sustainable partners in technology and innovation in Malaysia and in other regions helps to broadens our horizons and fosters closer rapport with our peers.

### How We Manage Our Social Impact

- We invested in the latest technology for the development of our new SMART KPJ Damansara Hospital 2 to create positive value for our stakeholders.
- Consistent research activities help us to expand our collective knowledge and sharpen our expertise, enabling the discovery of new innovations and improving the profile of our educational institutions.
- Ensure our sustainability partners have the same goals, leveraging on technology to contribute towards the nation’s economy.

Environment

Social



### LEADERSHIP IN MODEL OF CARE AND EFFICIENCY

Healthcare changes dramatically because of technological developments, from anaesthetics and antibiotics to magnetic resonance imaging scanners and radiotherapy. Future technological innovations will continue to transform healthcare, while technologies such as new drugs, treatments and new devices will drive innovation. However, there are limits to our innovations and we strive to meet the needs of everyone.

Our leadership continues to do their best to steer the company, guided by its vision and mission to set the pace for mobile health technologies such as wearable devices, implantable devices, wellness apps, fitness trackers, and biometrics that offer faster, more accurate, and more efficient ways to obtain clinical data. Not only can this reduce costs and improve patient outcomes, but also the quality of life for more patients.

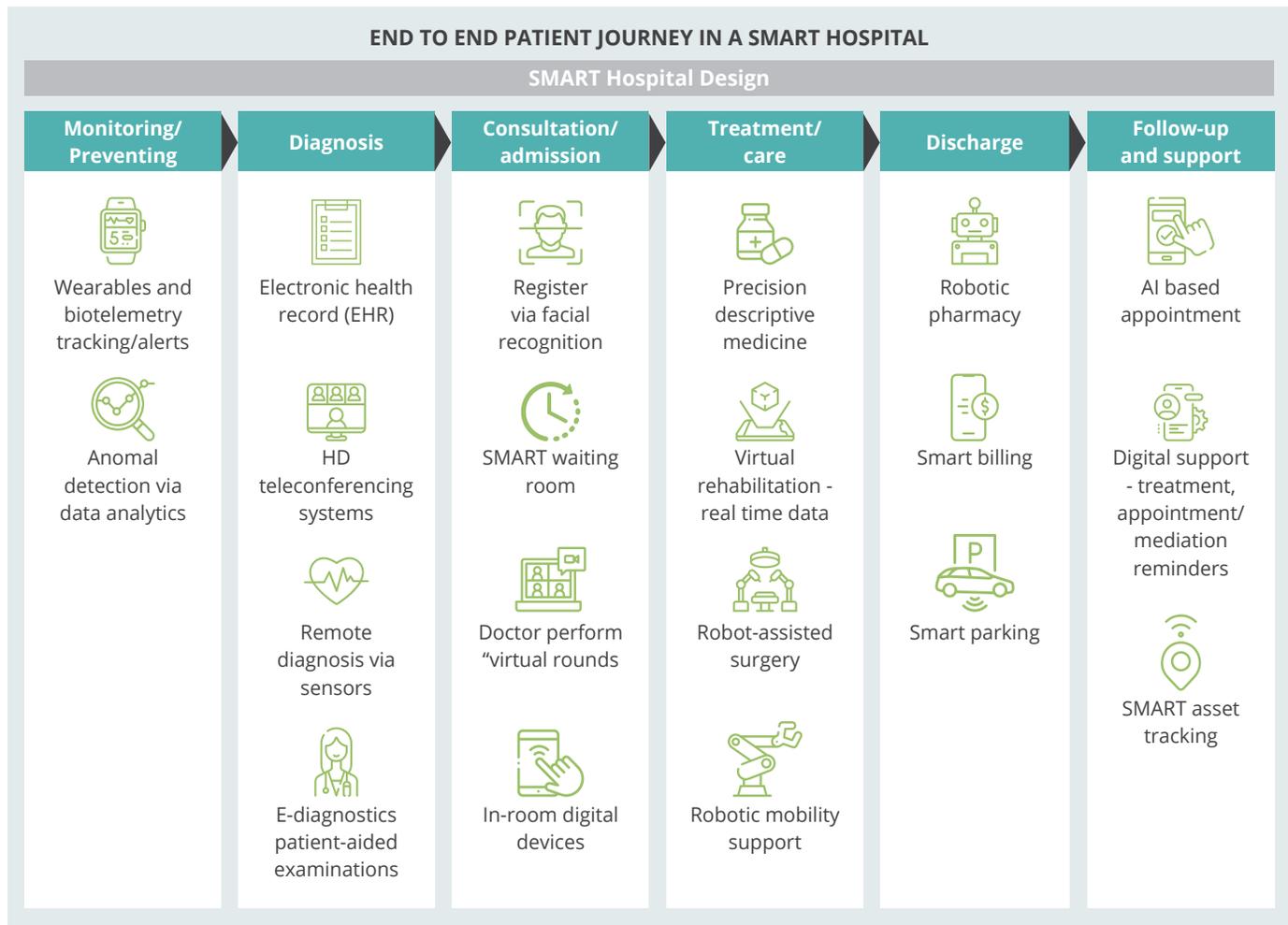
Governance



## UPHOLDING GOOD GOVERNANCE

COMPONENTS OF SMART HOSPITAL		
<p><b>Electronic Health Records (EHR)</b></p> <p>A centralised system that stores and manages all patient health information, including medical history, diagnoses, treatments and test results.</p>	<p><b>Telemedicine</b></p> <p>The use of telecommunication and information technologies to provide clinical health care from a distance.</p>	<p><b>Wearable Medical Devices</b></p> <p>Devices that are worn by patients and can monitor various health parameters such as heart rate, blood pressure, and blood sugar levels.</p>
<p><b>Clinical Decision Support System (CDSS)</b></p> <p>A computer-based system that provides relevant medical information to healthcare professionals to assist them in making informed decisions about patient care.</p>	<p><b>Remote Patient Monitoring</b></p> <p>The use of technology to monitor patients remotely, allowing healthcare providers to receive real-time data on patient health and adjust treatment plans as needed.</p>	

Our new “SMART” hospital technology protects our patients from the moment they step into the facility, extends beyond treatment to consultation at their homes.



# UPHOLDING GOOD GOVERNANCE

Economic

KPJ Damansara Specialist Hospital 2 (DSH2) which began operations in August 2022 is designated to be our first SMART Hospital. It is equipped with advanced healthcare technologies, assisted by an AI-driven medical record system and IoT network, to enable seamless integration of processes, systems to improve customers' experience.

DSH2 has a luxurious ambiance and is a symbol of KPJ's rebranding effort in 2023. The strategy of DSH2 is to deploy 50% of its capacity towards health tourism, coupled with a wide range of cutting-edge services to drive revenue and to reduce the gestation period. DSH2 is a new attraction for health tourism patients and represents Malaysia, which is one of the best in South-East Asia in terms of cost and high standards of healthcare.

### INNOVATION CULTURE IN KPJ

KPJ's innovative culture among medical professionals and employees is driven by dramatic technological changes.

The KPJ Board of Directors, via its Medical Advisory Committee (MAC), nurtures this culture through research and innovation among our talents, under the MAC subcommittee, the Research and Quality Innovation Committee (RQIC). RQIC was established in 2010 to facilitate research within the KPJ Group for clinicians and KPJ staff who want to conduct research on issues pertaining to clinical, quality, safety, and/or healthcare-related matters. The committee is also tasked with promoting the establishment of quality assurance and improvement programmes at KPJ's hospitals.

Prof. Dato' Dr. Azizi Hj. Omar is an Independent Non-Executive Director and is also the Chairman of RQIC. He contributes significantly to the Group's Research and Development Programme and is actively involved in KPJ University as a Chief Editor of the KPJ Medical Journal.

Environment

Social

Governance

### COLLABORATION

We collaborate with various stakeholders to determine solutions for matters that have negatively impacted the healthcare sector in Malaysia. KPJ strives to cater to the rising demand for healthcare services even though there are limitations to certain services which we are not able to provide.

**KPJUC has entered into collaborative efforts to enhance its research contents and strengthen its industrial networking.**

**As the pioneering healthcare provider in Malaysia, KPJ became the first to offer instalments on medical bill payments and flexible payment options for our patients.**

**We are exploring environmental solutions with various specialists for renewable energy and waste management.**

**We are in the midst of finalising a project on renewable energy which entails an installation of solar panels. The project is expected to be completed by end of year 2023.**

**KPJ supports the Social Security Organisation's (PERKESO) subsidiary, Pusat Rehabilitasi PERKESO by extending rehabilitation services to insured individuals.**

**The Malaysia New Zealand Chamber of Commerce conducted a tour of all the facilities and services available at Damansara Specialist Hospital 2 to drive health tourism in Malaysia.**

**KPJ Healthcare collaborated with Prudential Malaysia to encourage the general public to break the stigma surrounding mental health and to speak up on this topic.**

## UPHOLDING GOOD GOVERNANCE

## ETHICS AND INTEGRITY

**Business ethics is the discipline that explores the moral and ethical considerations of business practices. At KPJ Healthcare, our values and principles support our profession and guide us in all aspects of our work.**

### Our Social Impacts

- Maintaining high standards of ethics and integrity reduces the risk of corruption, boosts productivity, assures sustainable expansion, increases patients', customers' and investors' confidence in KPJ which leads to long-term expansion.
- Adhering to ethics and business conducts, employees' morale is boosted, and they are more likely to volunteer in providing feedback to the top management. As a result, employees will be happier with their jobs and turnover rate will decrease.

### How We Manage Our Social Impacts

- Our policies that reflect our commitments are published on KPJ's website in accordance with Paragraph 15.29 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") seeks to inform Bursa Malaysia's stakeholders of our ongoing and concerted efforts to prevent corruption.
- KPJ's strategy in combating corruption is through prevention, education and awareness as well as enforcement in ensuring an ethical culture in the group.
- KPJ has attained the ISO 37001:2016 ABMS Certification for three years since 23 October 2020.
- KPJ completed the 2<sup>nd</sup> year ABMS Surveillance Audit by SIRIM 30 November 2022 with the issuance of a "No Non-Conformity Report".

The Board emphasises the importance of embracing the values of integrity and ethics across the organisation. In 2022, the Board of Directors formulated and approved a Fit and Proper Policy for candidates' selection for Directors' appointment, the annual evaluation of Directors, and the recommendation of Directors to shareholders for re-election at the Annual General Meeting. The aim is to ensure that each Director possesses the necessary character, experience, integrity, competence, independence (for Independent Directors), and time to carry out his or her responsibilities effectively. The fitness and propriety criteria to be considered when evaluating a candidate for appointment as Director, including candidates who inactive politicians as defined in Guidance 5.5 of the MCGG.

### A DEDICATED INTEGRITY UNIT (IU)

A dedicated IU continues to spearhead the objectives to uphold and institutionalise integrity as a key factor in governance, ensuring the processes needed for ABMS are established, implemented and maintained by the group.

Formed with Board approval in February 2020, the IU is the anti-bribery compliance function which is part of the defense against of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and supports the coordination of the integrity and whistleblowing management.

## UPHOLDING GOOD GOVERNANCE

Economic

### KPJ SUPPORTS THE NATIONAL ANTI-CORRUPTION PLAN (NACP)

KPJ is steadfast in promoting transparency, accountability and the culture of integrity across our value chain. The formulation of our three-year plan of KPJ Integrity/Anti-Bribery Plan supports the NACP with the aim to strengthen the organisation's governance, integrity, and anti-corruption controls. The IU of KPJ reports directly to the RSGC, which is responsible in overseeing the implementation, monitoring and evaluation of Integrity/Anti-Bribery Plan 2022-2023.

As stated in Section 11: Monitoring and Reporting under "Arahan YAB Perdana Menteri No. 1 Tahun 2018 – Penubuhan Unit Integriti dan Governans Syarikat Berkaitan Kerajaan (GLC), Syarikat-Syarikat Yang Dimiliki Oleh Kementerian dan Agensi Kerajaan Termasuk Di Bawah Kerajaan Negeri":

The IU is required to submit a report on the implementation of its integrity activities to Bahagian Pengurusan Integriti Agensi (BPIA), and MACC for every six months since June 2020.

Environment

### KPJ INTEGRITY/ANTI-BRIBERY PLAN 2022-2023

#### Q4 2021

##### KPJHQ Surveillance Audit

Provided awareness training on the enhanced ABMS Standard Operating Procedures (SOP) and finalised the ABMS SOP

#### Q1 2022

##### Strengthening the SOP

Finalised the revised Whistleblowing SOP, continued carrying out awareness/ refresher training on ABMS revised SOP and enhanced bribery risk assessment at KPJ HQ

#### Q2 2022

##### Evaluation and Monitoring

Continued enhancing bribery risk assessment and raising awareness on ABMS SOP. The monitoring and reporting on ABMS performance was also conducted

#### Q3 2022

##### Evaluation and Monitoring and KPJHQ Surveillance Audit

Included surveillance audit apart from monitoring and conducting evaluation of the ABMS. These are in addition to the on-going refresher and awareness training, as well as internal audit

#### Q4 2022

##### Continuous Improvement

Addressed the gaps identified in the surveillance audit and conducted a survey to measure the integrity culture within KPJ

#### YR 2023

##### ABMS Re-certification Audit

Conducted re-certification audit and developed an improvement plan based on the integrity culture survey

Social

Governance

## UPHOLDING GOOD GOVERNANCE

### Managing Ethics and Integrity in Our Value Chain

According to the Malaysian Anti-Corruption Commission (MACC), procurement is the top sector which is prone to corruption.

One of the Anti-Bribery/Corruption policies in use to prevent corruption in procurement processes and evaluate a supplier's risk is the 2020 Integrity Pact implementation guidelines. It consists of various declaration procedures for KPJ staff, procurement committees, suppliers and vendors.

An Integrity Ambassador has been appointed at each of our subsidiaries to promote our values and aid in the prevention of wrongdoing, corruption, and abuse of authority. KPJ assures that all business dealings with our vendors and suppliers are conducted in a fair, transparent and corruption-free manner.

This is also part of our commitment to strengthening our efforts towards improving the integrity, transparency in procurement and abuse of power.



# UPHOLDING GOOD GOVERNANCE

We are creating awareness and communicating the KPJ ABMS Policy and relevant procedures to all levels of employees through Google Shared Drives as well as a series of online, physical, and hybrid trainings.

Our Board also received training from time to time through the Continuous Learning Programme (CEP) as required by Paragraph 15.08 of the MMLR and directors who have received training on anti-corruption are disclosed in our Corporate Governance Report under Practice 2.1 of the MCCG.

Economic

Environment

Social

Governance

<b>Integrity Ambassador</b>	<ul style="list-style-type: none"> <li>Quarterly meetings with the Integrity Ambassadors were scheduled to monitor the progress of the ABMS SOP implementation Group-wide.</li> <li>The ABMS Compliance Checklist Reporting was introduced in 2021 as a control mechanism to monitor the ABMS SOP Group implementation and level of compliance in meeting the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act (MACC) 2009.</li> <li>The existing governance framework, including the ABMS, is robust, adequate and effective to address bribery and corruption activities.</li> <li>In 2022, 100% or 40 Integrity Ambassador completed the four refresher training.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>100% of our employees completed Integrity and ABMS SOP awareness training as of 30<sup>th</sup> March 2022.</li> <li>100% of our employees completed the ABMS Awareness Training as of 30th March 2022.</li> <li>Continuously ensured that all employees reaffirmed their commitment through the employee E-Integrity Pledge via the Employee Self-Service (ESS) system.</li> </ul>
<b>Focus Group</b>	<ul style="list-style-type: none"> <li>70 participants from two focus groups attended the ABMS Awareness Training programme. 50 participants from Purchasing Team Group-Wide and 20 nurses from the leadership team (CNO, Deputy Chief Nursing Officers and Nurse Managers)</li> </ul>
<b>Suppliers and vendors</b>	<ul style="list-style-type: none"> <li>100% of new suppliers and vendors were notified of the implementation of the Anti-Bribery/Corruption Policy.</li> <li>The Group requires our Vendors/Suppliers/Agents/Contractors to adhere to the laws, rules and regulations in all of their activities. The Group expects the Vendors/Suppliers/Agents/Contractors to abide by the integrity agreement when conducting business with or for the Group in which the Integrity Pact will comes together with the ABAC Policy signed by the KPJHB Chairman and the Integrity Declaration forms.</li> </ul>
<b>Government and regulators</b>	<ul style="list-style-type: none"> <li>An Integrity Talk attended by 650 participants and entitled "Apabila Hadiah Menjadi Rasuah" by the MACC was held through hybrid mode on 26<sup>th</sup> September 2022. In addition, the IU has organized another Integrity Awareness on 16th March 2023 which included sharing of experience by an ex-magistrate, who was convicted under Section 16(a) and Section 17(a) of the MACC Act 2009 for accepting and receiving bribes in 2012. He shared his experience, lessons learned and his journey on turning over a new leaf.</li> <li>Compliance with the instruction for reporting to the Agency Integrity Management Division, MACC in coordinating and monitoring the functions of the Integrity Unit. Semi-annually reporting are submitted to the Agency Integrity Management Division, MACC on 29 July 2022 and 30 January 2023 respectively.</li> </ul>



## UPHOLDING GOOD GOVERNANCE

**Whistleblowing Channel**

KPJ's Whistleblowing Policy (WBP) has been in effect since 2013 and was revised in accordance with the ABMS Policy in 2020. Further revision of the WBP and establishment of the Terms of Reference of the Whistleblowing Committee was approved on 23 November 2022 by the KPJHB board. The Whistleblowing Committee meets twice a year and at such other times as the committee deems appropriate. All employees, members of the public, vendors/suppliers, or stakeholders can make a whistleblowing report via [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my)

Any wrongdoing or improper conduct discovered or reasonably suspected must be immediately reported through the appropriate channels. An employee, member of the public, vendor/supplier, or stakeholder can make a whistleblowing report via [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my).

KPJ's comprehensive WBP outlines the Group's commitment in promoting the highest standards of governance, ethics and integrity in all aspects of business dealings.

The revision of the WBP was proposed by the Chairman of the Risk, Sustainability and Governance Committee (RSGC) for a simpler process as well as to align with JCorp's revised Whistleblowing Policy. It is also part of the annual review for continuous improvement in strengthening the ABMS. The revised WBP and the various channels to whistleblow are available on our corporate website together with our Whistleblowing Channel policy and commitment.

A total of 11 reports were received from the whistleblowing reporting channel since its inception in 2020. Two of the reports were integrity related whilst nine were grievances in nature.

The grievance cases were escalated to Chief Human Resource Officer for further action in line with our Whistleblowing Policy and Procedure as well as HR-related SOP. The following tables show the breakdown of the 11 reports, which have all been closed accordingly.

YEAR	No. of Cases
2020	1
2021	9
2022	1

WHISTLEBLOWING CHANNELS	No. of Cases
Email via <a href="mailto:integrity@kpjhealth.com.my">integrity@kpjhealth.com.my</a>	6
Email via PMD	3
Integrity Unit (verbal notification)	1
Chief Human Resource Officer	1

- Written communication to be mailed and if for any reason, it is believed that reporting to the above is not possible or appropriate, then the issue should be reported to the Chairman of the Whistleblowing Committee at the following address:

Integrity Unit  
Level 15,  
Menara KPJ, No 238,  
Jalan Tun Razak,  
50400, Kuala Lumpur  
(Mark Strictly Confidential and To be Opened by Addressee Only)

**Bribery Risk Assessment**

An annual review on the Bribery Risk Assessment is undertaken to ensure that evolving circumstances are assessed for their risks and where necessary, are controlled. In 2022, we assessed 19 or 91% of our operations for risks related to corruption. There are four offences identified through the bribery risk assessment, namely giving bribes, receiving bribes, abuse of power and making false claims.

# UPHOLDING GOOD GOVERNANCE

Economic

## ▶ DATA PRIVACY AND SECURITY

Malaysia recognises cyber security as a national priority as our nation is rapidly transitioning into a digitalised society. In 2018, there were 28.7 million Internet users in Malaysia which represented 87.4% of the population. Today, this number has increased to 91.7% or 30.25 million Internet users. These astounding figures illustrates our growing dependency and connectedness to cyberspace.



Environment

### Our Social Impacts

- Our inability to keep personal data safe will shake the confidence of our stakeholders, employees, patients and financial investors. Valuable information is at stake; including patients' credit card details, personal health information, as well as KPJ's research data and internal data whereby such data are vulnerable to cyberthreats, security breaches and cybercrime. Any breaches to our data and security will damage the company's reputation, resulting in risks to our business that will inhibit the growth of our business.
- Adhering to ethics and business conducts, employees' morale is boosted, and they are more likely to volunteer in providing feedback to the upper management. As a result, employees will be happier with their jobs and turnover rate will decrease.

### How We Manage Our Social Impact

- Keeping our network protected with several layers of security including Big Data.
- Securing our data on our private Cloud and on the Group's computers, built with high levels of security access.
- KPJ's Chief Digital Officer (CDO) enforces governance and ensures implementation of cybersecurity policies and procedures.
- We have in place comprehensive data privacy and security programmes to safeguard our data and systems from potential threats and risks.
- Continuously ensuring compliance to data privacy standards.

Social

Governance



## UPHOLDING GOOD GOVERNANCE

This has led to the creation of the National Cyber Security Policy (NCSP) in 2006. The NCSP was specifically developed to address the risks to the Critical National Information Infrastructure (CNII). This is to enhance the existing legislative and regulatory framework used to combat cybercrime. Malaysia has taken measures to ensure that both public and private CNII agencies adopt and certify the MS ISO/IEC 27001: Information Security Management Systems standard and other related certifications.<sup>1</sup>

Cybercriminals often target healthcare institutions because they possess a large amount of data that is high in monetary and intelligence value to attackers. Our Code of Ethics and Business Conduct defines privacy standards and outlines how our employees should proceed when dealing with personal information. These are the types of information that are vulnerable to cyberthreats:

<b>Patients' financial information</b> (e.g., credit cards, bank account details, etc.)	<b>Health history and information of patients</b>	<b>Confidential medical research data</b>
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### DATA PROTECTION AND DATA PRIVACY

Healthcare cybersecurity is a strategic imperative for any organisation in the healthcare industry — from healthcare providers to insurers to pharmaceutical, biotechnology and medical device companies. It involves a variety of measures to protect organisations from external and internal cyberattacks to ensure there is continuous availability of medical services, proper operation of medical systems and equipment, reservation of confidentiality and integrity of patient data, in compliance with industry regulations.

Hospitals have an extensive network of devices connected to servers that store valuable information. For example, MRI machines are connected to numerous workstations that allow operators to work with MRI pictures. However, these devices can become potential entry points for cybercriminals to enter a hospital's servers.



<sup>1</sup> Malaysia CyberSecurity Strategy 2020-2024.

# UPHOLDING GOOD GOVERNANCE

Economic

## CYBERSECURITY

### Six Ways to Enhance Cybersecurity in KPJ Healthcare

KPJ Group Technology Services (GTS) has put in place the following teams, implementations, policies and procedures for the purpose of risk mitigation:

A dedicated team of IT Security professionals and Security Operation Centre (outsourced) protects KPJ's IT Infrastructure and Systems, which ensures 24/7 monitoring of security infrastructure by the Security Operation Centre (SOC).

An Annual Disaster Recovery Drill is conducted as part of the Business Continuity Management (BCM) to ensure the IT Systems' availability and recovery during a disaster. In 2022, the disaster recovery drills were performed in all 20 hospitals hosted in KPJ MPC (Managed Private Cloud).

Tighter enforcement of access to privilege controls for users and administrators including remote access controls, USB controls, Remote Access (VPN with multifactor authentication), as well as connection controls, and KPJ Domain Controls for all Desktops, Notebooks and USB Devices.

Cybersecurity user awareness and phishing simulation.

- We published IT Security Bulletins on a monthly basis. IT Security awareness programmes were conducted every quarter to create awareness and enhance cybersecurity vigilance among all staff.
- In addition, GTS Security team conducted phishing tests three (3) times in 2022 as part of a programme for staff awareness on phishing email. Identifying phishing attempts, such as typos in email addresses and improper grammar, allows employees to detect and avoid such threats.

An external IT consultant was engaged to conduct an IT Security Resilience review for KPJ in October 2022.

The GTS Security Roadmap was established to enhance the overall internal security controls and it was presented during the 22<sup>nd</sup> RSGC on 31 January 2023.

Environment

Social

## SECURITY

KPJ has been implementing the User Access Matrix (UAM) to enhance patients' data security. UAM is applied within the KCIS2 and HITS2 framework as KCIS2 UAM and HITS2 UAM, which are based on MOH User Access Policy (UA Policy) and guidelines to maintain the confidentiality of patients' electronic information. Standard guidelines for system design and implementation have also been set.

The UA Policy fulfils the legal requirements of various laws, regulations, rules and circulars including:

- The Medical Act 1971
- The Malaysian Medical Council (MMC) Ethical and Guidelines
- Ministry of Health (MOH) Circulars and Guidelines, such as Management of Patient Records in Hospitals and Medical Institutions (2010) and ICT Security Policy (2010)



Governance

# UPHOLDING GOOD GOVERNANCE

## ▶ SUPPLY CHAIN MANAGEMENT

**Efficient supply chain is integral to a sustainable supply of drugs and medical products to meet customer needs and industry demands. As such, we are committed to ensuring adequate availability of medical supplies.**



Through the establishment of the Group Procurement and future collaboration with Pharmaserv by the second quarter of 2023, we are able to reduce procurement costs. This enables KPJ to provide more competitive services to our customers while savings will benefit our KWAN clinics, which serve the underprivileged. By lowering medicine costs, we were able to reach a wider segment of low-income groups and provide them with the necessary medical supplies.

Overall, this allowed us to successfully navigate the supply challenges and ensure that our customers and communities were provided with high-quality medical supplies at competitive prices.

### Our Social Impacts

- An efficient supply chain via Group Procurement will ensure adequate medical supplies to meet customer needs and healthcare demands. With lower operational and supply chain management costs, customer will benefit from better quality drugs and medical products that are value for money.
- An efficient supply chain will ensure delivery of pharmaceutical and medical products, lower operational cost and ensure quality and timely delivery of products and services.

### How We Manage Our Social Impact

- The Group Procurement collaborates with Pharmaserv Alliance Sdn Bhd.
- Pharmaserv and Group Procurement works closely with medical devices manufacturers and suppliers to lower supply chain management costs.
- Pharmaserv is responsible for ensuring adequate supply of drugs and Group Procurement in-charge for disposable medical necessities.
- A streamline, standardise and digitalise procurement is effectively managed supply chain will cause avoid disruptions to daily operations, reduce operational cost and protects KPJ to legal, financial and reputational risks.

# UPHOLDING GOOD GOVERNANCE

Economic

## MANAGING SUSTAINABILITY PRACTICES IN OUR VALUE CHAIN

We strive to incorporate sustainable practices such as developing our own Supplier Code of Conduct to ensure ethical and sustainable sourcing practices.

It is important to oversee and monitor our suppliers' business activities and supply chains, as well as determine their impact on the environment and the community, as we strive to advance our sustainability goals, to protect the environment and uplift communities.

KPJ has in place a supplier pre-qualification process that incorporates sustainability factors in its evaluation and selection process. Suppliers are mandated to follow industry norms and adhere to national laws and practices that promote sustainability. This includes supporting the objectives of the UN SDGs, UN Universal Declaration of Human Rights and the 1998 ILO Declaration on Basic Principles and Rights at Work.

Additionally, KPJ's vendors and suppliers are required to complete a questionnaire prior to engagement, to facilitate our risk assessment process.

Environment

## KPJ SUSTAINABLE SUPPLY CHAIN

We also encourage our supply stakeholders to adhere to the key points below:

Child labour and forced labour – Suppliers must not utilise child labour or other forms of coerced or compulsory labour.

Non-Discrimination/Equal Opportunities – Suppliers shall not discriminate on the basis of race, religion, disability, age or gender.

Excessive working hours – Suppliers shall comply with the respective national laws and regulations regarding working hours, wages and benefits.

Health and Safety – We expect our suppliers to strive to implement standards of occupational health and safety at a high level. Suppliers should comply with applicable occupational health and safety regulations and provide a work environment that is safe and conducive to good health, in order to preserve the health of employees and prevent accidents, injuries and work-related illnesses.

Improper payments/bribery – The supplier shall comply with all applicable anti-corruption and bribery laws including the Malaysian Anti-Corruption Commission Act 2009. In particular, the supplier may not offer services, gifts or benefits to our employees in order to influence an employee's conduct in representing KPJ.

Environment – The supplier shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment. We encourage our suppliers to support KPJ Healthcare's efforts to protect the environment and operate in an environmentally responsible manner through the products and services they deliver. In this regard, we also encourage our suppliers to develop policies on:

- Responsible use of resources including water and energy;
- Waste reduction;
- Pollution prevention;
- Biodiversity impact; and
- Climate Change impact including CO<sub>2</sub>/GHG emissions.

Business Partner Dialogue – Suppliers shall communicate the principles stated in the supplier code of conduct to their subcontractors and other business partners who are involved in supplying the products and services to KPJ. The supplier shall motivate such parties to adhere to the same standards.

*Note : Our strict set of ethical values to guide us in our business dealings, which is available on our website at [https://kpj.listedcompany.com/misc/Sustainable\\_Supply\\_Chain.pdf](https://kpj.listedcompany.com/misc/Sustainable_Supply_Chain.pdf)*

Social

Governance

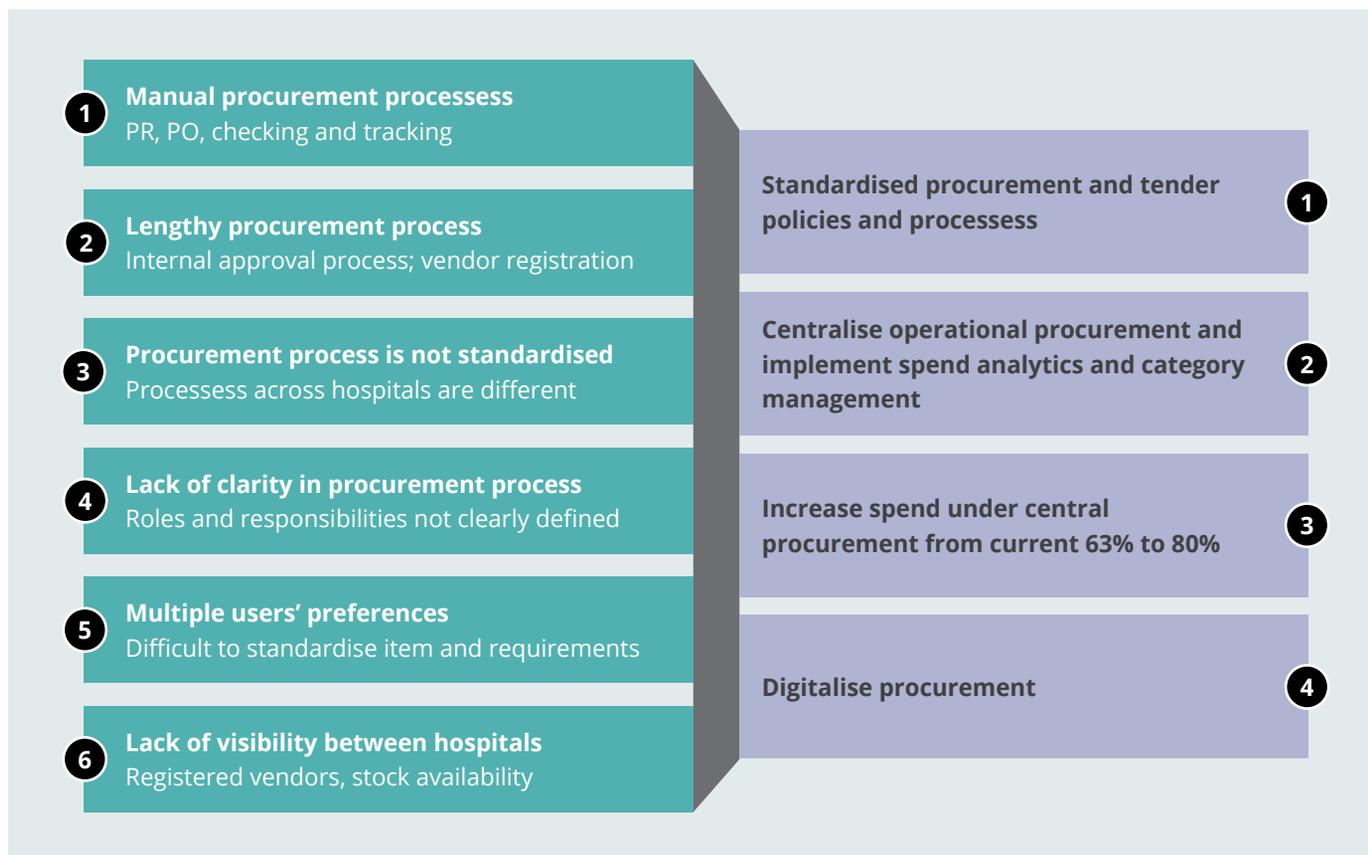


## UPHOLDING GOOD GOVERNANCE

### COST REDUCTION STRATEGY VIA GROUP PROCUREMENT

As a leading healthcare operator in Malaysia, the Group recognises the importance of collaborating with suppliers from diverse industries to meet our wide-ranging needs. These suppliers play a critical role in supporting our medical and non-medical operational requirements, as well as the daily essential needs of our hospitals. While we have in-house capabilities, our suppliers provide us with products and services such as medical equipment, pharmaceuticals, cleaning supplies, and food and beverage items. Our selection process ensures that our suppliers meet our standards for quality, reliability, and ethical conduct, allowing us to build strong relationships and maintain a seamless and efficient supply chain.

To improve efficiency and achieve cost optimisation, the function of KPJ's Group Procurement requires a multi-faceted transformation to shift from developing to high performing. The manual process has been streamlined, standardised and digitalised procurement to increase speed from 63% to 80%. PASB recorded more than RM35.0 million in cost savings through its tenders and contract pricing with key suppliers in 2022. Through its centralised logistics and inventory management framework, PASB has successfully reduced the inventory of the KPJ Group which is a huge savings in terms of inventory costs and space.



The Group's procurement system includes thousands of suppliers, and we are continuously striving to enhance our procurement process. Our goal is to achieve this by implementing a more robust management system that improves cost efficiency by 33%. To accomplish this, we are refining and segmenting regional clusters to ensure better accountability and efficiency in our supply chain. These measures will allow us to optimise our procurement process, resulting in improved cost efficiency and better management of our suppliers.

In 2022, we spent about RM811 million on total procurement on medical supplies, RM119.4 million on medical and other equipment, RM766 thousand on computers as well as the related party transactions amounting RM30.0 million within JCorp Group.

# UPHOLDING GOOD GOVERNANCE

Economic

## PHARMACEUTICAL AND MEDICAL PRODUCTS SUPPLY CHAIN

As a subsidiary of the KPJ Group, Pharmaserv is held to the same standards of excellence and integrity as exhibited by the Group. Pharmaserv recognises the importance of an efficient supply chain in ensuring an adequate supply of drugs and disposable medical devices, particularly during adverse situations that can have a detrimental effect on healthcare services and clinical outcomes. Therefore, Pharmaserv is accountable for maintaining such an efficient supply chain.

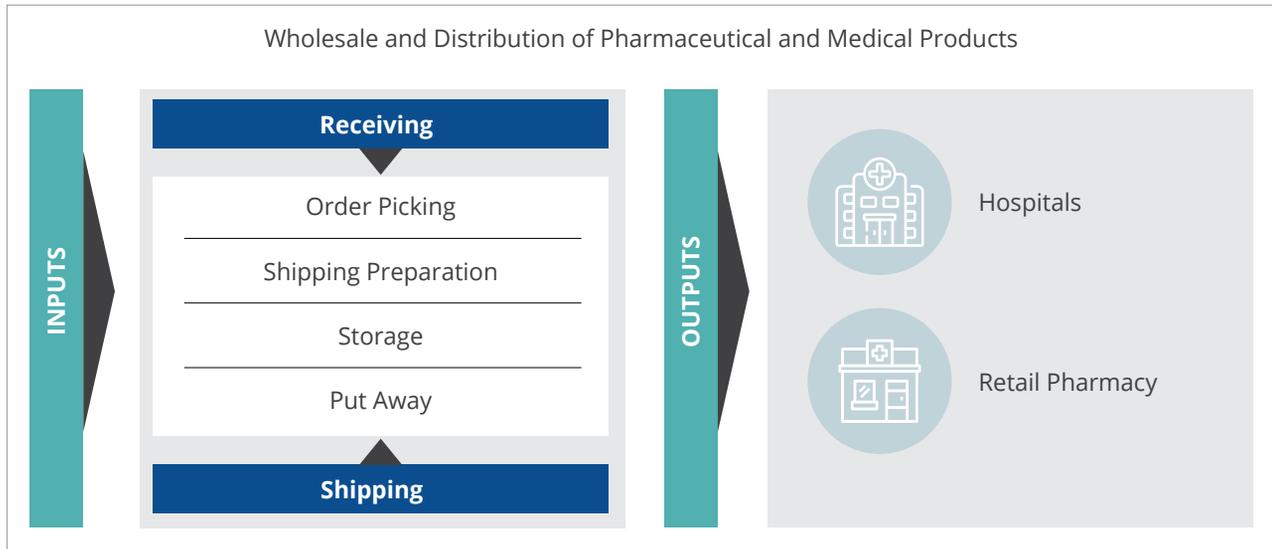
In this regard, Pharmaserv adheres to the Good Distribution Practices (GDP) for Pharmaceuticals and Good Distribution Practices for Medical Devices (GDPMD)

regulations set by the Ministry of Health (MOH) in the distribution and handling of medical products. Additionally, Pharmaserv is fully aligned with internal work procedures and governance relating to bulk purchases, tenders, and contract pricing.

Pharmaserv maintains close collaboration with pharmaceutical and medical device manufacturers and suppliers as part of its strategic approach. This allows Pharmaserv to have greater oversight and control over supply chain management and operational activities, ultimately resulting in reduced administration costs for the supply chain by RM35.0 million.

KPJ Pharmaceutical's supply chain is shown in the chart below:

Environment



Social

Pharmaserv operates within a highly regulated ecosystem where the suppliers and vendors are essential in providing top-quality products and services. The Group only procures products and services that meet the highest internal, regulatory, and accreditation agency standards, ensuring quality and compliance with industry regulations.

We prioritise fair and transparent negotiations with all our suppliers, providing equal opportunities for each. Our procurement procedures involve the selection of suppliers based on criteria applied in tenders, contracts, and supplier agreements. We select our suppliers through a rigorous process that evaluates their consistent approach to sustainable development, adherence to environmentally friendly practices, and strong business reputation.

Pharmaserv's top priority is to provide prompt and efficient service that meets customer expectations. In pursuit of this goal, the Group has committed to delivering hospital orders within 24 hours to Klang Valley hospitals and within 48 hours for hospitals located outside the Klang Valley. This commitment is achieved through the consolidation of orders and the establishment of cut-off order times based on the hospital's location. The Group aims to improve its efficiency in this regard with the enhancement of its IT systems. Pharmaserv is also adopting data analytics to improve its performance in competitive price analysis, gain insights on products in the market, and understand customer preferences. Access to improved predictive outcomes are expected to result in significant savings for the Group.

Governance



# PERFORMANCE DATA

## VALUE CREATION TO OUR STAKEHOLDERS

KEY STAKEHOLDERS	DESCRIPTIONS	UNIT	2022	2021	2020
Patients	• Clinical Surveys	%	93.2%	93.5%	93.5%
	• No. of Hospitals evaluated including non MSQH hospitals	Qty	28	27	27
Employees	• Salaries, allowances and bonuses, contribution to defined contribution plan	(RM million)	941.6	824.4	687.95
	• Training and Upskilling	(RM million)	6.4	3.9	5.7
Investors and Shareholders	• Dividend	(RM million)	86.9	23.7	51.4
Consultants	• New Medical and Other Equipment	(RM million)	119.5	65.6	81.6
Government	• Taxation	(RM million)	73.2	48.9	40.0
Local Communities	• Corporate Responsibility to KWAN's patients	(RM million)	9.8	9.2	15.8
	• Community Investment on Scholarships & Student Sponsorship Program	(RM million)	7.2	5.6	10.0
Suppliers and vendors	• Medical Supplies	(RM million)	811.3	834.5	762.3
	• Computers	(RM million)	776	488	228
	• Related Party Transactions within KPJ Group including, housekeeping, security and building management service fees.	(RM million)	30.08	32.73	42.81

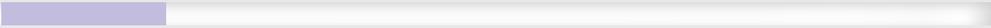
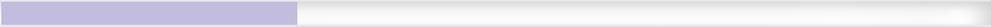
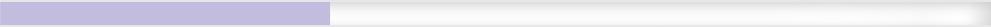
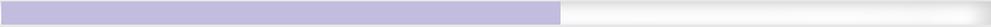
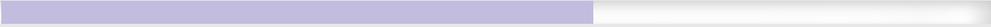
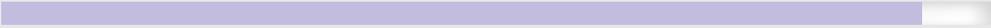
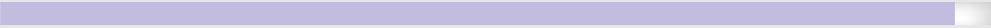
## ACTIVITY METRICS OF KPJ MALAYSIAN

	29 hospitals in Malaysia	1 Ambulatory Care Centre	17 KWAN Clinics 6 Mobile Clinics
Outpatients	2,799,918	4,400	53,925
Inpatients	297,071		
Beds	3,357		

	Confinement Centre	Dental	Haemodialysis	Assisted Living Care (ALC)	Rehabilitation
Patients/Treatment	46	5,149	18,082	1,061	20,011

## PERFORMANCE DATA

## KPJ HOSPITALS' MAJOR EQUIPMENT

Linear Accelerator		5
Lithotripter		9
Bone Densitometer		9
Ultrasounds		10
Fluoroscopy		16
Angiography		17
MRI		18
Mammography		25
Mobile Radiography		26
CT Scanner		28
C-ARM		28
General X-Ray		29

## ADAPTING TO ECONOMIC SHIFT

DESCRIPTIONS	2022	2021	2020
Revenue Growth in Health Tourism (%)	63.5%	(37%)	7%
Group Renovation (RM million)	50.7	17.4	28.5
Tax Incentive (RM million)	126.4	48.9	38.9
IT Investment (RM million)	9.6	10.4	2.3
New Medical and Other Equipment (RM million)	119.5	65.6	81.6
No. of KPJUC Students	2,707	2,221	2,049
No. of KPJUC Graduates	178 graduated in 2021	520 graduated in 2020	1,110 graduated in 2019
Secured Employment Hired by KPJ	30%	13%	90%

## PERFORMANCE DATA

## PROTECTING OUR ENVIRONMENT

ENVIRONMENT DATA BY KPJ MALAYSIAN HOSPITALS	2022	2021	2020
Diesel (litre)	26,827.6	26,377.6	27,227.6
Diesel (gigajoule)	1,019.4	1,002.3	1,034.6
Diesel Intensity (litre/m <sup>2</sup> )	0.068	0.067	0.069
Diesel Intensity (Gj/m <sup>2</sup> )	0.003	0.003	0.003
Electricity (kWh)	162,897,600	161,268,664	157,651,139
Electricity (gigajoules)	586,431.4	580,567.2	567,544.1
Electricity Intensity (kWh/m <sup>2</sup> )	415.7	411.5	402.3
Electricity Intensity (Gj/m <sup>2</sup> )	1.50	1.48	1.45
Clinical Waste (kg)	1,181,574.7	949,858.8	1,038,400.4
Recycled Waste (kg)	7,358,360.1	3,845,465.3	3,619,308.2
Water Consumption (m <sup>3</sup> )	783,493.0	729,733.0	774,630.1
Water Consumption (megalitres)	783.5	729.7	774.6

## FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

KPJ, Malaysia's largest private hospital chain, is preparing to face numerous potential threats to population health and development due to climate change. We have identified the following risks and opportunities related to climate change:

- Risks to physical infrastructure that is located in flood prone low-lying and/or hurricane-prone areas specifically at coastal areas.
- Risks to physical infrastructure based on facility design, such as having key medical equipment in basements or the availability of backup power from our BCM such as disaster contingency plan for hospital and dialysis services. Nationally, the dengue cases in 2022 increased by fourfold compared to 2021.
- More sustainable partnerships in green projects to manage waste, water and energy via the sustainability Sukuk Wakalah Programme.
- KPJ will embark on the TCFD framework. The climate change risk was identified during the sustainability workshop in 2022.

## PERFORMANCE DATA

## UPLIFTING PATIENTS AND COMMUNITIES

SERVICE AND QUALITY SERVICES	2022	2021	2020
Hospital-Acquired Condition (HAC) Score per hospital Hand Hygiene Rate (%) achieved more than 75% as per MOH's target  SASB Accounting Metrics: HC-DY-250a.3	92%	90%	93%
Average Hospital Value-Based Purchasing Total Performance Score and domain score, across all facilities  SASB Accounting Metrics: HC-DY-250a.1	This indicator is equivalent to other standards and requirements in quality of care and patient satisfaction guided by JCI, MSQH and Planetree.		

## KPJ HOSPITALS ACCREDITATION AND CERTIFICATIONS

HOSPITALS	JCI	MSQH	INTEGRATED MANAGEMENT SYSTEM (IMS)	BABY FRIENDLY HOSPITAL INITIATIVES (BFHI)	
1. KPJ Johor	✓	✓	✓	✓	
2. KPJ Ampang	✓	✓	✓	✓	
4. KPJ Penang	✓	✓	✓	✓	
5. KPJ Ipoh	✓	✓	✓	✓	
6. KPJ Damansara	█	✓	✓	✓	
7. KPJ Tawakkal KL		✓	✓	✓	
8. KPJ Selangor		✓	✓	✓	
9. KPJ Perdana		✓	✓	✓	
10. KPJ Kajang		✓	✓	✓	
11. Kedah Medical Centre		✓	✓	✓	
12. KPJ Puteri		✓	✓	✓	
13. KPJ Pahang		✓	✓	✓	
14. KPJ Sentosa		✓	✓	✓	
15. KPJ Klang		✓	✓	✓	In progress
16. KPJ Pasir Gudang		✓	✓	✓	✓
17. KPJ Rawang		✓	✓	✓	✓
18. KPJ Maharani		✓	✓	✓	✓
19. KPJ Sabah		✓	✓	✓	✓
20. KPJ Kluang		✓	█	✓	█
21. Taiping Medical Centre		✓	█	✓	
22. Kuching Specialist Hospital		✓	█	✓	
25. KPJ Perlis		✓	In progress	█	
26. KPJ Batu Pahat		✓	█	█	
27. KPJ Bandar Dato Onn		✓	█	█	
28. KPJ Miri Specialist Hospital		✓	█	█	
29. Damansara Specialist Hospital 2		✓	█	█	

## PERFORMANCE DATA

## UPLIFTING PATIENTS AND COMMUNITIES

CUSTOMER WELFARE AND SATISFACTION	2022	2021	2020
Customer Satisfaction Index (%)	93.4	92.3	90.1
Total no. of staff trained in Standard People Practice and refresher programme	18,774	19,872	13,036
Total no. of staff trained in Premier Customer Service (new programme)	12,749		

MANAGEMENT OF CONTROL SUBSTANCE	2022	2021	2020
First fill adherence rate SASB Accounting Metrics: HC-DR-260b.1	<b>Outpatient:</b> 0.015/1000 prescription  <b>Inpatient:</b> 0.15/inpatient days	<b>Outpatient:</b> 0.02/1000 prescription  <b>Inpatient:</b> 0.21/inpatient days	<b>Outpatient:</b> 0.03/1000 prescription  <b>Inpatient:</b> 0.20/inpatient days
First fill adherence rate SASB Accounting Metrics: HC-DR-260b.1	NIL	NIL	NIL

## FOSTERING OUR PEOPLE

KPJ MALAYSIAN EMPLOYEES	2022		2021		2020	
Total employees	15,224		14,431		14,567	
<i>Variance (%)</i>	5.50%		-0.93%		0.93%	
Permanent	14,986		14,203		14,267	
Contract	238		225		283	
Part time	-		3		17	
KPJ hospitals	13,563		12,857		12,978	
Subsidiaries	1,661		1,574		1,589	
Employment ratio female to male	4 : 1		4 : 1		4 : 1	
Basic salary ratio female to male	0.9 : 1.0		0.89 : 1.0		1.0 : 1.01	
	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
Total employees by gender	12,075	3,149	10,443	2,414	11,654	2,913
<i>Variance (%)</i>	4.30%	5.30%	-0.70%	-0.50%	6.30%	-13.90%

## Employees by region by gender

KPJ Hospitals	2022		2021		2020	
Central 1	2,468	637	2,643	652	2,643	652
Central 2	2,102	566	1,864	471	1,864	471
Southern 1	1,282	233	1,243	227	1,243	227
Southern 2	1,284	276	1,197	264	1,273	277
Northern	2,072	430	1,922	409	1,922	422
East Coast	782	189	744	189	744	176
East Malaysia	958	219	881	210	881	210
Subsidiaries						
* Kuala Lumpur and Selangor	1,127	599	894	621	1,084	478

## PERFORMANCE DATA

## FOSTERING OUR PEOPLE

<b>NEW HIRES AND ATTRITION</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>New Hires (No. of Employees)</b>	<b>2,622</b>	<b>1,438</b>	<b>1,473</b>
<b>New Hires Breakdown by Categories (%)</b>			
Specialist and MO	1%	4%	2%
Medical Employees	61%	60%	61%
All other Employees/Support Staff	37%	36%	37%
<b>New Hires Breakdown by Gender</b>			
Female	2,071	1,122	1,125
Male	551	316	348
<b>Attrition (No. of Employees)</b>	<b>2,076</b>	<b>1,547</b>	<b>1,336</b>
<b>Attrition Breakdown by Categories (%)</b>			
Specialist and MO	1%	2%	1%
Medical Employees	61%	61%	68%
All other Employees/Support Staff	38%	36%	31%
<b>Attrition Breakdown by Gender</b>			
Female	1,640	1,198	1,007
Male	436	349	349
<b>Attrition Rate (Voluntary)</b>			
Specialist Consultants	7.27%	4.26%	4.52%
Medical Employees	12.9%	9.3%	7.0%
All other Employees/Support Staff	13.8%	10.4%	8.2%
<b>Attrition Rate (Involuntary)</b>			
Specialist Consultants	NIL	NIL	NIL
Medical Employees	1.0%	0.9%	1.1%
All other Employees/Support Staff	1.0%	1.3%	1.7%

<b>TRAINING AND UPSKILLING</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total Training Hours	569,957	471,974	357,054
<b>By Categories</b>			
Consultants & Medical Officer	9,684	7,770	5,021
Clinical Employees (Nurses and Allied Health)	336,948	279,928	212,301
Non-Clinical/Support Staff	223,325	184,276	139,553
<b>By Positions</b>			
Non Executive	233,791	193,594	32,135
Executive	281,866	234,207	178,527
Manager	54,300	44,173	146,392

## PERFORMANCE DATA

## FOSTERING OUR PEOPLE

TRAINING AND UPSKILLING - POST-BASIC PROGRAMME 2022	NUMBER OF STUDENTS
Professional Certificate in Critical Care Nursing	14
Post Basic In Renal Nursing	20
Certificate In Paediatric Nursing	20
Advance Diploma in Midwifery	14
Post-Basic Certificate in Renal Nursing-Johor	19
Post-Basic In Orthopaedic Nursing-Johor	5
Post-Basic Certificate in Peri-Operative Nursing	13
Certificate Of Post Basic in Perioperative Nursing- Penang	5
Basic Care Course for Healthcare Assistance/Care Givers-Johor	6

PARENTAL LEAVE	2022		2021		2020	
	Female	Male	Female	Male	Female	Male
No. of Employees Entitled to Parental Leave	10,948	2,550	10,494	2,422	10,570	2,435
No. of Employees Who Took Parental Leave	918	69	977	87	925	105
No. Employees Who Returned to Work After Parental Leave Ended	918	69	977	87	919	105
No. of Employees Who Returned to Work After Parental Leave Ended and Were Still Employed 12 Months After Their Return to Work	822	61	912	80	886	105
Return to Work and Retention Rate (%) of Employees that Took Parental Leave	89%	88%	93%	92%	96%	98%

## PERFORMANCE DATA

## FOSTERING OUR PEOPLE

WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	2022	2021	2020
Total recordable incident rate (TRIR)			
- Employees	3.37	3.07	2.94
- Workers	0.26	0.21	1.34
The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;	100%	100%	100%
The number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.	100%	100%	100%
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	No exclusion of workers	No exclusion of workers	No exclusion of workers

WORK-RELATED INJURIES	2022	2021	2020
For all employees:			
- The number and rate of fatalities as a result of work-related injury;	0/0	0/0	0/0
- The number and rate of high-consequence work-related injuries (excluding fatalities);	0/0	0/0	0/0
- The number and rate of recordable work-related injuries;	116/3.37	101/3.02	96/2.94
- The main types of work-related injury;	Slip, Trip, Fall	Slip, Trip, Fall	Slip, Trip, Fall
- The number of hours worked.	34,395,768	33,421,944	32,661,144
For all workers who are not employees but whose work and/or workplace is controlled by the organization:			
- The number and rate of fatalities as a result of work-related injury;	0/0	0/0	0/0
- The number and rate of high-consequence work-related injuries (excluding fatalities);	0/0	0/0	0/0
- The number and rate of recordable work-related injuries;	9/0.26	7/0.21	11/1.34
- The main types of work-related injury;	Slip, Trip, Fall	Slip, Trip, Fall	Slip, Trip, Fall
- The number of hours worked.	34,395,768	33,421,944	32,661,144

## PERFORMANCE DATA

## UPLIFTING PATIENTS AND COMMUNITIES

WORK-RELATED ILL HEALTH	2022	2021	2020
The reporting organization shall report the following information:			
For all employees:			
- The number of fatalities as a result of work-related ill health;	0	0	0
- The number of cases of recordable work-related ill health;	0	0	0
- The main types of work-related ill health.	0	0	0
For all workers who are not employees but whose work and/or workplace is controlled by the organization:			
- The number of fatalities as a result of work-related ill health;	0	0	0
- The number of cases of recordable work-related ill health;	0	0	0
- The main types of work-related ill health.	0	0	0

## UPHOLDING GOOD GOVERNANCE

PATIENT PRIVACY AND ELECTRONIC HEALTH RECORDS	2022	2021	2020
Percentage of patient records that are Electronic Health Records (EHR) that meet 'meaningful use' requirements	The current percentage of patient records that are Electronic Health Records (EHR) that meet "meaningful use" requirements is at 25% and the progress exhibits an upward trend over the period of 2020 to 2022.		
- Number of data breaches, - percentage involving - personally identifiable information (PII) only and - protected health information (PHI), - number of customers affected in each category, - PII only and - PHI	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	0	0	0

CONFIRMED INCIDENTS OF CORRUPTION	2022	2021	2020
Email via <a href="mailto:integrity@kpjhealth.com.my">integrity@kpjhealth.com.my</a> Email via PMD Integrity Unit (verbal notification) Chief Human Resource Officer	1	9	1

# DATA PRINCIPLES AND ASSUMPTIONS

## VALUE CREATION TO OUR STAKEHOLDERS

KEY STAKEHOLDERS	INDICATORS	METHOD, ASSUMPTION AND CURRENT SCENARIO
Patients	<ul style="list-style-type: none"> <li>Clinical Surveys</li> <li>No. of Hospitals evaluated including non MSQH hospitals</li> </ul>	This survey evaluates the Group's compliance with Ministry of Health (MOH) standards/guidelines, MSQH and JCI standards, Malaysian Medical Council (MMC) Guidelines and KPJ Governing Policies. All 28 hospitals underwent quality assessment to ensure the highest standards of quality including 10 non-MSQH hospitals.
Employees	<ul style="list-style-type: none"> <li>Salaries, allowances and bonuses, contribution to defined contribution plan</li> <li>Training and Upskilling</li> </ul>	Frequent performance conversations are encouraged to ensure all employees perform at their level best, with support/guidance being rendered when required, in line with the aspiration to inculcate performance culture.
Investors and Shareholders	<ul style="list-style-type: none"> <li>Dividend</li> </ul>	We maintain a dividend pay-out ratio of not less than 30% of our profit after tax since 2019.
Consultants	<ul style="list-style-type: none"> <li>New Medical and Other Equipment</li> </ul>	Driven by innovation and technological advancement, we continue to support our consultants to provide positive patient experience as well as to enhance medical and surgical outcomes by investing in the latest equipment with state of-the-art medical technology. The investment were mainly for to the opening of the new hospital, DSH2 and expansion of hospital business such as in KPJ Ipoh, KPJ Penang, KPJ Puteri, KPJ Selangor, KPJ Seremban and KPJ Ampang Puteri.
Government	<ul style="list-style-type: none"> <li>Taxation</li> </ul>	The taxation trend was parallel with the revenue growth and EBITDA margin. For these calculations, cash flow projections based on five-year financial budgets approved by the Directors are used. The assumption can be found on page 265 of Financial Statement in the IAR2022.
Local Communities	<ul style="list-style-type: none"> <li>Corporate Responsibility to KWAN's patients</li> <li>Community Investment on Scholarships &amp; Student Sponsorship Programme</li> </ul>	We served more than 1.8 million patients since the inception. Our 11 clinics and 8 dialysis centre (DC) are located in Johor (3, 3D), Selangor (5, 3D), Negeri Sembilan (1DC), Perak (1), Pulau Pinang (1) and Kelatan- (1, DC).
Suppliers and vendors	<ul style="list-style-type: none"> <li>Medical Supplies</li> <li>Computers</li> <li>Related Party Transactions within KPJ Group including, housekeeping, security and building management service fees</li> </ul>	We support local suppliers, an organization can indirectly attract additional investment to the local economy. Local sourcing can be a strategy to help ensure supply, support a stable local economy, and maintain community relations.

## DATA PRINCIPLES AND ASSUMPTIONS

### PROTECTING OUR ENVIRONMENT

The environmental data captured by our hospitals for sustainability reporting has been compiled and analysed by our certified GHG Accounting personnel.

### GHG EMISSIONS, ENERGY, WATER & EFFLUENTS AND WASTE

Reducing GHG Emissions is vital for KPJ as it aligns with the company's commitment to sustainability, enhances its reputation, ensures compliance with environmental regulations, and assists in cost savings.

We review our performance in GHG emissions by implementing benchmarking activities including energy audit to assess its performance against industry standards (i.e., SEDA), adoption of best practices to identify areas for improvement and setting targets to reduce its pollutants. All hospitals and companies are required to submit a monthly report to HQ for inventory. A more comprehensive Group-wide GHG benchmarking exercise has been put in sustainability action plan and will be conducted in 2023.

The management of emissions is applicable across the Group. However, the GHG emission calculation and intensity covers only 14 selected hospitals due to insufficient and limited reliable data.

INDICATORS	METHOD, ASSUMPTION AND CURRENT SCENARIO																								
Hospitals	<ol style="list-style-type: none"> <li>1. KPJ Ipoh Specialist Hospital</li> <li>2. KPJ Penang Specialist Hospital</li> <li>3. KPJ Ampang Puteri Specialist Hospital</li> <li>4. KPJ Tawakkal KL Specialist Hospital</li> <li>5. KPJ Seremban Specialist Hospital</li> <li>6. KPJ Kajang Specialist Hospital</li> <li>7. KPJ Sentosa KL Specialist Hospital</li> <li>8. KPJ Selangor Specialist Hospital</li> <li>9. KPJ Rawang Specialist Hospital</li> <li>10. KPJ Kluang Specialist Hospital</li> <li>11. KPJ Bandar Maharani Specialist Hospital</li> <li>12. KPJ Pahang Specialist Hospital</li> <li>13. KPJ Perdana Specialist Hospital</li> <li>14. Kedah Medical Centre (Associate)*</li> </ol>																								
GHG emissions per intensity	Gross Floor Area (GFA) of 14 hospitals = 391,889.86m <sup>2</sup>																								
Scope included in the ratio	<p>Scope 1, 2, and/or 3 were included in the intensity ratio.</p> <p>Based on the five types of emission sources - diesel, energy (non-renewable only), clinical waste, recycle waste and water.</p>																								
Standards, methodologies, assumptions and/or calculation tools used	<p>Our accounting for GHG emissions adopts the GHG Protocol Corporate Standard's financial control approach. Emissions from 14 KPJ hospitals in Malaysia represent KPJ's Scope 1, 2 and 3 emissions which full GHG calculation was based on the GHG Protocol Standard. These 14 hospitals have financial control except Kedah Medical Centre.</p> <p>* Kedah Medical Centre (KMC) is one of our associates, whereby KPJ has a 46% stake as of 2022. The financial performance depicted on page 274 of the Integrated Annual Report's Financial Statement is not shared as a Group's financial performance.</p> <p>In order to compare performance against savings and investment in green initiatives, KMC's data must be excluded.</p> <p>KMC's data in respect of the Group material associate are set below:</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Diesel (litre)</td> <td>400</td> <td>600</td> <td>400</td> </tr> <tr> <td>Electricity (kWh)</td> <td>6,715,226</td> <td>6,821,890</td> <td>6,782,468</td> </tr> <tr> <td>Clinical Waste (kg)</td> <td>69,099.1</td> <td>64,096.8</td> <td>60,188.48</td> </tr> <tr> <td>Recycled Waste (kg)</td> <td>19,618</td> <td>187,06</td> <td>15,722.65</td> </tr> <tr> <td>Water Consumption (litre)</td> <td>49,400,000</td> <td>45,394,000</td> <td>57,387,000</td> </tr> </tbody> </table>		2022	2021	2020	Diesel (litre)	400	600	400	Electricity (kWh)	6,715,226	6,821,890	6,782,468	Clinical Waste (kg)	69,099.1	64,096.8	60,188.48	Recycled Waste (kg)	19,618	187,06	15,722.65	Water Consumption (litre)	49,400,000	45,394,000	57,387,000
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## DATA PRINCIPLES AND ASSUMPTIONS

### UPLIFTING PATIENTS AND COMMUNITIES

All data disclosures pertaining to patient safety, quality care and compliance to accreditation standards are gathered from previous Medical Advisory Committee Report in our annual reports that are publicly available on our website. The evidence-based findings on the quality of healthcare were extracted from the KPJUC Medical Journal which is available on KPJUC's website. Most of our indicators are aligned to Malaysia's healthcare scenario, regulations and requirements and are equivalent to industry disclosures under SASB Standards.

SASB STANDARDS TOPIC AND CODE	SASB TOPIC SUMMARY	METHOD, ASSUMPTION AND CURRENT SCENARIO
<b>ACCESS FOR LOW INCOME PATIENT</b>		
Amount of Medicare is proportionate Share Hospital (DSH) adjustment payments received  HC-DY-240a.2	The Patient Protection and Affordable Care Act (PPACA) expanded the number of insured individuals. However, more than 10% of the adults in the U.S. remain uninsured. Health care delivery companies will continue to face challenges associated with serving uninsured and low-income patients. These challenges are likely to be compounded by reductions in Disproportionate Share Hospital (DSH) payments.	<p>SCENARIO IN MALAYSIA - Equity in health care financing</p> <p>Malaysia has a dual healthcare system where both public and private healthcare services co-exist. The government provides health care services to the nation through public hospitals and health clinics throughout the country. Public health services are heavily subsidised by the government.</p> <p>Primary care services at health clinics are delivered almost free of charge, whereby each patient is charged a nominal fee of RM 1 (equivalent to US\$0.23 currently) for each outpatient visit based on Fees (Medical) Order 1982 and Fees (Medical) (Amendment) Order 2017. The total amount collected accounted for only one per cent of the amount spent by Government on public health care.</p> <p>The emergence of a private health sector is driven by demand. Private health providers complement the medical services provided by the government. Private health providers are mainly focused on curative services and include general practitioner clinics, medical centers and private hospitals.</p> <p>In Malaysia, there are five sources that support our health financing system, namely direct taxes, indirect taxes, contributions to EPF and SOCSO, private insurance premiums and out-of-pocket payments.</p> <p>Through tax funding, the Government provides universal services and a fast-growing private sector has also played an increasingly important role in the growth of the sector.</p> <p>KPJ offers a wide range of packages that suit the needs of patients and introduced a flexi-payment option where patients made payments at zero interest installment plan via Pine Labs Malaysia.</p> <p>To cater to the lower income group, KPJ's outreach programme which provides affordable healthcare services to underprivileged group through Klinik Wakaf, or Waqf-based health, is one of our alternatives to equalise access to healthcare for the entire population.</p> <p>Our Klinik Wakaf which is known as KWAN, only charges RM10 for medical consultations and medicines while dialysis treatments cost patients RM130 per session. There are 17 physical clinics, seven mobile clinics and 66 dialysis machines.</p>

## DATA PRINCIPLES AND ASSUMPTIONS

## UPLIFTING PATIENTS AND COMMUNITIES

SASB STANDARDS TOPIC AND CODE	SASB TOPIC SUMMARY	METHOD, ASSUMPTION AND CURRENT SCENARIO
<b>QUALITY OF CARE &amp; PATIENT SATISFACTION</b>		
HC-DY-250a.1 HC-DY-250a.2 HC-DY-250a.3 HC-DY-250a.4 HC-DY-250a.5	The Patient Protection and Affordable Care Act strengthened this performance-shareholder value link (PPACA). The Act established the Hospital Value-Based Purchasing Program, which provides incentive payments based on health care quality measures. Hospitals with high readmissions and hospital-acquired conditions also face reduced inpatient payments under the PPACA.	<p>This Act known as Obamacare is not relevant in Malaysia. The quality benchmark of care and patient satisfaction are guided by JCI, MSQH &amp; Planetree. KPJ's comprehensive set of patient-centric frameworks, measures, processes and procedures are all aimed at delivering excellent clinical and service quality to our patients.</p> <p>The accreditation status of our hospitals is associated with quality of care and patient safety. 19 of our hospitals are accredited by a national or international organisation such as the JCI and MSQH for meeting safety standards. As at April 2023, KPJ accounted for 32% of the MSQH accredited and 29% of JCI accredited private hospitals in Malaysia.</p> <p>Adherence to external accreditation standards leads to improved quality and patient safety, and enhances the care process and outcome.</p>
<b>MANAGEMENT OF CONTROLLED SUBSTANCES</b>		
HC-DY-260a.1 HC-DY-260a.2	The Health Care Delivery industry is in a unique position with respect to the evolving opioid epidemic, the industry has contributed to an increase in the use of these substances and subsequently to a rise in addiction levels. As the providers of care, the industry also treats individuals who are suffering from addiction and related health concerns. Although health care delivery companies do not typically face direct costs associated with the prescription of opioids, they face significant costs in addressing the health care needs of those suffering from addiction and related illnesses. Industry-wide efforts to reevaluate approaches to pain management through the development of new policies, training, and oversight may have financially material impacts.	<p>A common reason people seek the care of medical professionals is pain relief. Our clinicians engaged in pain management understand the treatment recommendations and safety concerns in prescribing controlled substances.</p> <p>Our Pharmacy services is divided into inpatient, outpatient and pharmacy store. Over the years, the role of the pharmacist has been diversified and segregated based on specialisations such as Oncology Pharmacist, Clinical Pharmacist and Nuclear Pharmacist.</p> <p>The supply of controlled substances is strictly managed by the Pharmacist only. The supply and the recording of inventory are in accordance with the requirements in Poison Act 1951.</p> <p>Controlled substances are categorised as High Alert Medication. The preparation, administration and disposal of the controlled substances shall be witnessed by an independent party.</p> <p>KPJ's policies and guideline</p> <ul style="list-style-type: none"> <li>• 2018 - Use of Pethidine/Opiates for Management of Pain</li> <li>• 2020 - Policy on Prescription of Drugs by Consultants or Medical Practitioners,</li> <li>• Duration Limit for Psychotropic Drug</li> <li>• Order and Prescribing Repeat Medication 12,</li> <li>• Policy on Procedural Sedation for Non – Anaesthesiologist (reviewed in 2020),</li> <li>• KPJ Sedation Policy</li> <li>• Management of High Alert Medication</li> </ul>

## DATA PRINCIPLES AND ASSUMPTIONS

### UPLIFTING PATIENTS AND COMMUNITIES

SASB STANDARDS TOPIC AND CODE	SASB TOPIC SUMMARY	METHOD, ASSUMPTION AND CURRENT SCENARIO
<b>PRICING &amp; BILLING TRANSPARENCY</b>		
HC-DY-270a.1 HC-DY-270a.2 HC-DY-270a.3	<p>Concern over pricing and billing transparency in the Health Care Delivery industry has prompted numerous state and federal legislative initiatives in the United States.</p> <p>More than 40 states report charges or payment rates and make the information public. The Centres for Medicare &amp; Medicaid Services (CMS) provides average charges per patient and average Medicare payments for the 30 most common ambulatory procedures and the most frequent diagnosis-related groups for hospitals that accept Medicare patients.</p> <p>In 2019, CMS is also likely to mandate that hospitals publish an online list of their current standard charges, which must be updated annually. This would strengthen requirements established by the Patient Protection and Affordable Care Act (PPACA), and it would be similar to requirements already in place in a number of states.</p> <p>These legislative and regulatory initiatives, combined with an increased emphasis on health care cost containment, may increase scrutiny of the pricing and billing practises of businesses in this industry.</p> <p>Compliance and transparent pricing structures may place companies in a better position to protect shareholder value.</p>	<p>The need for pricing and billing transparency has led to numerous national legislative efforts, i.e., drug price transparency mechanism tabulated in the Cabinet by MOH on 28 July 2022.</p> <p>The PHFSA Regulations go on to state that patients have a right to be informed of the estimated charges that may be incurred prior to the initiation of care or treatment.</p> <p>The estimate would be based on what an average patient with the same provisional diagnosis would incur. The patient also has a right to be informed of other unanticipated charges for services that are routine, usual and customary.</p> <p>The promotional packages that are advertised on social media under the Group's account or hospitals are guided by the Guideline on Advertising Using Social Media.</p> <p>The doctors' professional fees include consultation fees, fees for ward visits, and procedure or operation fees. The professional fees are regulated by the Private Healthcare Facilities and Services Act (PHFSA) and its regulations. The fees in the 13<sup>th</sup> Schedule of the PHFSA Regulations are the maximum permitted.</p>

## DATA PRINCIPLES AND ASSUMPTIONS

### FOSTERING OUR PEOPLE

#### EMPLOYEES DATA

Data regarding number of employees and categories, gender, employment position, age group, nationality, new hires, turnover, training hours, parental leave and collective bargaining are generated via our KAIZEN System.

INDICATORS	METHOD, ASSUMPTION AND CURRENT SCENARIO
Average Training Hours	Total training hours divided by the total number of employees in Malaysia only.
Employee by Ethnicity	<p>Malaysia is a multiracial/multiethnic country, which includes three main ethnic groups: 20.07 million (69.1%) Malays, 6.69 million (23.0%) Chinese and 2.01 million (6.9%) Indians.<sup>1</sup> This is a multicultural heritage that respects each others religious beliefs, while sharing festive celebrations including common clothing, language, music and food. This diversity in the population is mirrored in KPJ Healthcare Berhad where Malays are still the majority, followed by Chinese and Indians.</p> <p><sup>1</sup> MOH D of S. Current Population Estimates, Malaysia, 2017 - 2018</p>
Employee by Regions	<p>We have an integrated network of 29 specialist hospitals located in seven regions throughout the nation.</p> <ul style="list-style-type: none"> <li><b>Northern Region</b> <ul style="list-style-type: none"> <li>KPJ Perlis Specialist Hospital</li> <li>Kedah Medical Centre</li> <li>KPJ Penang Specialist Hospital</li> <li>KPJ Ipoh Specialist Hospital</li> <li>Taiping Medical Centre</li> <li>Sri Manjung Medical Centre</li> <li>ACC Taiping</li> </ul> </li> <li><b>Southern Region</b> <ul style="list-style-type: none"> <li>KPJ Bandar Dato' Onn Specialist Hospital</li> <li>KPJ Johor Specialist Hospital</li> <li>KPJ Kluang Specialist Hospital</li> </ul> </li> <li><b>Southern Region</b> <ul style="list-style-type: none"> <li>KPJ Bandar Maharani Specialist Hospital</li> <li>KPJ Batu Pahat Specialist Hospital</li> <li>KPJ Pasir Gudang Specialist Hospital</li> <li>KPJ Puteri Specialist Hospital</li> </ul> </li> <li><b>East Coast Region</b> <ul style="list-style-type: none"> <li>KPJ Perdana Specialist Hospital</li> <li>KPJ Pahang Specialist Hospital</li> </ul> </li> <li><b>East Region</b> <ul style="list-style-type: none"> <li>KPJ Kuching Specialist Hospital</li> <li>KPJ Miri Specialist Hospital</li> <li>KPJ Sibul Specialist Hospital</li> <li>KPJ Sabah Specialist Hospital</li> </ul> </li> <li><b>Central Region 1</b> <ul style="list-style-type: none"> <li>KPJ Ampang Puteri Specialist Hospital</li> <li>KPJ Kajang Specialist Hospital</li> <li>KPJ Tawakkal KL Specialist Hospital</li> <li>KPJ Selangor Specialist Hospital</li> <li>KPJ Seremban Specialist Hospital</li> <li>KPJ Sentosa KL Specialist Hospital</li> </ul> </li> <li><b>Central Region 2</b> <ul style="list-style-type: none"> <li>KPJ Damansara Specialist Hospital</li> <li>KPJ Damansara 2 Specialist Hospital</li> <li>KPJ Klang Specialist Hospital</li> <li>KPJ Rawang Specialist Hospital</li> <li>KPJ Selangor Specialist Hospital</li> </ul> </li> <li><b>Southern Region</b> <ul style="list-style-type: none"> <li>KPJ Johor Specialist Hospital</li> <li>KPJ Puteri Specialist Hospital</li> <li>KPJ Bandar Dato' Onn Specialist Hospital</li> <li>KPJ Pasir Gudang Specialist Hospital</li> <li>KPJ Batu Pahat Specialist Hospital</li> <li>KPJ Kluang Specialist Hospital</li> <li>KPJ Bandar Maharani Specialist Hospital</li> </ul> </li> </ul>
Employee by Categories	<ul style="list-style-type: none"> <li>• Management, Executive and Non-Executive</li> <li>• Medical Officer, Nurses and Allied Health Professionals are grouped as Clinical Employee</li> <li>• Support Staffs are non-clinical employees</li> <li>• Permanent, Contract and Part-Time within the scope of EA2022</li> </ul>

## DATA PRINCIPLES AND ASSUMPTIONS

## FOSTERING OUR PEOPLE

## INDICATORS      METHOD, ASSUMPTION AND CURRENT SCENARIO

Alignment of Human Capital which is not shared as a Group's.

\* Kedah Medical Centre (KMC) is one of our associates, with a 46% stake as of 2022. The financial performance depicted on page 274 of the Integrated Annual Report's Financial Statement is not shared as part of the Group's results.

In order to make fair comparisons about our human capital performance, the KMC data must be excluded.

We report KMC's human capital data below:

Total Employee = 530

MEDICAL OFFICERS/NURSES AND ALLIED HEALTH PROFESSIONALS		SUPPORT SERVICE	
368		162	
FEMALE		MALE	
453		77	
MANAGEMENT	EXECUTIVE	NON-EXECUTIVE	
28	274	228	
BELOW 30 YEARS OLD	31-50 YEARS OLD	ABOVE 50 YEARS OLD	
162	334	34	

**New Hired**

MEDICAL OFFICERS/NURSES AND ALLIED HEALTH PROFESSIONALS		SUPPORT SERVICE	
51		25	

**Resigned**

MEDICAL OFFICERS/NURSES AND ALLIED HEALTH PROFESSIONALS		SUPPORT SERVICE	
42		22	

## DATA PRINCIPLES AND ASSUMPTIONS

### FOSTERING OUR PEOPLE

#### OCCUPATIONAL HEALTH AND SAFETY

The arrangement of the content is in accordance with GRI standards. It was proposed and accepted by Asset Facilities Management Services with further enhancement.

Data regarding the number of OSH training and communication, health, and wellbeing programmes are captured from the various internal sources, KPJ Buzz for drill training, and publicly available information. Most of the directors information is available in the Corporate Governance Overview Statement. We have met with Group Human Resources to understand further their health and well-being programme.

INDICATORS	METHOD, ASSUMPTION AND CURRENT SCENARIO
OSH Training	OSH training for 13,563 of employees from hospitals in Malaysia only.
Occupational health and safety management system	Standards, methodologies, and assumptions used that covered employees and workers as well as no exclusion for all. <ul style="list-style-type: none"> <li>• Standard 2 ESS MSQH 6th Edition 2022</li> <li>• ISO 45001:2018 OSHMS</li> <li>• ISO 9001:2015 QMS</li> <li>• ISO 14001:2015 EMS</li> <li>• Joint Commission International (JCI) 7<sup>th</sup> Edition</li> </ul>
Work-related injuries	<p>The work-related hazards that pose a risk of high-on sequence injury, including</p> <ul style="list-style-type: none"> <li>• Hazard Identification and Risk Assessment, Environmental Round/Walkabout and Incident Reporting</li> <li>• Slip, trip and fall and needle stick injury were the top three hazards have caused or contributed to high- consequence injuries during the reporting period</li> <li>• Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls such as Administration Control by SOP/Policies and provided PPE such as double glove and anti-slippery shoes</li> </ul> <p>All data were compiled, measured in accordance to the DOSH - NADOPOD Regulations, ISO45001, MSQH and JCI.</p> <p>Calculation on the incident rate for work-related injuries based on 13,563 employees in KPJ Malaysian hospitals. The Incident Rate guided by DOSH Malaysia as follows:</p> <ul style="list-style-type: none"> <li>• Occupational accident rate per 1,000 workers</li> <li>• Occupational fatality rate per 100,000 workers</li> <li>• Frequency and Severity Rate per 1,000,000</li> </ul> <p>The formula for the rate of recordable work-related injuries:</p> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <math display="block">\frac{\text{(Number of recordable work-related injuries x 100,000)}}{\text{Number of hours worked}} = \text{Rate of recordable work-related injuries}</math> </div> <p>Actual "hours worked" including overtime and training but excluding off-duty hours (although the time is spent at the worksite or premise), leave, sickness and other absences.</p>

# DATA PRINCIPLES AND ASSUMPTIONS

## UPHOLDING GOOD GOVERNANCE

### PATIENT PRIVACY AND ELECTRONIC HEALTH RECORDS

SASB Accounting Metrics HC-DY-2.30a.2

The arrangement the content is in accordance of GRI Standards with the industry disclosures under SASB.

The national cybersecurity scenario is captured from the Malaysia Cyber Security Strategy 2020-2024. Data regarding number of cases and monetary losses from significant data breaches was provided by IT Governance unit. Other activities in promoting the cybersecurity awareness and external audits are found in the Managing Risk & Opportunity section, in the KPJ Annual Integrated Report 2022.

INDICATORS	METHOD, ASSUMPTION AND CURRENT SCENARIO
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Our policies and practices to secure customers' protected health information (PHI) records and other personally identifiable information (PII)	<ul style="list-style-type: none"><li>• ISO/IEC 27001 certification.</li><li>• Personal Data Protection Act 2010</li><li>• Privacy and Data Protection Policy</li><li>• Private Healthcare Facilities Services Act (PFHSA) 1998</li><li>• Guidelines of the Malaysian Medical Council (MMC Guideline 002/2006)</li><li>• Medical Records and Medical Reports on Malaysian</li><li>• Medical Council Guidelines on Confidentiality</li></ul>
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### INTEGRITY AND ETHICS

The arrangement of the content is in accordance with GRI standards.

Data regarding the number of training programmes and communication on the Anti-Bribery Management System (ABMS), number of participants attending the ABMS training, supplier and vendor ABMS notifications, and bribery risk assessment are captured from various internal sources, such as the KPJHB ISO Shared Folder. Information about KPJ's Whistleblowing Policy is available on our website [https://kpj.listedcompany.com/misc/WHISTLEBLOWING\\_CHANNEL.pdf](https://kpj.listedcompany.com/misc/WHISTLEBLOWING_CHANNEL.pdf). Most of the Directors information is available in the Corporate Governance Overview Statement, Audit Committee Statement and Corporate Governance Report.

### SUPPLY CHAIN MANAGEMENT

The arrangement of the supply chain management content aligns with GRI requirements.

Data regarding the pre-qualification process with sustainability criteria is gathered from various internal sources, such as the KPJHB ISO Shared Folder and communication with the Group Procurement Services. Three samples of the pre-qualification assessments on the three types of vendors have been reviewed and mapped to the EESG pillars.

# SASB AND GRI STANDARDS CONTENT INDEX

This disclosure index identifies the location of the general and specific standard disclosures required by the Sustainability Accounting Standards Board (SASB) and developed by the Global Reporting Initiative (GRI Standards). The KPJ Sustainability Report has been prepared in accordance with the GRI Standards.

The references included in this Index refer mainly to sections of the Company's KPJ Annual Integrated Report 2022 (IAR), KPJ Sustainability Report 2022 and Corporate Governance Report, relating to the calendar year ended 31 December 2022, published on the Company's website at [kpjhealth.com.my](http://kpjhealth.com.my).

Although many of the SASB and GRI Standards' disclosures have been reported on by the Company, based on the Company's materiality assessment referred to on pages 24-27 of the KPJ Sustainability Report 2022.

GRI STANDARDS	SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>GRI 2: General Disclosures 2021</b>			
2-1	Organizational details	• Back Cover	
2-2	Entities included in the organization's sustainability reporting	• About This Report	2
2-3	Reporting period, frequency and contact point	• About This Report	2
2-4	Restatements of information	• Waste Management • Resource Management	54, 58 & 60
2-5	External assurance	• About This Report	2
2-6	Activities, value chain and other business relationships	• Where We Are	182
2-7	Employees	• Diversity and Inclusion	123
2-8	Workers who are not employees	• Diversity and Inclusion	123
2-9	Governance structure and composition	• Corporate Governance (CG) Model, CG Overview Statement (IAR)	127,128, 131 & 135-141 of IAR
2-10	Nomination and selection of the highest governance body	• CG Overview Statement (IAR)	132 & 135 of IAR
2-11	Chair of the highest governance body	• Who Govern Us (IAR)	108
2-12	Role of the highest governance body in overseeing the management of impacts	• Sustainability Governance • CG Overview Statement (IAR)	22 130 of IAR
2-13	Delegation of responsibility for managing impacts	• Statement on Risk Management and Internal Control	149-152 of IAR
2-14	Role of the highest governance body in sustainability reporting	• Sustainability Governance	22
2-15	Conflicts of interest	• Who Govern Us (IAR)	117-118 of IAR
2-16	Communication of critical concerns	• Stakeholder Management	28-33
2-17	Collective knowledge of the highest governance body	• CG Report	Practice 2.1
2-18	Evaluation of the performance of the highest governance body	• CG Report	132
2-19	Remuneration policies	• Notice of Annual General Meeting (AGM)	320-321 of IAR

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS		SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>GRI 2: General Disclosures 2021</b>				
2-20	Process to determine remuneration		<ul style="list-style-type: none"> <li>Notice of Annual General Meeting (AGM)</li> </ul>	319 of IAR
2-21	Annual total compensation ratio		<ul style="list-style-type: none"> <li>Diversity and Inclusion</li> </ul>	123
2-22	Statement on sustainable development strategy		<ul style="list-style-type: none"> <li>About This Report</li> </ul>	2
2-23	Policy commitments		<ul style="list-style-type: none"> <li>Labour and Human Rights</li> <li>Supply Chain Management</li> </ul>	125 152
2-24	Embedding policy commitments		<ul style="list-style-type: none"> <li>Labour and Human Rights</li> <li>Supply Chain Management</li> </ul>	125 152
2-25	Processes to remediate negative impacts		<ul style="list-style-type: none"> <li>Grievance Mechanism</li> <li>Whistleblowing Channel</li> </ul>	126 147
2-26	Mechanisms for seeking advice and raising concerns		<ul style="list-style-type: none"> <li>Grievance Mechanism</li> <li>Whistleblowing Channel</li> </ul>	126 147
2-27	Compliance with laws and regulations		No significant instances of non-compliance with laws and regulations during the reporting period.	
2-28	Membership associations		<ul style="list-style-type: none"> <li>KPJ Hospitals Accreditation and Certifications</li> </ul>	158
2-29	Approach to stakeholder engagement		<ul style="list-style-type: none"> <li>Stakeholder Management</li> </ul>	28-33
2-30	Collective bargaining agreements		Freedom of Association - In 2021, 480 of 15,224 or 3.2% of our employees were recorded as union members. We did not receive any reports on the violation of this right.	
<b>Material topics</b>				
3-1	Process to determine material topics		<ul style="list-style-type: none"> <li>Sustainability Materiality</li> </ul>	24-27
3-2	List of material topics		<ul style="list-style-type: none"> <li>Sustainability Materiality</li> </ul>	24-27
<b>Economic performance</b>		<b>Climate Change Impacts on Human Health &amp; Infrastructure</b>		
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Adapting to Economic Shift</li> </ul>	37-45
201-1	Direct economic value generated and distributed		<ul style="list-style-type: none"> <li>Value Creation to Our Stakeholders</li> <li>Statement of Value Added (IAR)</li> </ul>	157 38 of IAR
201-2	Financial implications and other risks and opportunities due to climate change	HC-DY-450a.1 Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change	<ul style="list-style-type: none"> <li>Sustainability Sukuk Wakalah</li> <li>Climate Change Impacts on Human Health</li> <li>Performance Data</li> </ul>	42 63

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS		SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>Economic performance</b>		<b>Climate Change Impacts on Human Health &amp; Infrastructure</b>		
		HC-DY-450a.12	• Readiness to respond to major internal or external incidents	64
		Percentage of health care facilities that comply with the Centers for Medicare and Medicaid Services (CMS) Emergency Preparedness Rule	• Adherence to the accreditation standards	77
			• Performance Data	166
<b>Market presence</b>				
3-3	Management of material topics		• Fostering our People	107-137
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		• Diversity and Inclusion	123
202-2	Proportion of senior management hired from the local community		• Diversity and Inclusion	123
<b>Indirect economic impacts</b>				
3-3	Management of material topics		• Contributes to Employment-Rich Economic Growth	41
			• Scholarships and Student Sponsorship Programme	89
203-1	Infrastructure investments and services supported		• Scholarships and Student Sponsorship Programme	90
203-2	Significant indirect economic impacts		• Contributes to Employment-Rich Economic Growth	41
<b>Procurement practices</b>				
3-3	Management of material topics		• Supply Chain Management	153
204-1	Proportion of spending on local suppliers		• Continuous expansion to serve more populations	38
			• Supply Chain Management	153 & 155
			• Performance Data	
<b>Anti-corruption</b>		<b>Fraud &amp; Unnecessary Procedures</b>		
3-3	Management of material topics		• Ethics and Integrity	143 & 144
205-1	Operations assessed for risks related to corruption		• Bribery Risk Assessment	147
205-2	Communication and training about anti-corruption policies and procedures		• Awareness and communication	148
205-3	Confirmed incidents of corruption and actions taken	Total amount of monetary losses as a result of legal proceedings associated with Medicare and Medicaid fraud under the False Claims Act	• Whistleblowing channel	147

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS	SASB STANDARDS	OUR RESPONSE	PAGE NUMBER	
<b>Energy</b>				
3-3	Management of material topics	<ul style="list-style-type: none"> <li>Resource Management</li> </ul>	59	
302-1	Energy consumption within the organization		HC-DY-130a.1 (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	59 & 60
302-3	Energy intensity			59 & 60
302-4	Reduction of energy consumption			59 & 60
<b>Water and effluents</b>				
3-3	Management of material topics	<ul style="list-style-type: none"> <li>Resource Management</li> </ul>	57	
303-1	Interactions with water as a shared resource			57 & 58
303-2	Management of water discharge-related impacts			57 & 58
303-3	Water withdrawal			57 & 58
303-4	Water discharge			57 & 58
<b>Emissions</b>				
3-3	Management of material topics	<ul style="list-style-type: none"> <li>GHG Emissions</li> </ul>	61	
305-1	Direct (Scope 1) GHG emissions			62
305-2	Energy indirect (Scope 2) GHG emissions			62
305-3	Other indirect (Scope 3) GHG emissions			62
305-4	GHG emissions intensity			62
305-5	Reduction of GHG emissions			62
<b>Waste</b>				
<b>Waste Management</b>				
3-3	Management of material topics	<ul style="list-style-type: none"> <li>Waste Management</li> <li>Guidelines on Handling and Management of Clinical Wastes</li> <li>KPJ Waste Management Process</li> <li>General Waste Management</li> <li>Moving forward: Food Waste Sustainability Programme</li> <li>Go-Paperless Campaign</li> </ul>	51-53	
306-1	Waste generation and significant waste-related impacts			54
306-3	Waste generated			54
306-4	Waste diverted from disposal			54
306-5	Waste directed to disposal			54
		<ul style="list-style-type: none"> <li>HC-DY-150a.1 Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled</li> <li>HC-DY-150a.2 Total amount of: (1) hazardous and (2) nonhazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled</li> </ul>		

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS		SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>Supplier environmental assessment</b>				
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Waste Management</li> </ul>	51
308-1	New suppliers that were screened using environmental criteria		<ul style="list-style-type: none"> <li>Vendor Evaluation</li> </ul>	51
308-2	Negative environmental impacts in the supply chain and actions taken		<ul style="list-style-type: none"> <li>Guidelines on Handling and Management of Clinical Wastes</li> <li>KPJ's Waste Management Process</li> </ul>	51 & 52
<b>Employment</b>		<b>Employee Recruitment, Development &amp; Retention</b>		
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Employee Engagement and Development</li> </ul>	112-116
401-1	New employee hires and employee turnover	HC-DY-330a.1 (1) Voluntary and (2) involuntary turnover rate for: (a) physicians, (b) non-physician health care practitioners, and (c) all other employees	<ul style="list-style-type: none"> <li>New Hires and Turn Over</li> </ul>	117
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	HC-DY-330a.2 Description of talent recruitment and retention efforts for health care practitioners	<ul style="list-style-type: none"> <li>Recruitment and Retention Strategies for KPJ Nurses</li> <li>Attractive Remuneration Packages for Our Nurses</li> <li>Investing in our Nurses and Allied Health Professionals</li> </ul>	114 & 115 116 118 & 119
401-3	Parental leave		<ul style="list-style-type: none"> <li>Parental Leave</li> </ul>	116 & 164
<b>Occupational health and safety</b>		<b>Employee Health &amp; Safety</b>		
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Health and Safety</li> </ul>	127-137
403-1	Occupational health and safety management system		<ul style="list-style-type: none"> <li>ISO45001:2018 Occupational Health and Safety Management System (OHSMS) Standard</li> </ul>	127
403-2	Hazard identification, risk assessment, and incident investigation		<ul style="list-style-type: none"> <li>Health and Safety</li> </ul>	127-137
403-3	Occupational health services		<ul style="list-style-type: none"> <li>Environmental Safety and Health (ESH)</li> <li>Governance</li> <li>Incident reporting</li> <li>Risk, sustainability and governance committee</li> </ul>	129 130
403-4	Worker participation, consultation, and communication on occupational health and safety		<ul style="list-style-type: none"> <li>Disaster and Emergency Management Plan (DEMP)</li> </ul>	113
403-5	Worker training on occupational health and safety		<ul style="list-style-type: none"> <li>Needle Stick Injury: Towards Better Compliance (2016)</li> <li>OSH Training</li> </ul>	89 136

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS	SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>Occupational health and safety</b>			
<b>Employee Health &amp; Safety</b>			
403-6 Promotion of worker health Safety		<ul style="list-style-type: none"> <li>Established guidelines for managing patients with mental health problems within KPJ Hospitals.</li> </ul>	64
403-8 Workers covered by an occupational health and safety management system		<ul style="list-style-type: none"> <li>Performance Data</li> </ul>	162
403-9 Work-related injuries	(1) Total recordable incident rate (TRIR) and (2) days away, restricted, or transferred (DART) rate	<ul style="list-style-type: none"> <li>Performance Data</li> </ul>	162 & 163
403-10 Work-related ill health			
<b>Training and education</b>			
3-3 Management of material topics		<ul style="list-style-type: none"> <li>Training and upskilling</li> </ul>	118
404-1 Average hours of training per year per employee		<ul style="list-style-type: none"> <li>Training and upskilling</li> </ul>	118
404-2 Programs for upgrading employee skills and transition assistance programs		<ul style="list-style-type: none"> <li>Linking Our Human Capital Investments to Our Transformation Strategy</li> </ul>	118 & 119
404-3 Percentage of employees receiving regular performance and career development reviews		<ul style="list-style-type: none"> <li>Performance and career development reviews</li> </ul>	121
<b>Diversity and equal opportunity</b>			
3-3 Management of material topics		<ul style="list-style-type: none"> <li>Fostering our People</li> </ul>	107-137
405-1 Diversity of governance bodies and employees		<ul style="list-style-type: none"> <li>Diversity and inclusion</li> </ul>	123
405-2 Ratio of basic salary and remuneration of women to men		<ul style="list-style-type: none"> <li>Diversity and inclusion</li> </ul>	123
<b>Non-discrimination</b>			
3-3 Management of material topics		<ul style="list-style-type: none"> <li>KPJ's Hiring Process</li> <li>Competitive Remuneration, Benefits and Recognition</li> <li>Introduction of Anti-Sexual Harassment Policy</li> <li>Grievance mechanism</li> <li>Our Sustainable Supply Chain</li> </ul>	113 115 126 124
406-1 Incidents of discrimination and corrective actions taken		<ul style="list-style-type: none"> <li>Grievance mechanism</li> </ul>	126
<b>Child labor</b>			
3-3 Management of material topics		<ul style="list-style-type: none"> <li>Managing sustainability practices in our value chain</li> </ul>	151
408-1 Operations and suppliers at significant risk for incidents of child labor		<ul style="list-style-type: none"> <li>KPJ's vendors and suppliers are required to complete a questionnaire prior to engagement</li> </ul>	152

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS		SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>Forced or compulsory labor</b>				
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Managing sustainability practices in our value chain</li> </ul>	151
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		<ul style="list-style-type: none"> <li>KPJ's vendors and suppliers are required to complete a questionnaire prior to engagement</li> </ul>	152
<b>Local communities</b>		<b>Access for Low-Income Patients</b>		
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Access and Affordability to Quality Health</li> </ul>	97-103
413-1	Operations with local community engagement, impact assessments, and development programs	HC-DY-240a.1 Discussion of strategy to manage the mix of patient insurance status	<ul style="list-style-type: none"> <li>Group Wellness Packages</li> <li>Private-Partnership Programme – Decant patients</li> <li>Flexible Payment Options</li> <li>KPJ Telemedicine and digital services</li> </ul>	98 40 99 99
413-2	Operations with significant actual and potential negative impacts on local communities	HC-DY-240a.2 Amount of Medicare Disproportionate Share Hospital (DSH) adjustment payments received	<ul style="list-style-type: none"> <li>KWAN Clinics and mobiles</li> <li>Educating the Public</li> </ul>	93-96 91-92
<b>Supplier social assessment</b>				
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Supply Chain Management</li> </ul>	151-154
414-1	New suppliers that were screened using social criteria		<ul style="list-style-type: none"> <li>Supply Chain Management</li> </ul>	151-154
414-2	Negative social impacts in the supply chain and actions taken		<ul style="list-style-type: none"> <li>Comply with the respective national laws and regulations regarding working hours, wages and benefits.</li> </ul>	152
<b>Customer health and safety</b>		<b>Quality of Care &amp; Patient Satisfaction</b>		
3-3	Management of material topics		<ul style="list-style-type: none"> <li>Service Quality and Healthy</li> </ul>	71-103
416-1	Assessment of the health and safety impacts of product and service categories		<ul style="list-style-type: none"> <li>Service Quality and Healthy</li> </ul>	71-103
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		<ul style="list-style-type: none"> <li>Service Quality and Healthy</li> <li>Waste Management</li> </ul>	71-103 51-53
		HC-DY-250a.1 Average Hospital Value-Based Purchasing Total Performance Score and domain score, across all facilities	<ul style="list-style-type: none"> <li>Adherence to the accreditation standards</li> <li>Performance Data</li> <li>Data Principles and Consumption</li> </ul>	79
		HC-DY-250a.2 Number of Serious Reportable Events (SREs) as defined by the National Quality Forum (NQF)	<ul style="list-style-type: none"> <li>Incident Reporting and Learning Systems</li> </ul>	80

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS	SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>Customer health and safety</b>	<b>Quality of Care &amp; Patient Satisfaction</b>		
	HC-DY-250a.3 Hospital-Acquired Condition (HAC) Score per hospital	<ul style="list-style-type: none"> <li>MPSG 1: Infection Prevention and Control</li> <li>Data Principles and Consumption</li> </ul>	81
	HC-DY-250a.4 Excess readmission ratio per hospital	<ul style="list-style-type: none"> <li>Adherence to the accreditation standards</li> </ul>	79-85
	HC-DY-250a.5 Magnitude of readmissions payment adjustment as part of the Hospital Readmissions Reduction Program (HRRP)	<ul style="list-style-type: none"> <li>Adherence to the accreditation standards</li> </ul>	79-85
	<b>Management of Controlled Substances</b>		
	HC-DY-260a.1 Description of policies and practices to manage the number of prescriptions issued for controlled substances;	<ul style="list-style-type: none"> <li>Management of Controlled Substances</li> </ul>	83
	HC-DY-260a.2 Percentage of controlled substance prescriptions written for which a prescription drug monitoring programme (PDMP) database was queried	<ul style="list-style-type: none"> <li>Management of Controlled Substances</li> </ul>	83
	<b>Patient Health Outcomes</b>		
	HC-DR-260b.1. First fill adherence rate	<ul style="list-style-type: none"> <li>Patient pain management and medical safety</li> </ul>	82 & 83
	HC-DR-260b.2. Description of policies and practices to prevent prescription dispensing errors	<ul style="list-style-type: none"> <li>Patient pain management and medical safety</li> </ul>	82 & 83

## SASB AND GRI STANDARDS CONTENT INDEX

GRI STANDARDS	SASB STANDARDS	OUR RESPONSE	PAGE NUMBER
<b>Marketing and labeling</b>			
3-3 Management of material topics		<ul style="list-style-type: none"> <li>Customer Welfare and Satisfaction</li> <li>Access and Affordability to Quality Health</li> </ul>	71-88 97-103
417-1 Requirements for product and service information and labeling	HC-DY-270a.1 Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	<ul style="list-style-type: none"> <li>Price Billing and Transparency</li> <li>Group Wide Wellness Packages</li> </ul>	71 & 72 98
	HC-DY-270a.2 Discussion of how pricing information for services is made publicly available	<ul style="list-style-type: none"> <li>Price Billing and Transparency</li> <li>Group Wide Wellness Packages</li> </ul>	71 & 72 98
	HC-DY-270a.3 Number of entity's 25 most common services for which pricing information is publicly available, as percentage of total services performed	<ul style="list-style-type: none"> <li>Price Billing and Transparency</li> <li>Group Wide Wellness Packages</li> </ul>	71 & 72 98
<b>Customer privacy</b>			
		<b>Patient Privacy &amp; Electronic Health Records</b>	
3-3 Management of material topics		<ul style="list-style-type: none"> <li>Data Privacy and Security</li> </ul>	148-150
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	HC-DY-230a.1 Percentage of patient records that are Electronic Health Records (EHR) that meet meaningful use' requirements	<ul style="list-style-type: none"> <li>Performance Data</li> </ul>	163
	HC-DY-230a.2 Description of policies and practices to secure	<ul style="list-style-type: none"> <li>Data Principles and Consumption</li> </ul>	172
	HC-DY-230a.3 customers' protected health information (PHI)	<ul style="list-style-type: none"> <li>Performance Data</li> </ul>	163
	HC-DY-230a.4 Total amount of monetary losses as a result of legal proceedings associated with data	<ul style="list-style-type: none"> <li>Performance Data</li> </ul>	163

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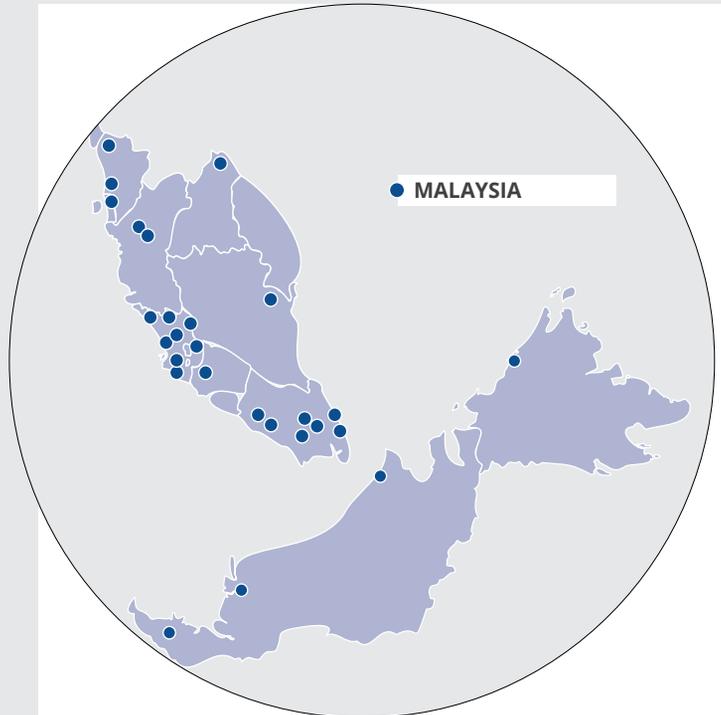
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Tel: 6082-365 777  
Website: [www.kpjhealth.com.my/kuching/](http://www.kpjhealth.com.my/kuching/)  
Email: [kcsh@kcsh.kpjhealth.com.my](mailto:kcsh@kcsh.kpjhealth.com.my)

### KPJ SIBU SPECIALIST MEDICAL CENTRE

52A-G, Persiaran Brooke, Pekan Sibu  
96000 Sibu, Sarawak  
Tel: 6084-329 900  
Website: [www.kpjhealth.com.my/sibu/](http://www.kpjhealth.com.my/sibu/)  
Email: [enquiry@kpjsibu.com](mailto:enquiry@kpjsibu.com)

### KPJ KLUANG SPECIALIST HOSPITAL

PTD 91374, Jalan Saujana Utama  
Taman Saujana  
86000 Kluang, Johor  
Tel: 607-771 8999  
Website: [www.kpjhealth.com.my/kluang/](http://www.kpjhealth.com.my/kluang/)

### KPJ SRI MANJUNG SPECIALIST HOSPITAL

Lot 14777 & 14778  
Jalan Lumut  
32000 Sitiawan, Perak  
Tel: 605-691 8153  
Website: [www.kpjhealth.com.my/srimanjung/](http://www.kpjhealth.com.my/srimanjung/)  
Email: [kpjsrimanjung@kpjsrimanjung.com](mailto:kpjsrimanjung@kpjsrimanjung.com)

### KPJ BANDAR DATO' ONN SPECIALIST HOSPITAL

No. 2, Jalan Bukit Mutiara  
Taman Bukit Mutiara  
81100 Johor Bahru  
Johor  
Tel: 607-301 1000  
Website: [www.kpjhealth.com.my/bdo/](http://www.kpjhealth.com.my/bdo/)  
Email: [bdo@kpjbdo.com](mailto:bdo@kpjbdo.com)

### KPJ PERLIS SPECIALIST HOSPITAL

No. 77, Jalan Dato Wan Ahmad  
01000 Kangar, Perlis  
Tel: 604-970 7777  
Website: [www.kpjhealth.com.my/perlis/](http://www.kpjhealth.com.my/perlis/)  
Email: [prm.kpjperlis@gmail.com](mailto:prm.kpjperlis@gmail.com)

### KPJ BATU PAHAT SPECIALIST HOSPITAL

No 1, Jalan Mutiara Gading 1  
Taman Mutiara Gading, Sri Gading  
83000 Batu Pahat  
Johor  
Tel: 607-459 1000  
Website: [www.kpjhealth.com.my/batupahat/](http://www.kpjhealth.com.my/batupahat/)  
Email: [bpsb@kpjbatupahat.com](mailto:bpsb@kpjbatupahat.com)

### KPJ MIRI SPECIALIST HOSPITAL

Lot 8836, Block 11  
Kuala Baram By Pass Rd  
Bandar Baru Permyjaya  
98000 Miri, Sarawak  
Tel: 6085-649 999  
Website: [www.kpjhealth.com.my/miri/](http://www.kpjhealth.com.my/miri/)  
Email: [inquiry.miri@kpjmiri.com](mailto:inquiry.miri@kpjmiri.com)

## WHERE WE ARE



## KPJ INTERNATIONAL NETWORK

## RUMAH SAKIT PERMATA HIJAU

Jl. Raya Kby. Lama No.64  
RW.8, Sukabumi Sel.  
Kec. Kb. Jeruk, Kota Jakarta Barat  
Daerah Khusus Ibukota  
Jakarta 11560, Indonesia  
Tel: 62021-537 2296  
Fax: 62021-530 5291  
Emergency: 62021-530 5288  
Website: www.rsmph.co.id  
Email: mph-mkt@rad.net.id

RUMAH SAKIT MEDIKA BUMI  
SERPONG DAMAI

JL. Letnan Soetopo, No. 7, BSD Serpong  
Kavling Komplek 3A, Lengkong Wetan  
Tangerang, Kec. Serpong  
Kota Tangerang Selatan  
Banten 15310, Indonesia  
Tel: 62021-537 8609  
Website: rs-medikabsd.co.id  
Email: marketing@rs-medikabsd.co.id

## VEJTHANI HOSPITAL

1 Soi Lat Phrao 111  
Khlong Chan, Bang Kapi District  
Bangkok 10240, Thailand  
Tel: 662-734 0000  
Fax: 662-734 0044  
Emergency: 66(0)-2734 0001  
Website: www.vejthani.com  
Email: service@vejthani.com

SHEIKH FAZILATUNNESSA MUJIB  
MEMORIAL KPJ SPECIALIZED  
HOSPITAL & NURSING COLLEGE

C/12, Nabinagar - Chandra Road  
Near DEPZ Tetuibari  
Kasimpur, Bangladesh  
Tel: 088-017 0378 8561  
Fax: 088-017 0378 8562  
Website: www.sfmmpkjsh.com  
Email: info@sfmmpkjsh.com

## AMBULATORY CARE AND WELLNESS CENTRES

## KPJ AMBULATORY CARE CENTRE

33, 35 & 37, Jalan BK 5A/2  
Bandar Kinrara  
47100 Puchong, Selangor  
Tel: 603-8090 7070  
Website: www.kpjkinrara.com  
Email: marketing@kpjkinrara.com

KPJ KUANTAN CARE CENTRE &  
WELLNESS CENTRE

No 51, Jalan Alor Akar  
Taman Kuantan  
25250 Kuantan, Pahang  
Tel: 609-567 8588  
Website: www.kpjhealth.com.my/kcwc/  
Email: info@kpjkcwc.com

## TMC HEALTH CENTRE

Lot 3140, Aras 1 - 4  
Medan Taiping  
34000 Taiping, Perak  
Tel: 05-804 8836

## LABORATORY SERVICES

## LABLINK MEDICAL LABORATORY

14(129) Jalan Pahang Barat  
Off Jalan Pahang  
53000 Kuala Lumpur  
Tel: +603-4023 4588  
Website: https://www.kpjlablink.com/

## JETA GARDENS

Retirement and Aged Care Resort  
27 Clarendon Ave  
Queensland 4205 Australia  
Tel: 1800-227-818  
Website: www.jetagardens.com

## TAWAKKAL HEALTH CENTRE

202A, Jalan Pahang, Pekeliling  
53000 Kuala Lumpur  
Tel: 603-4023 3599  
Website: www.kpjhealth.com.my/thc/  
Email: info@kpjhealthcentre.com

SIBU GERIATRIC HEALTH & NURSING  
CENTRE

No. 52A-G, Brooke Drive  
96000 Sibu, Sarawak  
Tel: 6084-329 900  
Email: enquiry@kpjsibu.com

## EDUCATION

KPJ HEALTHCARE UNIVERSITY  
COLLEGE (KPJUC)

Website: www.kpjuc.edu.my  
Email: info@kpjuc.edu.my

Main Campus  
(Nilai, Negeri Sembilan)

Lot PT 17010, Persiaran Seriemas  
Kota Seriemas  
71800 Nilai, Negeri Sembilan  
Tel: 1-300-88-5758  
Fax: 606-794 2662

Branch Campus  
(Johor Bahru, Johor)

No. 1, Jalan Dato' Onn 1  
Bandar Dato' Onn  
81100 Johor Bahru, Johor  
Tel: 607-360 1907  
Fax: 607-360 1988  
Email: infojb@kpjuc.edu.my

Branch Campus  
(Penang)

565, Jalan Sungai Rambai  
Taman Manggis Indah  
14000 Bukit Mertajam, Pulau Pinang  
Tel: 604-538 2692  
Fax: 604-530 8695  
Email: penang@kpjuc.edu.my

## EYE SPECIALIST CENTRE

KPJ PUSAT PAKAR MATA CENTRE FOR  
SIGHT

1-1, Jalan SS 23/15  
Taman SEA  
47400 Petaling Jaya, Selangor  
Tel: 603-7880 8222  
Fax: 603-7804 6052  
Website: www.kpjhealth.com.my/cfs/  
Email: info@kpjcfs.com

## Rawang Branch

No. 88, Jalan Bandar Rawang 1  
Pusat Bandar Rawang  
48000 Rawang, Selangor  
Tel: 603-6093 1051  
Fax: 603-6093 1052  
Website: www.kpjhealth.com.my/cfs/  
Email: infoforw@kpjcfs.com

## Kuala Lumpur Branch

Lot 100-102, Level 4,  
Tawakkal Health Centre, 202A,  
Jalan Pahang,  
53000 Kuala Lumpur  
Tel: 603-4022 6222  
Fax: 603-4021 1409  
Website: www.kpjhealth.com.my/cfs/  
Email: info@kpjcfs.com



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