



Care for Life



KPJ HEALTHCARE BERHAD

PASSION INNOVATION TRUST

SUSTAINABILITY REPORT 2019



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» OUR VISION

THE PREFERRED HEALTHCARE PROVIDER

Our fundamental purpose is the delivery of exceptional health treatment, care and diagnosis to all our patients. We are dedicated to being the preferred provider of care, with innovative use of technology, experienced doctors and well-trained staff who collaborate to offer the best diagnosis and treatment plans.

» OUR MISSION

DELIVER QUALITY HEALTHCARE SERVICES

Our mission is to improve the health of the people and the communities we serve. Led by skilled and caring medical staff, we are consistently focused on clinical excellence and innovative technology for superior patient outcomes.

» OUR CORE VALUES

VALUES THAT GUIDE US

Our values represent the philosophy of our organisation and guide all our decision-making and actions. We strive to maintain a patient-centered environment, focused on compassionate care, based on the intrinsic part of our commitment to Care for Life in every aspect of our operations. Our core values are therefore



Ensuring
Safety



Delivering
Service with
Courtesy



Performing
Duties with
Integrity



Exercising
Professionalism
at All Times



Striving for
Continuous
Improvement

RATIONALE

We at KPJ Healthcare will remain steadfast in our belief that with passion the impossible becomes possible. It ignites our purpose to go beyond all limitations, to perform beyond the ordinary and ultimately achieve the extraordinary. With sincerity in executing all tasks, we forge trusting relationships and create value for all our stakeholders. We are constantly innovating our offerings to exceed all expectations and realise our vision to be the preferred healthcare provider.

KPJ Healthcare is committed in delivering "Care for Life" in all aspects of our operations.

ABOUT THIS REPORT



“THIS IS THE SECOND EDITION OF OUR STANDALONE SUSTAINABILITY REPORT THAT ELABORATES ON THE ECONOMIC, ENVIRONMENT AND SOCIAL INITIATIVES OF OUR MALAYSIA HOSPITAL OPERATIONS, WHICH CREATE ADDED VALUES TO OUR SIX CAPITALS AND CONTRIBUTE 95% OF GROUP’S REVENUE.”



INTRODUCTION

For 2019, we continue the practice of producing a set of three standalone reports – Integrated Report, Sustainability Report and Financial Performance Report – that began last year. While these reports are interlinked, each has a defined reporting scope so as to give readers a deeper understanding of KPJ’s strategy and its commitment to a sustainable global economy.

This Sustainability Report has been prepared in accordance with the framework and guidance provided by the Global Reporting Initiative (GRI) Standards and the criteria of the FTSE4Good Bursa Malaysia Index. We detail our sustainability initiatives according to the Economic, Environmental and Social (EES) and strive to show how our EES initiatives contribute towards the value creation of Our Six Capitals as elaborated in our Integrated Report. This report also highlights the importance of strong stakeholder relationships because their support is crucial for us to achieve growth and success.

In preparing this report, we aim to provide a clear account of our sustainability commitments in meeting our stakeholders’ expectations as we strive to balance our business objectives

of creating economic value for our stakeholders, while delivering on our social and environmental expectations.

REPORTING SCOPE AND BOUNDARIES

This Sustainability Report covers our sustainability activities and outcomes from 1 January to 31 December 2019 and builds on our previous publications. It is focused on the EES performance at our Malaysia hospital operations, which contribute 95% of Group’s revenue.

The quantitative environmental data in Environmental Impacts of this SR refers to the 19 Malaysian Society for Quality in Health (MSQH) accredited hospitals.

REFERENCE AND GUIDELINES

This Sustainability Report, is guided by Bursa Malaysia’s Sustainability Framework, in accordance to the GRI Standards and ESG Rating Measurement Criteria. In the year under review, we further solidified our commitments towards 15 of the 17 principles of the United Nations Sustainable Development Goals (UN SDGs). Details of this can be found in the section entitled Creating Value through Sustainability from page 9 to 13.

ASSURANCE AND APPROVAL

KPJ’s sustainability commitments are driven by a robust governance framework that ensures we uphold a high level of integrity and transparency in all our internal and external interactions. To ensure compliance of our internal checks and measures, our sustainability reporting, sustainability performance and disclosures are closely monitored internally, by our Risk & Governance Committee (RGC). We currently do not have any formal policy for obtaining an external assurance review on this report. However, we will review the need to engage one in the future.

DETERMINING MATERIALITY

We have reviewed our material sustainability matters against 2018 and there are no significant changes. Our reporting context provides a narrative of identified material topics relevant to our business and stakeholders. An account of how we determine materiality and our stakeholder engagements in relation to issues and concerns can be found in the section on Sustainability Materiality for 2019 section on pages 18 to 24, and Stakeholder Management on pages 25 to 33.

The 15 of 17 primary UN SDGs that KPJ is currently contributing towards are as follows:

SUSTAINABLE DEVELOPMENT GOALS



As far as possible, we have provided quantitative data to support the outcomes of our sustainability commitments. Where such data is not available, we are reviewing and implementing systems and processes to enable us to measure and monitor our sustainability performance. Further to that, our sustainability disclosures had gone through a rigorous review and independent internal verification to ensure the effectiveness of our internal controls and standard operating procedures.

FORWARD-LOOKING STATEMENTS

This report also contains forward-looking statements that highlight KPJ's future direction, strategies and growth opportunities. However, due to the unpredictable nature of our business that is influenced by the dynamic local and global environment, the results of both the financial and non-financial performance might differ from those reflected in the forward-looking statements.

FEEDBACK

Our reporting process intends to move beyond compliance to foster more meaningful and inclusive engagement with our stakeholders. This is aligned with our desire to incorporate a culture of accountability and trust so as to further strengthen our relationships with our stakeholders. Should you have any comments and feedback on this report, kindly contact our Investor Relations Unit at ir@kpjhealth.com.my.

REPORTING SUITE	SUSTAINABILITY REPORT
DISCLOSURE	<ul style="list-style-type: none"> • Reporting and Scope Boundaries • Sustainability Material Matters and Stakeholder Management • Management Approach
REPORTING FRAMEWORK	<ul style="list-style-type: none"> • GRI Standards • ESG Rating Measurement Criteria • BMLR



JOINT STATEMENT BY
**CHAIRMAN AND
PRESIDENT &
MANAGING
DIRECTOR**



DEAR STAKEHOLDERS,

WE ARE HONoured TO PRESENT TO YOU OUR STANDALONE SUSTAINABILITY REPORT (SR) FOR 2019, ON BEHALF OF KPJ HEALTHCARE BERHAD (KPJ OR THE GROUP).



DATO' YUSLI BIN MOHAMED YUSOFF
CHAIRMAN

DATO' AMIRUDDIN BIN ABDUL SATAR
PRESIDENT AND MANAGING DIRECTOR

Since our listing on the Main Board of Bursa Malaysia in 1994, KPJ has grown to become Malaysia's largest group of private healthcare and specialist medical care provider. We are specialist healthcare Group that believe in delivering patient-centric healthcare. This is conveyed by our tagline 'Care for Life', which also resonate with our parent company Johor Corporation organisational purpose: 'To build and to Nurture'.

KPJ has been a constituent of the Bursa Malaysia FTSE4Good Index since 2016 that tracks performance of listed companies demonstrating strong Environmental, Social and Governance (ESG) practices. Our commitment in this regard continue to be realised through our Economic, Environmental and Social (EES) initiatives that are a direct manifestation of our efforts to champion the sustainable socioeconomic development agenda for our nation.

In line with our aspirations to contribute towards the betterment of Malaysia and the communities in where we operate, we implement high impact social initiatives in 2019. We continue with the projects to uplift the lives of the underprivileged and marginalised communities. At the same time, we have taken steps for the responsible management of our environmental impact, with efforts that address issues such as waste, carbon emissions and climate change.

Our Seven Strategic Thrusts areas keep us on course as we strive to increase our market share



Capacity Building



Enriched Customer Relationship



Innovation @ The Core



New Niches



Talent Management



Business Process Improvement



Sustainable Value for Stakeholders



FTSE4Good

KPJ IS A CONSTITUENT OF THE BURSA MALAYSIA FTSE4GOOD INDEX THAT IS DESIGNED TO TRACK PERFORMANCE AND DEMONSTRATE STRONG ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRACTICES.

CONTRIBUTING TOWARDS GLOBAL SUSTAINABILITY

The state of the environment today is of global concern. Governments and businesses over the world are rallying to realise the UN SDGs. There are 17 UN SDGs encompassing a wide spectrum of developmental objectives, with targets to be achieved by 2030. At KPJ, we find that we can play our part to help realise 15 UN SDGs that are pertinent to our business, either directly or indirectly.

We are aligning our business goals and social responsibilities with the UN SDGs. We are especially focused on enhancing public health and mitigating environmental degradation at KPJ. This is aligned with our own sustainable business objectives.

We believe, in the longer term, this outlook will help strengthen value creation commitments to a broad base of stakeholders.

VACCINES FOR BETTER HEALTHCARE

Halal Vaccine Collaboration

KPJ will continue to focus on initiatives and activities that support access to vaccines for all segments of society by playing its part to promote universal healthcare in Malaysia. This is in line with UN SDG 3, which focuses on good health and well-being for all.

In 2019, we arrived at a major milestone when we signed a collaborative agreement with Duopharma Biotech Berhad to explore the development of halal vaccines. The investment will give a big impact to the healthcare industry as the demand for halal pharmaceutical product is growing. Our collaboration with Duopharma signifies our intent towards this objective. We believe that there are synergies that both parties can leverage on in the halal pharmaceuticals space.

The strength and success of the global Halal industry has been making waves worldwide and is now emerging as one of the most lucrative and prominent market segments in the world.



Covid-19 drive through testing at KPJ Damansara Specialist Hospital

The halal pharmaceuticals market is projected to reach USD174.59 billion by 2025, growing at a CAGR of 9.4% during the forecast period.

OVERCOMING SHORTAGES IN FLU VACCINES

The frequency of influenza outbreaks in 2019 triggered shortage in the supply of flu vaccines. We had to source for flu vaccines from other countries via import permits. The National Pharmaceutical Regulatory Agency (NPRA) assisted in speeding up the approvals. In addition, the NPRA in its Revision of Guidelines for Vaccine Lot Release Second Edition (April 2015) helped ensure that therapeutic substances approved for the local market were safe, effective and of quality. They set the high standards of control of vaccines entering the market and our hospitals.

Another cause for concern with regard to vaccines is the anti-vaccination choice among some segments of the population. KPJ has embarked on awareness creating exercises to quell misinformation surrounding vaccination. The failure to vaccinate has led to a sharp spike in vaccine-preventable diseases, such as measles that rose more than ten-fold from 125 in 2013 to 1,467 in 2018, according to the MOH. By frequently posting clinical information on the social media, KPJ plans to educate the anti-vaccination group to recognise the risks they pose to their families, especially young children.



2019–20 CORONAVIRUS PANDEMIC

Malaysia activated the pandemic preparedness plan in January 2020 before the Covid-19 outbreak was officially recognised as a pandemic by the World Health Organization (WHO) on 11 March 2020. The Ministry of Health (MOH), through the National Centre for Crisis Preparedness and Response (CPRC), received the first three cases reported to be suspected of Covid-19 on 23 January 2020.

Subsequently, on 28 January 2020, the MOH issued the Guidelines 2019 Novel Coronavirus Covid-19 (MOH Guidelines 2/2020), and KPJ formed its Task Force Committee (TFC) the same day. The establishment of the TFC is to document the protocols for handling the Covid-19 outbreak based on the MOH Guidelines 2/2020. Since then, the TFC has been communicating and updating the preparedness plan to all KPJ hospitals.

On 24 February 2020, our pathology services Lablink became one of the first private laboratories to be endorsed by the MOH to perform Covid-19 test specimens of the public. Test specimens came from our KPJ hospitals, government hospitals and non-KPJ private healthcare providers. KPJ Damansara was the first hospital in the Group that collaborated with Lablink to provide Covid-19 swab testing and sample collection for individuals and companies. Currently, 13 of our hospitals, including eight with drive through terminals, perform swab testing and sample collections.

Each test costs around RM300, at a minimal profit to improve their availability and accessibility to the public. Currently, Lablink performs an average between 1,500 to 3,000 tests per day.

Through our continued partnership preparedness directly with MOH, or indirectly through the Association of Private Hospitals Malaysia (APHM), we have made the following contributions:

- Loan of 25 ventilators, which cost about RM2.5 million, to 10 MOH hospitals for the treatment of Covid-19 positive patients
- Allocation of more than 200 hospital beds to cater non Covid-19 patients referred by the MOH
- Allocation of 130 dialysis chairs in 16 hospitals across the country for non Covid-19 patients undergoing dialysis
- Loan of KPJ Medical Consultants to serve on a pro-bono basis, while also making personal contributions to communities in need
- Loan of KPJ hospital staff to serve in public hospitals

KPJ is playing a big role in the Covid-19 crisis. We continue to be open and operate 24/7 attending to patients during Movement Control Order (MCO) period. We have successfully managed the challenges by adapting our business strategy to protect our various stakeholders.

At this point in time, we have not had to lay off our staff or required them to take unpaid leave. We also encourage our patients to keep extra supplies of their regular medications in the event of an emergency, whether it is an illness or unforeseen situation such as the MCO. To facilitate this, our hospitals provide complimentary medication delivery services as well as drive-through pick up services at our hospitals.

The KPJ management would like to thank all our hospitals' front lines. Our gratitude to all the Medical Consultants, the Medical Officers, the Infection Control Officers, the Pharmacists, the Nurses, the Care Assistants, the Maintenance team, the Admin Support team, and the rest at the back offices. No words could express our appreciation to those who have worked so hard to help us deal with patients, visitors and even the public during this Covid-19 pandemic ordeal.

More details on our initiatives during MCO is discussed at the relevant materiality in this Sustainability Report.

PROTECT THE ENVIRONMENT

Climate change will always be one of the challenges. We have taken the urgent measure to combat the plastic use by launching the Zero Single-Use Plastic campaign in 2019. All KPJ hospitals made good progress in implementing alternatives where 92% of hospitals have completely shifted to non-plastic or biodegradable alternatives to plastic straw, 76% of hospitals have ceased distribution of bottled mineral water and 64% of hospitals have stopped issuance of plastic bags in daily operation.

Clinical Plastic Waste Recycle Programme

The majority of single-use plastic usage in a hospital setting is attributable to clinical-related processes and activities. In fact, 20%-25% of clinical waste generated in a hospital is plastic packaging and clinical waste plastic that is recyclable. Besides being environmentally unfriendly, clinical plastic waste also incurs operational costs for proper disposal.

It must be noted that 85% of hospital waste generated is non-hazardous. This means they are free from patient contact and contamination. In Malaysia, clinical waste is incinerated prior to landfill disposal, which results in the emissions of hazardous gases that harm the environment.

Given these facts, KPJ has embarked a pilot study on a Clinical Plastic Waste Recycling Programme because we believe in having a sustainable healthcare business. It is good to remain relevant in our industry and increase our attractiveness to investors and shareholders. It is early days yet, and we will keep you updated on the progress of this programme.

With this programme, KPJ will be supporting SDG 12.5 that targets substantial waste reduction through prevention, reduction, recycling and reuse initiatives.

COMMUNITY OUTREACH PROGRAMMES

Affordable and Quality Healthcare for All

KPJ is leveraging on its signature community outreach programme Klinik Waqaf An-Nur (KWAN) to address the growing risk of communicable and non-communicable diseases nationally. KWAN provides low income groups access to affordable high quality medications and healthcare. KPJ will continue to expand this community healthcare services that are offered at in-situ and mobile clinics nationwide.

We have 18 KWAN clinics and four mobile clinics and that provide outpatient services to underserved communities, especially for families from the lower income bracket. We provide private healthcare services at an affordable RM5 charge. For 2019, our KWAN clinics have served 124,618 patients across Malaysia.

Relief Disaster - Kim Kim River

In March 2019, 82 volunteers from our hospitals in Johor Bahru participated in a disaster relief mission caused by the illegal dumping of toxic waste into Kim Kim River in Pasir Gudang. The volunteers via Briged Waqaf JCorp to provide medical assistance, medicines and other essentials to victims. The toxic waste dumping caused 937 people to fall ill and forced the closure of all 111 schools in the area.

ACKNOWLEDGEMENTS

Our push towards realising our sustainability commitments would not have been possible without the tireless efforts of our group of talented and dedicated employees. They are fine examples of upholding our "Care for Life" tagline, and their contributions have greatly benefited our healthcare ecosystem.

To our patients, we thank you for your loyal support and patronage of our healthcare services. Rest assured, we are committed to providing you with best in class standards of healthcare in a sustainable manner.

As for our vendors and suppliers, thank you for your efforts in helping KPJ in vital short-term supply during the pandemic and realise its EES commitments to support high-quality healthcare services.

We would also like to express our appreciation to our Board for their contributions and insights in steering us forward on our sustainability journey. In addition, KPJ is also grateful to our parent company JCorp, for their continuous belief and support of our value creation abilities.

On behalf of the Group, we would like to convey our appreciation to the Government, MOH and other regulatory agencies, for supporting us in our quest to develop the nation's healthcare industry.

As we enter 2020, we reaffirm our commitment to deliver value in the fullest sense of the word as we work in tandem with the UN SDGs to achieve the target Agenda 2030 with the support of all our stakeholders.



Dato' Yusli Mohamed Yusoff
Chairman



Dato' Amiruddin Abdul Satar
President And Managing Director

CREATING VALUE THROUGH SUSTAINABILITY

KPJ's sustainability agenda is about creating long-term sustainable value for our stakeholders and the community we operate in. As a major player in the private healthcare industry in Malaysia, we aim to conduct our business responsibly, backed by a high level of governance, ethics and integrity, while contributing to the socioeconomic and healthcare agenda of the country.

Our sustainability commitments have been firmly embedded into the fabric of our organisation. We plan, strategise and implement sustainability initiatives based on these commitments in all aspects of our activities and practices in our hospitals, retirement and aged care centres, and university college. These initiatives augment and add value to our patient-centric clinical care, by ensuring we have the highest standards of clinical governance and processes in place. It is our duty to ensure we deliver safe and exceptional services to our patients.

We always aim to give our patients the very best in healthcare, and that includes the most advanced medical technology available. Besides medical equipment for diagnostics and treatment, our systems and processes are always optimised and updated with the latest advances in information technology.

Our pharmaceutical services cater all customer segments and their shopping preferences, and takes into account their inclination towards physical establishments or online shopping.

On the other hand, our university college is designed to produce the best graduates in medical and allied sciences, to grow the talent pool in Malaysia.

We are dedicated to conducting our business in a responsible manner to ensure that we carry out our environmental responsibility.

Besides that, we take care of the communities we operate in. Our KWAN and mobile clinics network around the country enable us to provide high quality healthcare to lower income earners.

The industry-recognised accreditations and certifications our hospitals receive within the healthcare sector are testimony to the quality and high standards of care and commitment of our staff.

Last but not least, our employees are a crucial and integral part of the KPJ family. They form the cornerstone of our Group efforts to ensure patient safety, and are aligned with our mission to provide high quality healthcare services. They are our best ambassadors and manifestation of our values and culture.

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KPJ Healthcare Berhad

2019



The Values that are the Foundation of Our Sustainability Agenda

We create long-term value for our stakeholders based on four fundamental values – preventive healthcare, universal healthcare coverage, resilient healthcare, and environmentally sustainable healthcare.

1. PREVENTIVE HEALTHCARE



We have endeavoured to collaborate with the government and healthcare insurers to improve on preventive healthcare offerings available for the people of Malaysia. We focus on the following:

- Growing our immunisation and vaccination coverage
- Helping to improve the health, nutrition knowledge, behaviour and attitude of the community towards healthcare
- Empowering patients to make informed decisions through technology
- Encouraging breast-feeding as the best choice for the nourishment of infants and young children

2. UNIVERSAL HEALTHCARE COVERAGE



We aim to provide healthcare for all, and to achieve this, we are collaborating with the government and healthcare insurers and non-government organisations (NGOs) to offer the best packages and to cover a wider scope. We are using the low price and high volume models to make healthcare affordable for low and middle income families. In this way, we can bring vaccines, diagnostic tests, pharmaceuticals, supplements and family planning to the people who need it, thus carrying out our responsibility as a corporate citizen.

3. RESILIENT HEALTHCARE



We have devised detailed strategies to address growing anti-microbial resistance. We are working with the government to build resilient healthcare systems that are adaptable, flexible and highly responsive. This is critical to address the needs in a world affected by climate-related impacts, such as increasing morbidity as a result of natural disasters – heatwaves, floods, droughts and storms, as well as conflicts, and forced migration.

4. ENVIRONMENTALLY SUSTAINABLE HEALTHCARE



We aim to build environmentally sensitive hospitals, and streamline our processes to become more efficient, so that we can reduce, reuse and recycle water, raw materials, non-renewable minerals, energy, hazardous waste, and non-hazardous waste.

Making a Difference in the World

Through our sustainability initiatives, KPJ is able to contribute to the global and national development agenda. The global and national agendas we are currently contributing towards include the following.

United Nations Sustainable Development Goals (UN SDGs)

In 2018, we began aligning the UN SDGs to our sustainability initiatives and impacts. Based on our current range of EES initiatives, KPJ is contributing to the following UN SDGs.



NO POVERTY
Prioritising the health needs of the poor



ZERO HUNGER
Addressing the causes and consequences of all forms of malnutrition



GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all ages



QUALITY EDUCATION
Supporting High Education for All to Improve Health and Health Equity



GENDER EQUALITY
Fighting Gender Inequalities, Including Violence Against Women



CLEAN WATER AND SANITATION
Preventing Disease Through Safe Water Sanitation for all



AFFORDABLE AND CLEAN ENERGY
Promoting Sustainable Energy for Healthy



DECENT WORK AND ECONOMIC GROWTH
Promoting Health Employment as a Driver of Inclusive Economic Growth



INDUSTRY, INNOVATION AND INFRASTRUCTURE
Promoting National R&D and Manufacturing of Affordable Essential Medical Products



REDUCED INEQUALITIES
Ensuring Equitable Access to Health Services Through Universal Health Coverage Based on Stronger Primary Care



SUSTAINABLE CITIES AND COMMUNITIES
Fostering Healthier Cities Through Urban Planning for Clearer Air and Safer and More Active Living



RESPONSIBLE CONSUMPTION AND PRODUCTION
Promoting Responsible Consumption of Medicine to Combat Antibiotic Resistance



CLIMATE CHANGE
Protecting Health From Climate Risk and Promoting Health Through Low Carbon Development



PEACE, JUSTICE AND STRONG INSTITUTIONS
Empowering Strong Local Institutions to Develop, Implement, Monitor and Account for Ambitious National SDG Responses



PARTNERSHIP FOR THE GOALS
Mobilising Partners to Monitor and Attain in Healthcare Related SDG

Relevance of UN SDGs to KPJ Healthcare Berhad

KPJ's focus on the UN SDGs are primarily based on the WHO's targets for inclusive and sustainable health in alignment with the 2030 Agenda for Sustainable Development.

The UN SDGs have an overarching objective of alleviating poverty through an integrated and interactive agenda. The emphasis is on providing assistance to build fundamental capacities. Armed with new knowledge and skills acquired through education, members of the lower income groups are then able to secure better paying jobs, thus securing a better quality of life.

Besides education, they need to be physically healthy and fit in order to participate in the economic activities of the nation, and that is where healthcare providers such as KPJ come in.

Within the context of healthcare, WHO has identified new threats to health over the past few years. To ensure sustainable development in healthcare, these need to be addressed. Ideally, the health sector can collaborate and form more partnerships to drive sustainable development for the long term.

KPJ's concerted efforts in addressing and aligning our business with the UN SDGs are based on WHO's approach as outlined below:



Malaysian Patient Safety Goals (MPSG)

The Patient Safety Council of Malaysia has developed the Malaysian Patient Safety Goals (MPSG) to encourage both public and private healthcare organisations to improve patient safety outcomes in the country.

KPJ is committed to observing the MPSG, in order to raise the quality of medical care in the nation. In fact, KPJ submits data on our compliance with the 13 MPSG to the Patient Safety Council every year.

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MPSG



SUSTAINABILITY STRATEGY

KPJ'S SUSTAINABILITY STRATEGY IS OVERSEEN BY THE RISK AND GOVERNANCE COMMITTEE, AND IS FAITHFULLY ALIGNED WITH THE GROUP'S RISK MANAGEMENT PROCESS. THE STRATEGY ENSURES THAT WE CREATE SUSTAINABLE VALUE FOR OUR STAKEHOLDERS (VIA OUR SEVEN STRATEGIC THRUSTS), AND IS UNDERPINNED BY THE SUSTAINABILITY DEVELOPMENT AGENDA AND OUR COMMITMENT TO INCORPORATE IT INTO ALL OUR BUSINESS ACTIVITIES.

The chart below shows how sustainability in our day-to-day business activities

Sustainability in KPJ's Business Strategy



Corporate Governance Structure



SUSTAINABILITY GOALS

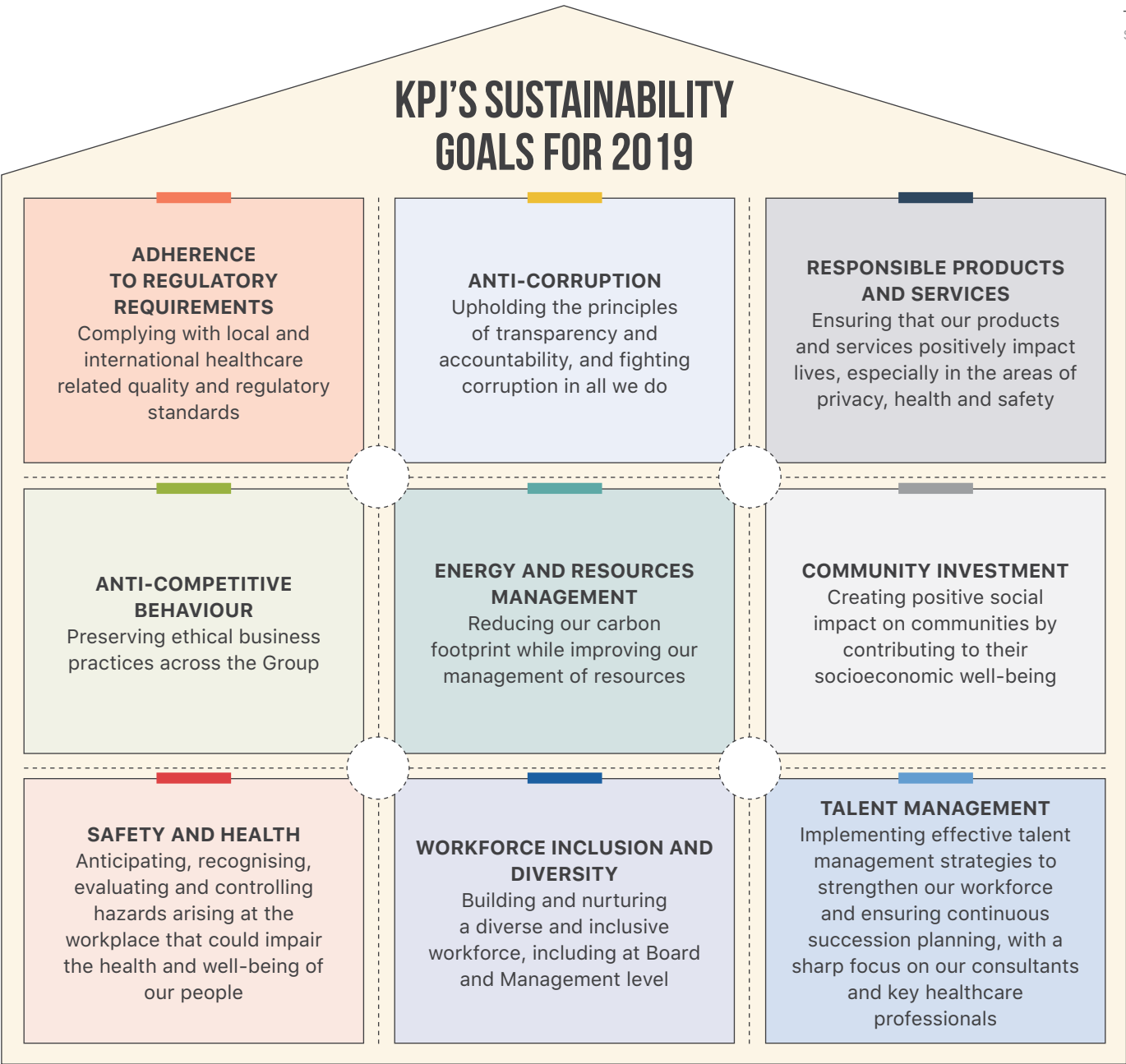
Every year, we review and refine our Sustainability Goals, based on our Sustainability Strategy. Henceforth, we will formulate plans to achieve our goals. In 2019, we refined our goals in line with our commitment to ensure that the business practices we employ prioritises patient safety and choice. KPJ's Sustainability Goals for 2019 are as follows.

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






ALIGNING OUR SUSTAINABILITY GOALS WITH THE UN SDGs

KPJ is committed to infusing the UN SDGs into all aspects of our healthcare operations and processes. In 2019, we focused on:

Embedding the sustainability development agenda into our business' strategic thrusts by identifying the new strategic thrust of Sustainable Value For Stakeholders which aims to ensure sustainable business growth that contributes to the socioeconomic well-being of our communities and the nation.

Aligning our sustainability goals and initiatives against the UN SDGs to ensure we are on track with our ambition of embedding the UN SDGs into our business.

SUSTAINABILITY GOALS	KPJ SUSTAINABILITY INITIATIVES	UNITED NATIONS SDGs
Adherence to regulatory requirement	Certification, Accreditation and Standards (Materiality Economic - 6)	 
Anti-corruption	Our Workforce (Materiality People - 2)	
Responsible products and services	Patient Satisfaction (Materiality Economic - 1) Delivering Safe and Excellence Clinical Care (Materiality Economic - 2) Improving Efficiency with Technology (Materiality Economic - 3) Access to Quality Healthcare (Materiality Economic - 5) Waste Management (Materiality Environmental - 1)	     
Anti-competitive behaviour	Our Workforce (Materiality People - 2)	

SUSTAINABILITY GOALS	KPJ SUSTAINABILITY INITIATIVES	UNITED NATIONS SDGs
Energy and resources management	Waste Management (Materiality Environmental - 1) Water Consumption (Materiality Environmental - 2) Energy Consumption (Materiality Environmental - 3)	    
Community investment	Community Outreach (Materiality People - 1)	 
Safety and health	Safety at the Workplace (Materiality People - 7)	
Workforce inclusion and diversity	Our Workforce (Materiality People - 2) Diversity (Materiality People - 6)	  
Talent management	Training and Career Development (Materiality People - 3) Employee Benefits and Welfare (Materiality People - 4) Employee Engagement (Materiality People - 5) Nurturing Future Medical Professionals (Materiality Economic - 4)	    



SUSTAINABILITY MATERIALITY FOR 2019



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES



Our materiality defines why and how certain issues are important to us. A material issue can have a major impact on the financial, economic, reputational, environmental and legal aspects as well as on the system of our internal and external stakeholders. In 2016, we have conducted the materiality assessment or analysis by mapping our stakeholders and the connection with the broader emerging issues, such as digitalization, innovation and demographic. Materiality analysis provides insights into future trends and business risks and opportunities that influences its ability to create value. It helps us in identifying topics or expectation from stakeholders.

MATERIALITY JOURNEY



MATERIALITY FOR 2016

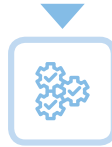


We conducted a thorough and detailed analysis of our key stakeholders, along with the areas of concern and our response to stakeholders' expectations

1



MATERIALITY FOR 2017



We identified and ranked issues on importance to the organisation and stakeholders.

2



MATERIALITY FOR 2018



We streamlined the stakeholders' engagement with Our Seven Strategic Thrusts and UN SDGs

3



SUSTAINABILITY MATERIALITY FOR 2019




To ensure that KPJ remains aligned with our greater purpose, objectives and strategies, we conduct annual reviews of our sustainability materiality. From 2017 to 2018, we had been enhancing our materiality areas. Moreover, we also identified how each of our Sustainability Materiality outcomes were aligned with the healthcare focus areas outlined by WHO, and the UN SDGs. All of our activities and initiatives prioritise our patients' needs, which is discussed under Materiality Economic 1 - Patient Satisfaction.



ECONOMIC	ENVIRONMENTAL	SOCIAL
Materiality Economic 1 – Patient Satisfaction	Materiality Environmental 1 – Waste Management	Materiality People 1 – Community Outreach
Materiality Economic 2 – Delivering Safe and Excellence Clinical Services	Materiality Environmental 2 – Water Management	Materiality People 2 – Our Workforce
Materiality Economic 3 – Improving Efficiency with Technology	Materiality Environmental 3 – Electricity Consumption	Materiality People 3 – Training and Career Development
Materiality Economic 4 – Nurturing Future Medical Professionals		Materiality People 4 – Employee Benefits and Welfare
Materiality Economic 5 – Access to Quality Healthcare		Materiality People 5 – Employee Engagement
Materiality Economic 6 – Certification, Accreditation and Standards		Materiality People 6 – Diversity
		Materiality People 7 – Safety at the Workplace



SUSTAINABILITY MATERIALITY FOR 2019

SDG	TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
NO POVERTY 	1.2 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	Prioritising the health needs of the poor	Materiality People 1 - Community Outreach	Amount Spent on Community Outreach Program KWAN	GRI Standard 203-2: Significant indirect economic impact
ZERO HUNGER 	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	Addressing the causes and consequences of all forms of malnutrition	Materiality Economic 6 - Certification, Accreditation and Standards	Baby Friendly Hospital Initiative (BFHI) certification	WHO's goal to avoid over a million child deaths each year and WHO's Global Nutrition
GOOD HEALTH AND WELL-BEING 	3.2 By 2030, end preventable deaths of new-borns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1000 live births and under-five mortality to at least as low as 25 per 1000 live births 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well being 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable, essential medicine and vaccines for all.	Ensure healthy lives and promote well-being for all ages	Materiality People 1- Community Outreach Materiality People 4 - Employee Benefits and Welfare Materiality Economic 2 - Delivering Safe and Excellence Clinical Services Materiality Economic 1 - Patient Satisfaction Materiality Economic 5 - Access to Quality Healthcare	Baby Hatches Employee Benefit and Welfare, Advocating Work-life Balance MPSG - Goal No. 9 to reduce patient falls Patient Satisfaction Index Senior & Assisted Living Care	Government Initiatives GRI Standard 401-2: Benefits which are standard for full-time employees of the organization; Health care MPSG- Key Areas of Safety Goal #3: Implementing evidence-based "best practice" and safety measures GRI Standard 416-1: Assessment of the health and safety impacts of product and service categories Government's Initiative





SUSTAINABILITY REPORT






ECONOMIC

ENVIRONMENTAL




SOCIAL

SUSTAINABILITY MATERIALITY FOR 2019

SDG	TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
QUALITY EDUCATION 	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	Supporting High Education for All to Improve Health & Health Equity	Materiality Economic 4 - Nurturing Future Medical Professionals Materiality People 3 - Training and Career Management	Education Sponsorship Training and Development in Clinical Programmes	GRI Standard 404-1: Employee Training and Education GRI Standard 404-1: Employee Training and Education
GENDER EQUALITY 	5.1 End all forms of discrimination against all women and girls everywhere 5.2 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.	Fighting Gender Inequalities, Including Violence Against Women	Materiality People 2 - Our Workforce Materiality People 6 - Diversity	Grievance Mechanism Empowerment of Women in the Workplace	GRI Standard 406-1: Incidents of discrimination and corrective actions taken GRI Standard 405-1: Diversity of governance bodies and employees
CLEAN WATER AND SANITATION 	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	Preventing Disease Through Safe Water Sanitation for all	Materiality Environmental 2 - Water Management Materiality Economic 2 - Delivering Safe and Excellence Clinical Services	Proactive Water Initiatives MPSG – Goal No. 3 – Hand Hygiene	GRI Standard 303-1: Water withdrawal by source MPSG- Key Areas of Safety Goal #2: Managing major and significant aspect of safety risk to patients receiving health care - To implement WHO's 1st Global Patient Safety Challenge: "Clean Care is Safer Care"
AFFORDABLE AND CLEAN ENERGY 	7.3 By 2030, double the global rate of improvement in energy efficiency	Promoting Sustainable Energy for Healthy	Materiality Environmental 3 - Electricity Consumption	Efficient Energy Management Initiatives	GRI Standard 302-1: In joules, watt-hours or multiples, the total (i) – Electricity Consumption

SDG	TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
DECENT WORK AND ECONOMIC GROWTH 	8.8 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	Promoting Health Employment as a Driver of Inclusive Economic Growth	Materiality People 7 - Safety at the Workplace	Safety at the Workplace	GRI Standard 403-1: Occupational health and safety management system
INDUSTRY, INNOVATION AND INFRASTRUCTURE 	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	Promoting National R&D and Manufacturing of Affordable Essential Medical Products	Materiality Economic 3 - Improving Efficiency with Technology	Technology Initiatives	GRI Standard 203-2: Significant indirect economic impact
REDUCED INEQUALITIES 	10.3 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	Ensuring Equitable Access to Health Services Through Universal Health Coverage Based on Stronger Primary Care	Materiality People 5 - Employee Engagement	Group Employee Engagement Activities	GRI Standard 401-2: Benefits provided to full time employees that are not provided to temporary or part-time employee - others
SUSTAINABLE CITIES AND COMMUNITIES 	11.6 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	Fostering Healthier Cities Through Urban Planning for Clearer Air and Safer and More Active Living	Materiality Environmental 3 - Electricity Consumption	Reduction of energy consumption	GRI Standards 302: Energy 302-3 Energy intensity 303-4 Reduction of energy consumption
RESPONSIBLE CONSUMPTION AND PRODUCTION 	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Promoting Responsible Consumption of Medicine to Combat Antibiotic Resistance	Materiality Environmental 1- Waste Management	Our Waste Management Practices	GRI Standard 306-2: Total weight of hazardous waste, with a breakdown by the following disposal methods : Other (clinical waste disposal contractor)

SUSTAINABILITY MATERIALITY FOR 2019

SDG	TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
CLIMATE CHANGE 	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Protecting Health from Climate Risk and Promoting Health Through Low Carbon Development	Materiality Environmental 3 - Electricity Consumption	Activities and initiatives to manage Climate Change	GRI Standards 305: Emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions
PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTION AT ALL LEVELS 	16.5 Substantially reduce corruption and bribery in all their forms	Empowering Strong Local Institutions to Develop, Implement, Monitor and Account for Ambitious National SDG Response	Materiality People 2 - Our Workforce	Building a Culture of Corporate Integrity	GRI Standard 205-2: Communication and training about anti-corruption policies and procedures
PARTNERSHIP FOR THE GOALS 	17.14 Enhance policy coherence for sustainable development	Mobilizing Partners to Monitor and Attain the Health-Related SDGs	Materiality Economic 6 - Certification, Accreditation and Standards	Personal Data Protection Act 2010 (PDPA), ISO Integrated Management Systems, Accreditation of Joint Commission International (JCI) and Malaysian Society for Quality in Health (MSQH), 5S, Planetree	Government, Regulators, Accreditation Bodies and Industry Associations

STAKEHOLDER MANAGEMENT

SUSTAINABILITY REPORT

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KPJ's stakeholders in the healthcare system are diverse and integrally involved. Inter-relationship among the stakeholders in the healthcare system is complex and would substantially be affected by the reforms to the system.

Our report on KPJ's stakeholder ecosystem will detail out the links between them and also the processes in which we adapt, innovate and refine the system in our mission to offer the patient-centric medical services. It also reflects KPJ's efforts to balance between meeting the needs of the evolving healthcare industry landscape and creating added value for our patients and customers.

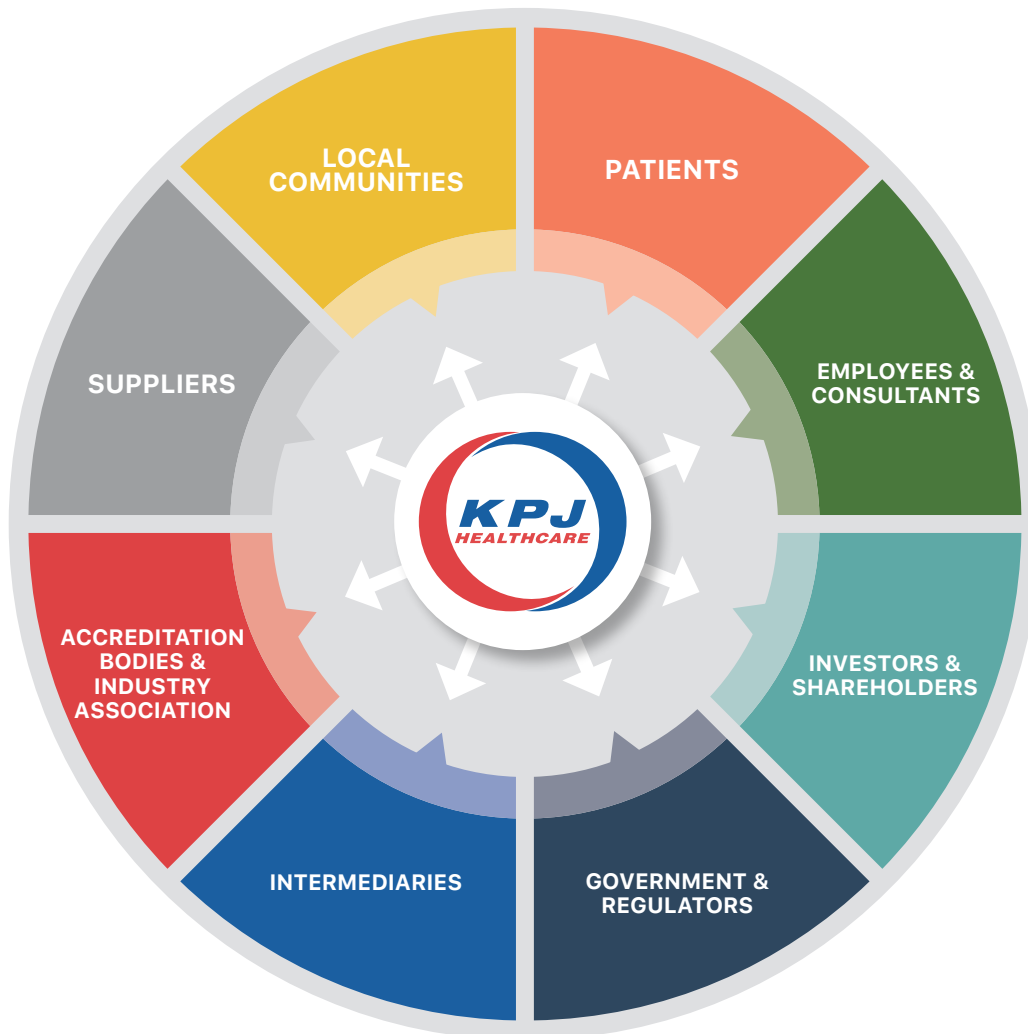
The report also details how KPJ managed stakeholder expectations during health issues or emergencies. The Covid-19 pandemic, for example, is the major crisis that has impacted our stakeholders since the beginning of 2020. Every individual stakeholder - for example the Government, MOH and front liners/employees, suppliers - are directly or indirectly affected by this pandemic.

As a homegrown provider of healthcare services, KPJ undertook measures to support the Ministry of Health's (MOH) efforts to flatten the Covid-19 curve. We also held active conversations with suppliers and patients to manage potential disruptions or challenges in acquiring consumable items (PPE) and drug delivery.

To show our support in beating Covid-19 together, we collaborated with our sister company in Johor Corporation (JCorp) i.e. QSR Brands (M) Holdings Bhd to contribute food to MOH front liners and the underprivileged in our community. These efforts could reduce their burden and help them stay positive in facing the challenging situation.

Our 2019/2020 chart below showcases the interrelated groups mentioned above and how they influence the dynamics of KPJ's business. All stakeholders have duties and responsibilities.

OUR STAKEHOLDER ECOSYSTEM








PATIENTS

<p>Stakeholder Relevance</p>	<p>Patients are the cornerstone of KPJ’s business and we place emphasis on enhancing the quality of life of our patients by providing comprehensive high-quality healthcare services.</p> <p>KPJ strives to be the most trusted provider of healthcare services in Malaysia.</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • Customer Satisfaction Survey • Corporate and hospitals’ websites • Comprehensive integrated social media presence • Health-related information magazines • Health Awareness Days • Service Brochures with hospital information 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Quarterly • Ongoing • Quarterly • Quarterly • Based on WHO’s calendar • Ongoing
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • Delivery of quality healthcare and services • Best possible clinical outcomes • World class facilities and technology 	<ul style="list-style-type: none"> • Patient experience within KPJ’s hospital environment • Respecting the needs and satisfaction • Health awareness and information • Patient and family engagement during the recovery process
<p>KPJ’s Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • Standardised Customer Satisfaction Index (CSI), to enable comparative measurement of patient system satisfaction among KPJ’s hospitals and benchmark them with previous years’ achievements • The quality and safety of patient care is material for KPJ. Among the list of safety statistics and data collected to measure outcomes are: <ol style="list-style-type: none"> i. Clinical Indicators & Performance/ Outcomes ii. Infection Control iii. Mortality & Morbidity 	<ul style="list-style-type: none"> • KPJ contributes towards a sustainable healthcare through improved patient access and maximising the use of latest technology in patient care to maintain patients’ loyalty • Encourage hospitals to initiate activities that increase patients’ satisfaction including voluntary programmes • Education/information for raising patient/public awareness updated via media social platforms and at the hospitals (e.g. Covid-19) • Provide efficient medicine supply systems (i.e. medication delivery service) and testing (i.e. drive through) to ensure uninterrupted availability and accessibility of essentials medicine and special test(health service support during movement control order (MCO)
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy Concerns raised can impact KPJ’s ability to offer quality healthcare services and best clinical outcomes. It also affects our ability to create sustainable long-term value for our stakeholders.</p> <p>Link to Strategic Thrusts</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="997 1868 1083 1959"> <p>02</p> </div> <div data-bbox="1103 1868 1189 1959"> <p>07</p> </div> </div>	



EMPLOYEES & CONSULTANTS

<p>Stakeholder Relevance</p>	<p>15,264 employees (which include 7,029 nurses and 2,047 allied health professionals) and 1,105 consultants are valuable human capital and their trust and respect are vital to KPJ's success. We listen and respond to their needs and concerns through effective communication.</p> <p>KPJ invests in our employees' welfare and programmes as the preferred employer of choice.</p> <p>KPJ communicates and invests in a marketing strategy for new packages and services, including sub-speciality and procedures, new medication and technology offered by our consultants.</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • Town hall meetings such as our Corporate Address-PEDOMAN • Employee performance review • Staff wellness and recognition programmes • Talent Management Day • Employee Engagement Survey 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Twice a year • Annually
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • Training and development of employees • Recognition and competitive remuneration • Ethical leadership • Fair and equitable benefits • Recruitment and retention of skilled staff • Safety at workplace (e.g. Personal Protective Equipment) 	<ul style="list-style-type: none"> • Provide positive workplace culture and a safe work environment • Address the shortage of key medical staff • Consultants' engagement with public • Address the long waiting time for patients due to ineffective process
<p>KPJ's Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • Fair and equitable employee benefits and welfare provision • Every employee is committed to ethical behaviour as set out in the Group's Code of Ethics and Business Conduct • Safety at the Workplace • The Group aims to minimise KPJ's environmental impact and guides employees in the identification and management of all risks and opportunities through our sustainability awareness program • Provide opportunity and involvement of the consultants in hospitals' activities to educate the public 	<ul style="list-style-type: none"> • Provide well-trained staff, latest equipment and updated systems with KCIS2 and HITS2 • Provide well-trained staff with Disaster & Management Plan, Clinical Related (Code Blue, Code Pink) • All KPJ Group staff have been briefed on safety procedures, uninterrupted supplies and availability of enhanced PPE as precautionary measures against Covid-19. • KPJ conducts Innovative & Creative Circle (ICC) annually, as a platform for innovation to ease the patient's journey in their dealing with KPJ hospitals such as waiting time
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy</p> <p>Our employees and consultants expectations are related to KPJ providing them a safe, motivating and rewarding work environment and workplace. It is important that the Management continues promoting a positive working environment at all times.</p> <p>Link to Strategic Thrusts</p> <div style="display: flex; justify-content: space-around; align-items: center;">    </div>	



INVESTORS & SHAREHOLDERS

<p>Stakeholder Relevance</p>	<p>KPJ's primary objective is to create value for our shareholders as the owners and providers of equity capital to the business. The Group is accountable to its stakeholders, and reports to shareholders and the public by effectively providing communications on our operational and financial performance.</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • Financial Results • Investor Relations Presentations which are available on the website at https://kpj.listedcompany.com/slides.html • Corporate website • Analyst meetings - small group meeting, one-on-one meeting, conference calls • Participation in Investor Roadshows/ Conferences • General Meetings (Annual General Meeting/ Extraordinary General Meeting) 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Quarterly/annually • Ongoing • On request basis • Annually
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • Continued growth and financial sustainability, including post Covid-19 pandemic • Clear and transparent reporting • Good Corporate Governance 	
<p>KPJ's Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • Consistent financial and non-financial performance • Timely reporting of results, data and statistics pertaining to operational and financial performance <ul style="list-style-type: none"> - Maintaining an effective IR activities by leveraging the technology through the Covid-19 pandemic - Guide investors look into the future and gaining trust to the management team - Active communication in updating business performance and responding to the impact (e.g. Disease pattern such as Covid-19, new regulations, merger and acquisition, etc.) 	<ul style="list-style-type: none"> • Transparent disclosure of corporate responsibility, integrity and accountability as enshrined in Malaysian Code on Corporate Governance 2017 • Transparent disclosure of Environmental, Social and Governance (ESG) in corporate reporting as required by FTSE4Good Bursa Malaysia Index, the globally recognised index launched by the FTSE Group.
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy</p> <p>Our investors and shareholders are linked to our shareholder wealth creation agenda.</p>	<p>Link to Strategic Thrusts</p>



GOVERNMENT & REGULATORS

SUSTAINABILITY REPORT

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Stakeholder Relevance

Our business model relies on full compliance to all applicable laws and regulations. The Group engages with various government bodies on a continuous basis. Key government regulators include the MOH, Department of Occupational Safety and Health (DOSH) Department of Environment (DOE), BOMBA, Ministry of Human Resources (MOHR), Ministry of Higher Education (MOHE) and Malaysia Medical Council (MMC).

Key Feedback/ Expectations

METHODS OF ENGAGEMENT

- Licence applications
- Inspection of facilities
- Active engagement on healthcare legislation/regulation
- Private-Partner Partnership Program with Government

FREQUENCY

- Annual meetings for licence renewal
- For every new application
- Quarterly meetings by the representatives

KPJ's Response to Stakeholder Expectation

- Cost of private healthcare
- Enforcement to improve on patient safety via the Malaysian Patient Safety Goals
- Addressing training needs and skills shortage
- Regulatory reforms relating to hospital planning
- Allowed participation of private hospitals in the provision of public facilities

Impact and Link to Strategic Thrusts

Impact on Strategy


KPJ factors in the relevant Government policies and requirements into all its strategic plans and decision making processes.

Link to Strategic Thrusts





INTERMEDIARIES

<p>Stakeholder Relevance</p>	<p>All players in healthcare funding, such as employers, third party administrators, insurance companies and managed care organisations remain the Group’s largest client base. Other than that, we also engage with media, insurance companies and takaful brokers, commercial and investment bankers, health tourism agents and KPJ Info Centers.</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • Regular meetings to discuss cost containment • Contract negotiations and renewal • Update on promotions and value added services • Panelship agreement for insurance companies • Media releases/Media Announcements • Quarterly briefing sessions • Media relationship programmes 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Weekly/monthly/ quarterly/annually meetings
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • Clinical quality and healthcare delivery improvements offered at reasonable prices • Competitive pricing offered via promotion packages • Revised contracts, agreement and arrange panelship for new KPJ hospitals with major corporate clients • News updates in print/broadcast/digital platforms to increase brand prominence and promote services 	
<p>KPJ’s Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • Corporate Client Management is a fundamental part of our Customer Service philosophy, particularly in relation to intermediaries and their activities and performance • In terms of quality and patient safety, KPJ addresses healthcare intermediaries’ concerns • We constantly monitor all related news regarding KPJ on various platforms • Provide accurate, truthful information-something that will be of interest to media’s readership 	
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy</p> <p>Our relationship with large part of intermediaries positively affect the Group’s ability to offer a wide range of healthcare packages and services as well as influence customer demand.</p>	<p>Link to Strategic Thrusts</p> 






ACCREDITATION BODIES & INDUSTRY ASSOCIATIONS

<p>Stakeholder Relevance</p>	<p>MSQH is an accreditation body promoting continuous quality improvements and safety in the Malaysian healthcare industry. As at January 2020, there were 62 accredited private hospitals in Malaysia. KPJ accounts for 31% of the accredited private hospitals in Malaysia, with 19 of our hospitals having MSQH accreditation.</p> <p>Four of our hospitals are accredited by Joint Commission International (JCI). Out of a total of 11 JCI accredited private hospitals in Malaysia, 36% are KPJ hospitals. KPJ is also a member of the APHM, which plays an important role in achieving the objective of raising the standards of medical care in the country.</p> <p>Other key industry associations are National Specialist Register (NSR), Malaysia Medical Association (MMA) and Malaysia Healthcare Travel Council (MHTC).</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • KPJ's Management serve as a Vice President and Treasurer in MSQH and APHM • KPJ Medical Director and Senior Management serve as services Board members in APHM • KPJ Chief Nursing Officer serves as Nursing Committee Member in APHM • KPJ's Board Member and a several consultants serve as members of Specialty Subcommittee in NSR • Participation in conferences 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Annually – MSQH's AGM • Annually – APHM Conference • Meetings with the representatives and others
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • KPJ Policy emphasis on accreditation based on industry standards are communicated through APHM and MSQH vis-à-vis MOH, MOF, etc • Participation in Public-Private Partnership program via APHM 	
<p>KPJ's Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • KPJ complied with the MSQH 5th Edition Accreditation Standard in relation to hospital accreditation • KPJ's involvement via its hospitals to support initiatives done by APHM 	
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy</p> <p>The management and operations of industry certified and accredited hospitals affect our ability to generate the sustainable and long-term growth of our network of hospitals within the healthcare industry.</p>	<p>Link to Strategic Thrusts</p>





SUPPLIERS

<p>Stakeholder Relevance</p>	<p>In order to deliver high quality healthcare services, we are dependent on a large and diverse range of suppliers encompasses medical and non-medical suppliers.</p> <p>KPJ relies on our vendors and suppliers to deliver products and services of the highest quality in line with internal, regulatory and accreditation agency standards.</p> <p>Our list of suppliers contains medical equipment distributors, pharmacy companies, technology vendors, developers or contractors, as well as waste management contractors, consultants and agencies.</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • Regular Meetings with medical and non-medical suppliers • Tender, bidding, quotation and contract negotiation • Product demonstrations and evaluation • Trainings and collaboration in events • Procurement process 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Weekly, monthly, quarterly and annually
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • Compliance with applicable regulatory requirements and quality standards • Availability of products and services and ability to provide continuous support • Fair and transparent negotiations • Active communications including regarding the supply chain 	
<p>KPJ's Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • The Group is focused on streamlining and centralising our procurement processes to improve efficiency and cost effectiveness • The procedure for the selection of suppliers/contractors is based on their consistency in promoting sustainable development, being environmentally friendly and have positive corporate reputation. • Formal procurement processes include selection by criteria applied regarding tenders, contract and preferred supplier agreement • Overall responsibility for clinicians lies within the Clinical Governance Framework • Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ's Corporate Integrity Agreement (CIA) and the KPJ Safety, Health and Environmental Policy • Reporting performance and monitoring to improve efficiency throughout the supply chain 	
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy</p> <p>Our suppliers are a key enabler in achieving our objective to offer quality healthcare services.</p>	<p>Link to Strategic Thrusts</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>01</p> </div> <div style="text-align: center;">  <p>04</p> </div> <div style="text-align: center;">  <p>07</p> </div> </div>



LOCAL COMMUNITIES

<p>Stakeholder Relevance</p>	<p>KPJ is committed to sustainable long-term engagement through KWAN clinics and the communities.</p> <p>We practice an engagement policy of mutual understanding, trust and reliability with our patients their family or caregivers, employees’ family, owners and tenants in our property as well as our KPJUC students.</p> <p>We also embrace the nation’s healthcare community as a whole (e.g. MOH frontliners).</p>	
	<p>METHODS OF ENGAGEMENT</p> <ul style="list-style-type: none"> • KWAN either as Static or Mobile Clinics • Baby Hatches at the hospitals • Partnership CSR program 	<p>FREQUENCY</p> <ul style="list-style-type: none"> • Daily activities
<p>Key Feedback/ Expectations</p>	<ul style="list-style-type: none"> • Health awareness • Affordable and accessible healthcare • Development of communities with solidarity, social welfare, health and safety • Students have a higher expectation of job security 	
<p>KPJ’s Response to Stakeholder Expectation</p>	<ul style="list-style-type: none"> • Continuous investments in identified community engagement programmes, in line with WHO’s promotions and initiatives • Expanding reach of social healthcare services targeting urban poor and rural areas at all time • In order to serve quality healthcare and services to our communities, 8 of KWAN clinics are MSQH accredited • KPJUC conducts in-campus interviews for employment placements as per our hospitals’ requirements and assisting future graduates with job opportunity • Contribution of KPJ medical consultants who serve on a pro bono basis to serve non Covid-19 patients that referred by MOH 	
<p>Impact and Link to Strategic Thrusts</p>	<p>Impact on Strategy</p> <p>Our engagements with local communities provide a platform for us to showcase our good corporate citizenship practices.</p>	<p>Link to Strategic Thrusts</p>  

SUSTAINABILITY REPORT

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ECONOMIC

PATIENT SATISFACTION

88.1%

Patient Satisfaction Index score improved from 87.4% in 2018

PATIENT SAFETY

19

HOSPITALS

KPJ accounts for 31% of the total MSQH accredited private hospitals in Malaysia













SECURED EMPLOYMENT

71%

KPJUC GRADUATES
2,617 graduates since 2017



KPJ prides itself on its patient-centric healthcare model. We always make sure that our patients are provided with the best quality care at our hospitals and senior and assisted living care facilities. Patient satisfaction is the cornerstone of KPJ's business model. It is important to the value of the KPJ brand, which is synonymous with high quality healthcare delivered with compassion and high level of professionalism.

Materiality Economic	Link to Our Seven Strategic Thrusts	Key Stakeholders	Initiatives	Performance Indicators
1 Patient Satisfaction	Thrust 2 – Enriched Customer Relationship 	<ul style="list-style-type: none"> Patients Employees and Consultants Intermediaries Shareholders 	Service Quality Management <ul style="list-style-type: none"> Consultant Leadership Seminar Customer Feedback KPJ Service Quality Coach Programme Customer Services Workshops SQM Portal Standard People Practice Corporate Client Management (CCM) <ul style="list-style-type: none"> Online Portal Clients Feedback Survey Planned Preventive Maintenance <ul style="list-style-type: none"> Healthcare Technical Services Pride Outlet 	<ul style="list-style-type: none"> Patient Satisfaction
2 Delivering Safe and Excellence Clinical Services	Thrust 2 – Enriched Customer Relationship Thrust 7 – Sustainable Value for Stakeholders  	<ul style="list-style-type: none"> Patients Shareholders Intermediaries Accreditation Bodies and Association Government and Regulators Local Communities 	<ul style="list-style-type: none"> MPSG Clinical Incidents Reducing Patient Falls Hospital Acquired Infections (HAIs) Antimicrobial-stewardship (AMS) Quality Nursing Nurses Initiatives 	<ul style="list-style-type: none"> Inpatient Falls Rate Hand Hygiene Rate
3 Improving Efficiency with Technology	Thrust 3- Innovation @ The Core Thrust 6 – Business Process Improvement  	<ul style="list-style-type: none"> Patients Suppliers Intermediaries 	<ul style="list-style-type: none"> KCIS2 & HITS2 Security 3D Printing Online and Mobile Appointment Booking System Payment Kiosk Retail Online Pharmacy Employee Innovation Day Talks 	<ul style="list-style-type: none"> Technology Initiatives
4 Nurturing Future Medical Professionals	Thrust 5 – Talent Management Thrust 7 – Sustainable Value for Stakeholders  	<ul style="list-style-type: none"> Local Communities Employees, & Consultants 	<ul style="list-style-type: none"> Academic Healthcare Centre Research and Development (R&D) Education Sponsorship Secured Employment for KPJUC Graduates 	<ul style="list-style-type: none"> Education Sponsorship
5 Access to Quality Healthcare	Thrust 4 – New Niches @ The Core Thrust 7 – Sustainable Value for Stakeholders  	<ul style="list-style-type: none"> Patients Local Communities Employees & Consultants 	<ul style="list-style-type: none"> Ambulatory Care Centre Improving Access to Pharmacies Health Tourism Senior & Assisted Living Care (SALC) Confinement Centre Medical Air Services 	<ul style="list-style-type: none"> Senior Living Care Health Tourism Growth
6 Certification, Accreditation and Standards	Thrust 1 – Capacity Building Thrust 2 – Enriched Customer Relationship Thrust 7 – Sustainable Value for Stakeholders   	<ul style="list-style-type: none"> Patients Employees & Consultants Shareholders Local Communities Accreditation Bodies & Associations 	<ul style="list-style-type: none"> Accreditation of Joint Commission International (JCI) and Malaysian Society for Quality in Health (MSQH) Integrated ISO Management Systems Baby Friendly Hospitals Initiatives (BFH) Planetree Personal Data Protection 5S New Initiatives (Press Ganey and Customer Service Management) 	<ul style="list-style-type: none"> Joint Commission International (JCI) Malaysian Society for Quality in Health (MSQH) Baby Friendly Hospitals (BFHI)



SDG Target 3.8

Materiality Economic 1: Patient Satisfaction

IN ORDER TO MAINTAIN A HIGH LEVEL OF PATIENT SATISFACTION IN ALL OUR NETWORK OF HOSPITALS, WE PUT EMPHASIS ON CONTINUOUS IMPROVEMENTS AS OUR PATIENTS ARE ALWAYS AT THE HEART OF OUR EFFORTS. TO DATE, A NUMBER OF CUSTOMER SERVICE TOOLS, INITIATIVES AND TRAINING PROGRAMMES HAVE BEEN DEVELOPED FOR THIS PURPOSE.

CUSTOMER FEEDBACK

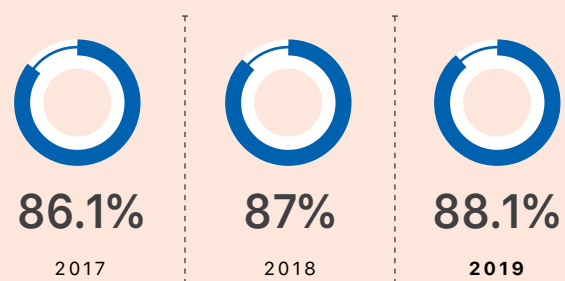
Regular customer feedback is crucial for monitoring our customer service levels. We request for feedback from our patients on a voluntarily basis, at the service unit level, on their hospital stay and upon their discharge. Based on the customer service feedback, we are able to enhance and upgrade services provided according to current expectations and trends.

KPJ maintains its competitiveness through continual improvement of its programmes and strengthens customer loyalty through customer engagement. Service Quality Management (SQM) Audits are conducted to enhance compliance with our customer service process. The audits also help us to ensure our customer service levels are backed by best practices and reflect the service quality levels we aspire towards.

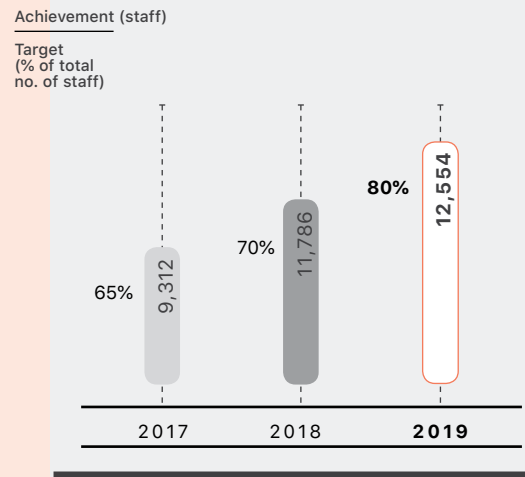
As such, our customer service quality and satisfaction is enhanced based on feedbacks from customers. To ascertain that our hospitals' facilities and ambience are well maintained and serviceable, Service Environment Audits (SEA) are also conducted. KPJ takes this very seriously, so we have set them as performance indicators for each of our hospitals within our healthcare network.

For the year under review, our Patient Satisfaction Index recorded commendable performance for our Group of hospitals as a result of patient-centric initiatives and service quality.

Patient Satisfaction Index Achievement



Total Number of Staff Trained in Customer Service



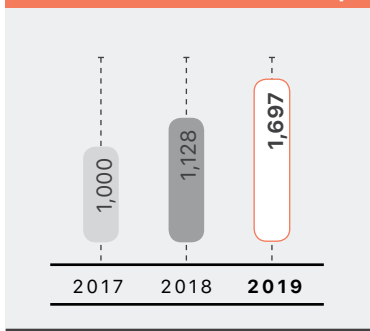
KPJ SERVICE QUALITY COACH PROGRAMME

The KPJ Service Quality Coach (SQC) programme provides intensive training courses focusing on customer service. The programme conducted by our own certified coaches are available throughout our network of hospitals. Upon graduation, the staff will become Service Quality Coaches enabling him/her to share knowledge with their colleagues. Since inception in 2016, this programme had produced a total of 65 dedicated Service Quality Coaches as at the end of 2019.

CUSTOMER SERVICE WORKSHOPS

KPJ's SQM division ensures high quality services are delivered within our network of hospitals, through ongoing customer service workshops, with a theme in enhancing and innovating culture and diversity through language of caring and joy at work place. It also works to achieve this objective by nurturing a service-oriented mindset, firmly built on the foundation of a culture of excellence and service innovation amongst our employees. In 2019, a total of 21 workshops were conducted for the Group and 1,697 KPJ staff participated in them. The workshops were conducted by external speakers' including KPJUC.

Number of Participants in Customer Service Workshops



SQM PORTAL

KPJ's SQM portal comprises of three components – Patient Communication Management System (PCMS), SQM External Survey, and Service Initiative System.

1 Patient Communication Management System (PCMS)

The PCMS manages patient complaints and requests. It also monitors service level standard to ensure responses are timely and effective.

2 SQM External Survey

The SQM External Survey tracks patient satisfaction and measure patient loyalty through automated online surveys. Net Promoter Score (NPS) surveys are used.

3 Service Initiative System

The Service Initiative System was created to be a knowledge sharing database. It enables our group of hospitals to share their service enhancements and service innovation initiatives. We hope that hospitals will be able to gain insights and be inspired by the initiatives of other hospitals in the group.

STANDARD PEOPLE PRACTICE

The Standard People Practice is a manual that outlines best practices in customer service and is a valuable reference tool for KPJ Service Quality Coaches, with which they are able to train their peers. The SPP Manual is also available in the form of easy-to-access videos, for our employees' viewing pleasure.



MOVING FORWARD IN SQM

Our new project with consultants called **Doctor Customer Engagement Project** was initiated in early 2020. The objective of this program is to continuously improve customer service as evident from the results of surveys and data analysis. The survey and the doctor's retreat will be conducted by the system. At present, two hospitals, KPJ Tawakkal KL and KPJ Kajang, have been identified as pilot for this project.

We will take one step further in ensuring the high standard of service by benchmarking our **Customer Service Management (CSM) with SIRIM** standard. By implementing this standard, the organisation will consistently provide better customer requirement and excellence experience. The selected hospitals to participate in this initiative will be finalised by mid-2020.

CORPORATE CLIENT MANAGEMENT (CCM)

Our corporate clients are corporate entities in Malaysia that provide healthcare benefits for their employees.

This customer group is a growing revenue segment for the KPJ Group. Therefore, the CCM function is centralised at Group-level, and manages end-to-end coverage of our services for this target group. It encompasses strategic partnerships, client servicing, improving operational integration with major corporate clients mainly insurance providers and Managed Care Organizations (MCOs). CCM focus is to ensure customer growth through account retention and expanding our customer base. We centred our efforts on aligning customer expectations with our performance to increase revenue growth from corporate clients.

Online Portal

A continuation to the previous initiative under CCM with Prudential Assurance Berhad (PAMB), is the Hospital Alliance Services (HAS) portal, a web-based system designed to assist doctors with the HAS processes. It provided an Electronic Pre-Authorisation Form (E-PAF) to simplify processes. As at December 2019, a total of 23 KPJ hospitals have been using the portal. Since its implementation, all frontliners and doctors have successfully utilised the e-form to request pre-authorization letters from PAMB. In 2019, our utilisation of E-PAF for the Group was at an average of 70%.

With the launch of new KPJ hospitals namely KPJ Bandar Dato' Onn Specialist Hospital, KPJ Batu Pahat Specialist Hospital and KPJ Miri Specialist Hospital, we focused on building up a panel of major corporate clients for our new healthcare facility. During the year, we brought on board major corporate clients from the healthcare insurance sector and MCOs. Additionally, we formalised business relationships through Hospital Service Agreement between major corporate clients and respective new hospitals.

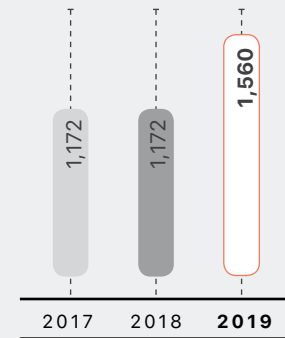
PLANNED PREVENTIVE MAINTENANCE (PPM)

A well planned electrical distribution equipment maintenance strategy is a key pillar of our asset management strategy that goes a long way in mitigating the risk of equipment failure. The results of an effective maintenance strategy are far reaching for operations. Improving maintenance is not just about saving money. It also improves safety, ensures service continuity to minimize downtime, enhances energy efficiency, optimizes the performance of aging assets to extend their useful service life at optimal costs, and boosts utility asset management efficiency.

Asset Management

Healthcare Technical Services Sdn Bhd (HTS) is a Maintenance Manager for our 18 hospitals under Al-'Aqar Healthcare REIT. For 2019, they have provided PPM services to the hospitals and conducted more than 1,500 activities that covered listed assets such as air conditioning system, cold and hot water supply. The activities increased by 33% from the previous year.

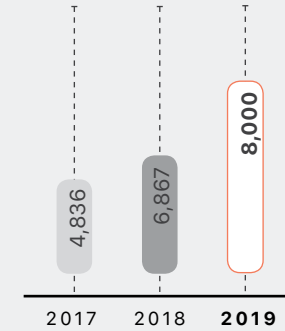
No. of PPM activities - HTS



Medical Devices and Equipment

Biomedical and Commissioning Services is the unit that responsible for the procurement of medical devices and equipment that ensures the usage of the machine is safe for the patients and properly functioned. The preventive maintenance is carried out by Pride Outlet Sdn Bhd, our intrapreneur company. The company has a website, <https://pridebiomed.com>, which showcases their activities and services to our hospital. As at 2019, they have provided PPM services to 21 hospitals in our Group, and conducted 8,000 PPM activities, an increase of 16% from the previous year.

No. of PPM activities - Pride Outlet



For more information on our procurement process, please refer to Operational Review section, Biomedical and Commissioning Services in our Integrated Report.

REDUCING WAITING TIME AND RAISING PATIENT SATISFACTION

KPJ implemented an ICC excellence project in 2017, which started with a case study on the average waiting times of patients on admission and discharge within 18 hospitals in our network. The project continued in 2018 and 2019, with overall positive outcomes.

For 2019, 12 of our hospitals have implemented the Lean Management programme, as an improvement tool. We are pleased that the Malaysia Productivity Corporation (MPC) have recognised their efforts.

Six KPJ hospitals with Lean Management programme to reduce waiting time.



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

01

Patients are required to fill up digital forms by using a digital tablet. The data will be automatically sent to various departments for all tests.

02

An online appointment system was implemented at 18 hospitals in 2019.

03

Payment kiosks were introduced in 2 hospitals in 2019 for billing. Patients can make payments using a credit or debit card.

04

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 the patient's arrival, until they seek treatment.

06

However, some degree of waiting is unavoidable for patients, especially for their appointments and discharges. If patients need to wait, we will help to make it more comfortable for them. Facilities that provide pleasant space and experience are provided in hospital lobbies within the reception, lobby and other waiting areas. Reading materials, complimentary coffee and tea, free WiFi, TV entertainment, and other amenities are also provided.

05

Waiting times at Accident and Emergency Services were standardised.



SDG Target 3.4

Materiality Economic 2:
Delivering Safe and Excellence Clinical Services

PROVIDING CLINICAL SERVICES HAS ITS OWN SAFETY RISKS. WE ALWAYS ENDEAVOUR TO ENSURE PATIENT SAFETY WHILE MAINTAINING EXCELLENT STANDARDS OF HEALTHCARE.

TO REDUCE OR LIMIT CLINICAL INCIDENTS, WE HAVE ESTABLISHED COMPREHENSIVE MEASURES, PROCESSES AND PROCEDURES. WE HAVE SUCCESSFULLY KEPT INCIDENT RATES WITHIN MOH AND INTERNATIONAL BENCHMARKS.

In KPJ group, clinical responsibility lies with Medical Advisory Committee (MAC). Activities of MAC and its committees in 2019, in terms of policies and guidelines enhancing clinical governance, clinical compliance, performance and patients outcomes and new services can be found in MAC Report of our Integrated Report from page 166 to page 174.

MALAYSIAN PATIENT SAFETY GOALS (MPSG)

KPJ is committed to adhering to the MPSG developed by the Patient Safety Council of Malaysia to encourage both public and private healthcare organisations to improve patient safety outcomes in the country. Every year, KPJ submits data on the 13 MPSG to the Malaysia Patient Safety Council. KPJ Group is pleased that it has shown improvements in our compliance over the years.



Health screening at entrance of KPJ Johor Specialist Hospital during Covid-19 pandemic



MPSG COMPLIANCE INITIATIVES AT KPJ HOSPITALS

KEY AREAS FOR SAFETY GOALS	GOAL NO.	DESCRIPTION	KPJ INITIATIVES
#1: Implementing a systematic framework for the healthcare sector by integrating quality, safety and risk management through Clinical Governance	1	To implement Clinical Governance	KPJ has KPJ Clinical Governance in place. Please refer to Corporate Governance Overview and Medical Advisory Committee at page of 166 to 174 of Integrated Report.
	2	To implement WHO's 1st Global Patient Safety Challenge : "Clean Care is Safer Care"	KPJ's Hand Hygiene compliance rate among the Group is at an average of 86% more than 75% target of MOH.
	3	To implement the WHO's 2nd Global Patient Safety Challenge : "Safe Surgery Saves Life"	KPJ patient safety goal policy on site marking for elective cases, states holding bay as the last point for marking the site. Site marking compliance is at 100%. Time out has been initiated at points of care of invasive procedures at different clinical settings and random audits are been initiated to ensure compliance.
#2: Managing major and significant aspect of safety risk to patients receiving health care	4	To implement the WHO's 3rd Global Patient Safety Challenge: "Tackling Antimicrobial Resistance"	KPJ adopted 10 Antibiotic Stewardship Policies by MOH and additional two policies for KPJ's hospitals. Continuously monitoring the implementation and compliance to the policies.
	5	To improve the accuracy of patient identification	To use 2 identifiers at every point of engagement to avoid wrong procedure/ treatment to a wrong patient. Five hospitals within Klang Valley implemented Radio Frequency Identification (RFID) to ensure infant safety by tagging the infant to ensure correctly match with the mother.
	6	To ensure the safety of transfusions of blood and blood products	Check points at various levels by the nurse with the Consultant or Medical Officers are some of the initiatives to ensure safe use of blood and blood product. However zero number of transfusion error has not been achieved. Current preventive measures has been further enhanced.
#3: Implementing evidence-based "best practice" and safety measures			

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KEY AREAS FOR SAFETY GOALS	GOAL NO.	DESCRIPTION	KPJ INITIATIVES
	7	To ensure medication safety	<p>Mentor-Mentee program for junior staff.</p> <p>Extemporaneous preparation and independent checking practice in accordance with Managing High Alert Medication policy.</p> <p>Reinforce policies and procedures 7R guidelines.</p> <p>Developing standard extemporaneous formulation for the Group. Hospitals in the Group will be using the standard (i.e. auto-calculated template) to reduce calculation error.</p>
	8	To improve clinical communication by implementing a critical value programme	Notifications of critical laboratory and radiology results are initiated via technology. Majority of the critical results are notified within 30 minutes.
	9	To reduce patient falls	<p>To engage patients and family on safety initiatives to prevent falls.</p> <p>Continue monitoring and re-assessing the patient's fall risk level especially after invasive procedures or changes in general condition of the patient.</p>
	10	To reduce the incidence of healthcare associated pressure ulcers	KPJ has initiated assessment of patients who are bedridden for 48 hours and more to assess the skin integrity and identify the level of risk to pressure sore. Various measures are taken up to prevent pressure sore.
	11	To reduce Catheter-Related- Bloodstream Infection (CRBSI)	CRBSI care bundles compliance are been initiated to correlate to KPJ CRBSI rate of 0.48 per 1000 catheter days.
	12	To reduce Ventilator Associated Pneumonia (VAP)	VAP rate is <10 per 1,000 days meeting the National target. Generally the ventilated cases are rather low and ventilated days are rather short.
#4: Assessing and understanding issues of unsafe care	13	To implement and Incident Reporting and Learning System	KPJ's reporting of Incident & Root Cause Analysis is via Q-Radar online risk reporting system. To date, all hospitals successfully reported their incidents via Q-Radar.

Clinical Incidents

In the delivery of healthcare services, there is a possible occurrence of unforeseen events which could cause or potentially cause harm to a patient. For example, medication-related incidents and patient falls. KPJ's approach to handle clinical incidents such as these is to minimise the risk as much as possible, or reduce the rate of these incidents. It is mandatory for KPJ staff to report all clinical incidents. Thorough and systematic investigations will be conducted and Root Cause Analysis (RCA) will be carried out to determine the causes.

KPJ will implement corrective and preventive measures to prevent these incidents from happening again in the future. Furthermore, to encourage a continuous learning culture, lessons learnt and corrective measures are communicated Group-wide at all levels of the organisation.

In line with UN SDG 3, we are committed to ensuring adequate initiatives and preventive measures are in place. This is useful for early warning, risk reduction and management of national and global health risks.

KPJ also has a scoring system called the Early Warning Score (EWS) that enables earlier recognition of patient deterioration, to enable early intervention leading to fewer Code Blues. Nurses use EWS to help monitor their patients and a patient experiencing a sudden decline will quickly receive clinical attention and care. This helps to improve our patients' outcome and enhance their quality of life.

Proper training and education are provided on early warning signs to look out for in a patient's condition and how to respond to a deteriorating patient, including how and when to contact the relevant clinicians.

Our EWS pilot project is initiated for paediatric and maternity care within Klang Valley hospitals aims to prevent morbidity and mortality cases in obstetric and paediatric patients. This is aligned with SDG 3 of the 2030 Agenda to reduce maternal mortality ratio and end preventable deaths of new borns.

Reducing Patient Falls

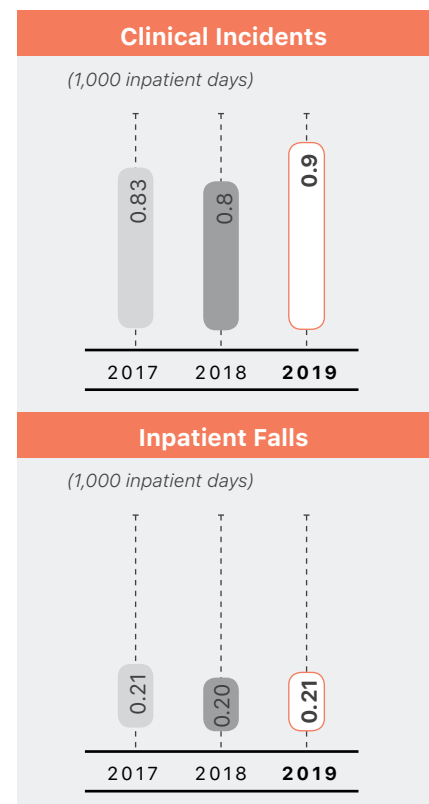
KPJ has devised an innovative method to reduce patient falls, known as the Anti-fall Collar Sensor. It is used for our adult patients who have a high risk of falling. At present, we are exploring more ideas and initiatives for the prevention of patient falls.

From our close monitoring of patients who have high risk of falling at our hospitals, we determined the main contributory factors of falls as:

- Patient Factor – sudden giddiness/loss of balance/weaknesses/patient feeling disoriented/delirium/dementia/failed to call for assistance.
- Staff Factor – inadequate information to the patients or relative and follow ups.

We introduced the following strategies to reduce patient falls within all our hospitals:

- Continuous assessment of a patient's fall risk level, particularly after any invasive surgery or changes in their general condition
- Incorporating fall prevention measures into the nursing care plan
- Working together with consultants, patients and family members on fall prevention and safety measures
- Implementation of proactive anti-fall systems, ongoing awareness campaigns and programmes in the hospital




Notes: Restated to reflect changes in classification of certain components of clinical incident indicator in 2019


An outbreak caused by new strain of coronavirus, Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) presented an ongoing health threat across the globe until the virus recognised as pandemic by WHO in March 2020. Our Clinical Team in partnership with MOH has been working diligently to respond to this threat.



EARLY SCREENING AND IDENTIFICATION


- 
 Implement triage procedures to detect Covid-19 during or before patient triage or registration and ensure that all patients are asked about symptoms of a respiratory infection and history of travel to areas experiencing transmission of Covid-19 or contact with possible Covid-19 patients.

MANAGING PERSONS UNDER INVESTIGATION


- 
 If screening at triage fulfills the identified criteria and the patient becomes a person under investigation (PUI), this should be communicated directly to the clinicians who will care for the patient, prevention and control services, and other healthcare facility staff according to a standard protocol.
- Facilitate to confirm the case and do the appropriate transfer.
- Adhere to standard contact and airborne precautions, including eye protection.
- Monitor stock and the supply chain of personal protective equipment.
- Manage visitor access and movement within the facility.



COMMUNICATION ON INFECTION STATUS

- 
 Implement mechanisms and policies to promptly alert key facility staff including infection control, healthcare epidemiology, facility leadership, occupational health, clinical laboratory, and frontline staff about known or suspected Covid-19 patients.
- Identify specific staff to communicate and collaborate with state or local public health authorities.

ROUTINE INFECTION CONTROL PROTOCOL

- 
 We activated our preparedness plan for dealing with a surge of PUI
- Staff at points of entry and intake should know how to screen and respond to patients or visitors who may be infectious (e.g., cough, fever, rash, diarrhoea and vomiting).
- Implement all elements of standard precautions as outlined in the MOH guideline and the CDC Core Practices including
 - hand hygiene
 - environmental cleaning and disinfection
 - risk assessment with use of appropriate personal protective equipment (e.g. gloves, gowns, face masks) based on activities being performed



**COVID-19 PANDEMIC PATIENT MANAGEMENT
PRIVATE PARTNERSHIP WITH MINISTRY OF HEALTH (MOH)**

SUSTAINABILITY
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Extending support & facilities → **Screening & Test**

Lablink: Testing capacity average from 1,500 to 3,000 samples per day (RT-PCR)

Provision for outpatient & inpatient test in all KPJ hospitals with 13 hospitals to perform mass screening inclusive 8 hospitals with drive through facility

Training & Preparedness → **Manpower**

Following MOH standards, all clinical staff are trained for:

- Screening, patient identification & sample collection procedures
- Isolation, transfer & admission procedures
- Adherence to proper PPE & disinfection method

Managing patient admission & treatment → **Admission & Treatment**

Bed allocation: Designation of 200 beds allocated to support treatment/admission of non-Covid patients from government hospitals throughout the country

Allocation of 130 dialysis chairs in 16 KPJ hospitals in the Group to provide slots for non-Covid-19 dialysis patients from MOH's care

Sharing of expertise & equipment → **Critical Service**

- Expertise: Medical Consultants offer medical advice via Pro Bono Teleconferencing services to government hospital.
- Clinical staff: Staff are deployed to government hospitals to facilitate patient management

Equipment: 25 ventilators from KPJ hospitals are provided on free-loan basis to government hospitals



SDG Target 6.2

HOSPITAL ACQUIRED INFECTIONS (HAIs)

IT IS A WORRYING TREND THAT HOSPITAL ACQUIRED INFECTIONS (HAIs) ARE BECOMING MORE COMMON IN HEALTHCARE FACILITIES WORLDWIDE. HAIs CAN RESULT IN PROLONG HOSPITALISATION DUE TO COMPLICATION.

KPJ's HAIs prevention initiatives are chiefly designed to prevent morbidity, mortality, and increased length of stay in the hospital, as well as escalating cost.

Hand hygiene is vital because the most common way HAIs are acquired is via the hands of healthcare providers, professionals or even family members looking after the patients.

A continuous programme of educational interventions in enhancing hand hygiene, in line with Target 6.2, is conducted. Hand hygiene programmes are conducted throughout the year to enhance adherence to good hand hygiene practice and aseptic techniques.

Through the Patient for Patient Safety (PFPS) initiative, we also engage with patients. PFPS empowers patients to ask the healthcare provider whether they have performed their hand hygiene procedure before giving them the care they need.

We observe strict compliance in line with the MOH's hand hygiene rules. We are proud to maintain a compliance rate of 85%. In fact, KPJ conducts hand hygiene audits according to WHO's guidelines on the five moments when healthcare providers should perform hand hygiene, as follows:

- | | |
|----------|---|
| Moment | |
| 1 | Before patient contact |
| Moment | |
| 2 | Before clean and aseptic procedure |
| Moment | |
| 3 | After body fluid exposure risk |
| Moment | |
| 4 | After patient contact |
| Moment | |
| 5 | After contact with patients' surroundings |

To ensure adequate and equitable sanitation and hygiene for all (UN SDG 6), KPJ hospitals educate the public on hand hygiene at our hospitals and events. The public are taught on hand washing methods and the importance of it.

ANTIMICROBIAL STEWARDSHIP (AMS)

WHO has identified rising antimicrobial resistance amongst the global population. However, there is a lack of new antibiotics being developed, while infections caused by multi-drug resistant (MDR) pathogens are becoming harder to treat.

Therefore, KPJ uses AMS as an important strategy to overcome antimicrobial resistance. Healthcare service providers must be responsible gatekeepers, controlling judicious antimicrobial use, to ensure that antimicrobial use is carefully and correctly managed.

As a responsible healthcare provider, KPJ has adopted 10 Antibiotic Stewardship Policy statements based on MOH's "Protocol on Antibiotic Stewardship Program in Healthcare Facilities 2014", with an additional two policy statements specifically for KPJ's network of hospitals.

KPJ's Guidelines on Antibiotic Panel Testing, Antibiogram Reporting and Antibiotic Usage Reporting format has been developed and implemented in KPJ Group of hospitals.

QUALITY NURSING

In KPJ, approximately 50% of our staff are nurses. They are the cornerstone of KPJ’s patient-centric and compassionate healthcare service.

To enhance the patient’s healthcare experience, it is important to provide the nurses with continuous training to facilitate their professional development. KPJ will always support our nurses in their career progression, providing them with the opportunity to work in specialised areas, while awaiting post-basic certification programmes. A range of continuous education programmes are offered for upskilling purposes, such as Degree, Master’s and PhD nursing programmes at KPJUC. Education sponsorship for nurses is also made available.

With every new KPJ hospital launch, KPJ nurse leaders identify successors to be trained and developed to take up new nursing leadership roles based on their established career pathway.

To enhance the efficiency and productivity of our nurses, we have integrated KCIS2 and HITS2 into our hospital systems as digital enabling tools. It allows the nurses to retrieve patient information faster than conventional methods, enabling timely test scheduling and treatment.

Nurses Initiatives

Magnet Hospitals



In 2019, KPJ introduced the Magnet Hospital initiatives, starting with a pilot project at one of our hospitals located in the Klang Valley. The Magnet Recognition Program is operated by the American Nurses Credentialing Centre (ANCC) that allows nurses to recognise nursing excellence in other nurses. It is considered the highest recognition for nursing excellence.

Nurses Bed Side Report (BSR)

Undergoing a metamorphosis, BSRs have moved from the nurse’s station to the patient’s bedside. It is intended to improve safety and help improve patients’ understanding of their condition and treatment plan.

A BSR is the change-of-shift report between the off-going nurse and the oncoming nurse. When it takes place at the bedside, it makes patients feel they are a part of the care delivery process, as they are included in the conversation.

Objectives:

- Promote a patient and family centred care, because the patient plays a more active role in their care.
- Provide safer care for patients and increase patient safety
- Increase patient satisfaction
- Improve teamwork between care providers and promote responsibility for patient’s care.

ICU Level of Care

Comprehensive Critical Care – based on clinical judgement and there are 3 levels of care.

The following criteria are used to determine which level of care would be most appropriate.

<p>L1</p> <p>Patients that need:</p> <ul style="list-style-type: none"> • Ward based care, where organ support is not required (but they may need an IV, or oxygen by face mask). 	<p>L2</p> <p>Patients that need:</p> <ul style="list-style-type: none"> • More detailed observation or intervention including support for a single failing organ system or postoperative care • Includes patients stepping down from higher level of care. • Staffed with one nurse to two patients. 	<p>L3</p> <p>Patients that need:</p> <ul style="list-style-type: none"> • Two or more organ support (or needing mechanical ventilation alone) • Staffed with one nurse per patient • A doctor is usually available 24 hours per day.
---	--	--

Benefits of having different levels of care in ICU:

- Personalised care is provided
- Suitable staff with the right skill mix and qualification are assigned for the level of care required
- The ideal number of ICU beds needed can be determined based on Level 2 and Level 3 patients
- ICU utilisation can be ascertained





SDG Target 9.2

Materiality Economic 3: Improving Efficiency with Technology

HEALTHCARE DELIVERY CHALLENGES CONTINUE TO GROW GLOBALLY, ALONG WITH PATIENT EXPECTATIONS AND DEMANDS. WE HAVE SPENT RM3.5 MILLION FOR THE TECHNOLOGY INVESTMENT IN 2019.

Healthcare providers must find ways to improve their healthcare outcomes, through better diagnosis, surgeries and treatments. They also need to run their hospitals more efficiently, in order to be able to cater to patient needs in a prompt manner. The rapid growth in knowledge and technological capacity worldwide enables KPJ to improve healthcare outcomes through MedTech and IT innovations.

To realise our vision to be a leading healthcare provider offering the best facilities to our patients, we support domestic technology and research development, in line with SDG 9.

In order to create new business avenues and improve our healthcare offerings, we incorporated technologies such as cloud, social media, mobile, Internet of Things (IoT), 3D printing, genomics and big data. At the end, we only want to provide the best solutions for our patients and customers.



KCIS2 AND HITS2

In 2019, KPJ continued to upgrade its native HIS system, namely KCIS (KPJ Clinical Information System) and HITS (KPJ Hospital Information System) to KCIS2 and HITS2 in a Cloud Computing Information System. Part of the Industry 4.0 Revolution, Cloud Computing enables KCIS2 and HITS2 as a Core System.

This upgrading process is intended to improve business efficiency, by helping our business to adapt to the changing technology of the world. Lower operational costs are expected and this will enable future growth.

By enabling information sharing among care providers in an agile environment, patients' medical records will be more integrated and secured.

System collaborations with tech titans can become a reality through Internet of Things (IoT), inside and outside of the hospital. Patients will be able to experience better service and enhanced outcomes through the increased use of Artificial Intelligence (AI), which will enable early detection and warning for critical diseases.

Throughout the year, we continued with upgrading hospital systems and by end 2019, 11 hospitals had been upgraded with HITS2 and with KCIS2 as follows.

- KPJ Selangor
- KPJ Klang
- KPJ Kajang
- Taiping Medical Centre
- KPJ Kluang
- KPJ Sentosa
- KPJ Pahang
- KPJ Perlis
- KPJ Bandar Dato' Onn
- KPJ Batu Pahat
- KPJ Miri

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 Circulars and Guidelines, such as Management of Patient Records in Hospitals and Medical Institutions (2010) and ICT Security Policy (2010)

3D PRINTING

KPJ has been using 3D printing at the KPJ KL Dental Specialist Centre in KPJ Tawakkal KL Health Centre since 2017. Our maxillofacial surgeons use this technology in surgeries, and it has been proven to be beneficial.

More precision is provided for patients as well. Patients are fitted with customised implants individually shaped for their bodies, which reduces any potential for failure or the need for follow up corrective surgeries. Studies have also shown that 3D printing-led surgeries reduce 30% of surgery time.



REMOTE WORKING DURING MCO

Following the announcement of the Movement Control Order by the Government on 18 March 2020, staff began working remotely by using technology to avoid disruption to their work schedule. At KPJ, we have chosen to use Skype and Google Hangout to conduct meetings because they are recognised as the two most secure video conferencing and online meeting applications. They replaced face-to-face meetings nationwide during the MCO.



ONLINE AND MOBILE APPOINTMENT BOOKING SYSTEMS

Since its launch in 2017, we have been progressively implementing our online booking system within our network of hospitals. This has greatly reduced waiting times for patients, and has resulted in an increase tremendously from 11,364 appointments to 195,373 appointments in 2019. As at end 2019, 19 of our hospitals have been integrated with the online appointment booking system.

PAYMENT KIOSK

A significant move in 2019 was the payment kiosk pilot project at KPJ Bandar Dato' Onn. The aim of the project was to test the viability of payment kiosks as a long-term solution to reduce customers waiting times when paying their bills. The payment kiosk and upcoming mobile payment shall be rolled out in phases to the rest of the hospitals.



ONLINE RETAIL PHARMACY AND ONLINE PRESCRIPTION PHARMACY

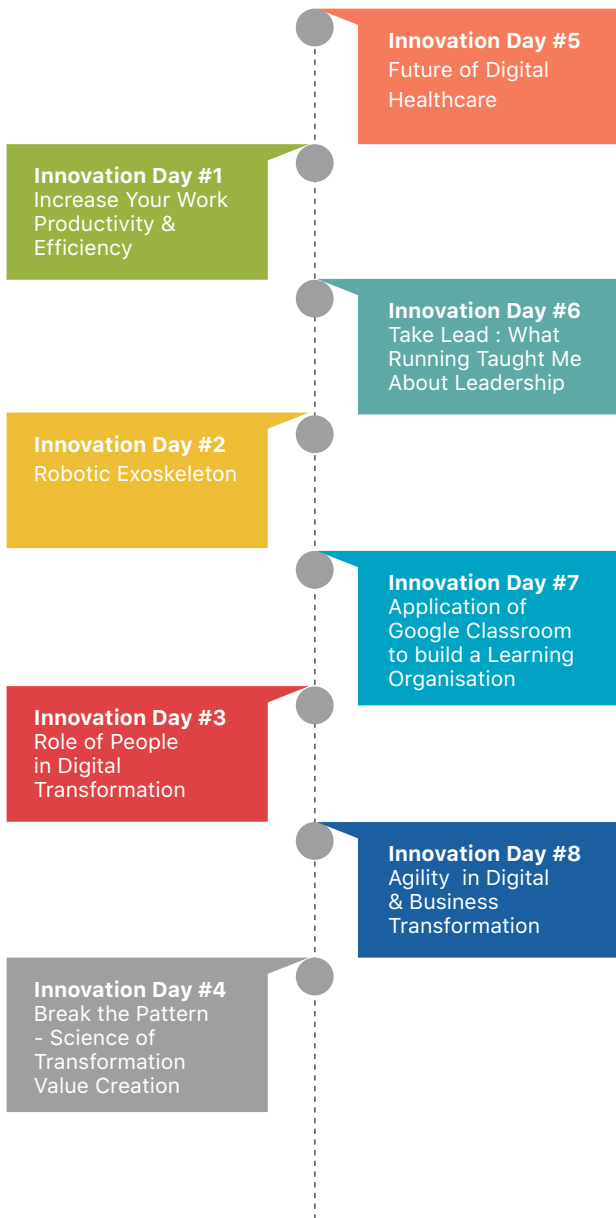
Since December 2017, our retail pharmacy has offered its items for sale online via www.kpjshoppe.com. Our customers have purchased numerous health related non-prescription items online. Based on our records, 65% of customers spent on supplements, 15% on foot care and 20% on other items.

As part of its expansion, KPJ revamps the website into an agile e-commerce platform with comprehensive content management system (CMS), business intelligence (BI) tools, along with search engine optimisation (SEO) and digital marketing optimisation. KPJ plans to offer online prescriptions in the near future. We continue to develop our online pharmaceutical model in line with our future plans to fill our e-prescriptions.



EMPLOYEE INNOVATION DAY TALKS

As part of our holistic employee experience, we continued to organise Employee Innovation Day Talks to inculcate an innovation mindset and culture within our employee base. This is in line with our aspiration to build a strong culture of innovation within the Group. In 2019, we conducted a total of 8 Innovation Talks, in collaboration with various partners as follows:





SDG Target 4.3

Materiality Economic 4: Nurturing Future Medical Professionals

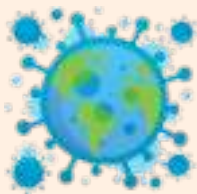
SUSTAINABILITY
REPORT

ECONOMIC

ENVIRONMENTAL

SOCIAL

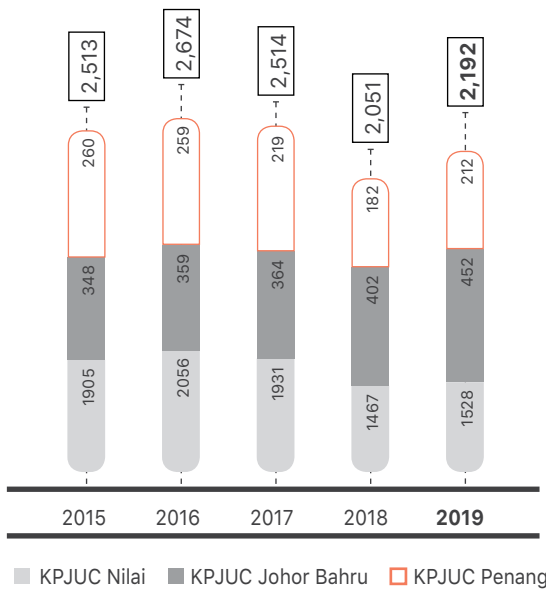
LEARNING CONTINUES DURING MCO



TO ENSURE CLASSES WERE NOT DISRUPTED, KPJ UNIVERSITY AND COLLEGES CONDUCTED LESSONS VIA THE LEARNING MANAGEMENT SYSTEM (LMS), AN ONLINE TEACHING AND LEARNING PORTAL. ENGAGEMENT BETWEEN LECTURERS AND STUDENTS WERE CONDUCTED ON VARIOUS COMMUNICATION PLATFORMS INCLUDING PHONE CALLS, VIDEO-CONFERENCING AND SOCIAL MEDIA CHANNELS.

DUE TO TRAVEL RESTRICTION ENFORCEMENT DURING MCO, 27 STUDENTS REMAINED AT THE HOSTELS. THEIR WELFARE WERE TAKEN CARE OF BY THE UNIVERSITY AND COLLEGE MANAGEMENT.

Total number of KPJUC Students as at December



Established in 1991, KPJUC has 3 campuses in Malaysia located in Nilai, Johor and Penang. Besides the three healthcare colleges, there is also an affiliate hospitality college in KPJUC education group known as Malaysian College of Hospitality and Management in Johor.

Recognised as the number one private college offering Diploma in Nursing, KPJUC has established itself as a premier medical and healthcare education provider. It has the advantage of being supported by KPJ's 28 hospitals in Malaysia, with more than 1,000 specialist doctors acting as mentors and advisors.

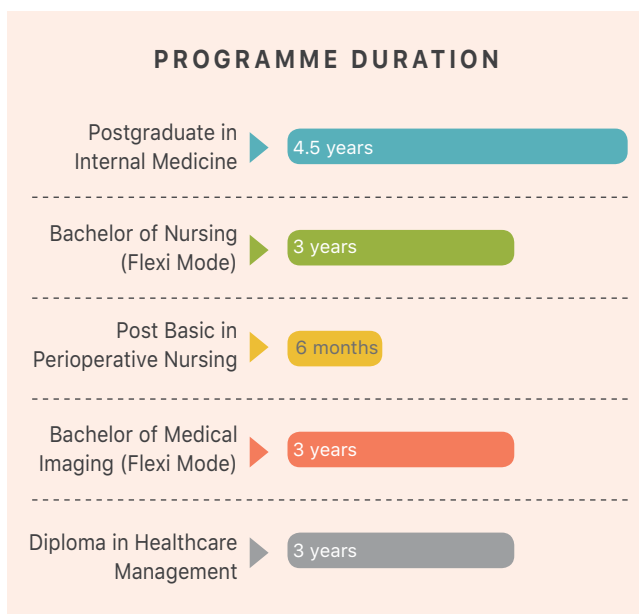
We believe that KPJUC will help the KPJ Group achieve Target 4.3 of the 2030 Agenda, to ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university studies. It is our opinion that unequal access to higher education is the main reason for the continuation of poverty. Limited access to quality education is a barrier to individual and social development.

KPJUC has started enrolling postgraduate students in PhD and Master of Nursing, Master of Pharmacy, Master of Pharmaceutical Technology and Master of Physiotherapy since 2013. A key achievement in 2019 was KPJUC producing its first three PhD graduates in Nursing.

We are pleased that KPJUC is currently the only private medical university college that has been approved by the Ministry of Education to conduct Medical Specialty Programmes in the country, including:

- Master of Otorhinolaryngology (Head and Neck Surgery)
- Master of Radiology
- Master of General Surgery
- Master of Orthopaedic
- * Master of Science in Pharmaceutical Technology (SPT)

In 2019, we have produced two SPT graduates and followed by four graduates of Master of Radiology in 2019. Currently, KPJUC offers 37 academic programmes. A complete list of KPJUC's medical education programmes can be found at <https://www.kpjuc.edu.my>



In 2019, five new programmes were introduced as follows: Besides the above traditional academic programmes, KPJUC is also actively offering Continuous Professional Development (CPD) training programmes in various healthcare and non-healthcare subjects. For 2019, KPJUC has offered 37 programmes which generate RM36.0 million in revenue. Among the high demand programmes include Advanced Cardiac Life support (ACLS), Neonatal Resuscitation Program, Paediatric Advanced Life Support (PALS), Teambuilding, Management and Leadership training.

ACADEMIC HEALTHCARE CENTRE (AHC)

In August 2019, KPJ launched our first AHC at KPJ Seremban Specialist Hospital. An academic healthcare centre is an institution that integrates the patient-care activities and academic activities which includes teaching and research. KPJ Seremban is the first amongst the 28 KPJ hospitals to adopt this concept of integration between patient-care, teaching and research.

The AHC provides academics, healthcare professionals and students a real-world setting, where they can work together in a scientific and clinical environment. It also accords the KPJUC students with the opportunity to engage in hands-on training within real clinical environments. The students will have the opportunity to spend almost 45% of their school hours in within the hospital, enabling them to put their theoretical knowledge into practice in a real hospital environment.

AHC Activities

DEPARTMENT/SCHOOL	PROPOSED ACTIVITY/ INVOLVEMENT
Physiotherapy	Clinical attachment for outpatient services
Medical Imaging	Continuous Professional Development (CPD) training
Pharmacy	Outpatient services on counselling for medication
Nursing	<ul style="list-style-type: none"> • Home nursing – assisting the hospital in providing home nursing services • Staff attachment – update on National Nursing Audit and MPSG
Business Management	<ul style="list-style-type: none"> • CPD training for medical record staff • KCIS access
Centre for Global Professional and Social Development	CPD training focusing on soft skills

RESEARCH AND DEVELOPMENT (R&D)

As part of its activities as a university college, KPJUC conducts R&D. Each year, RM50,000 is allocated for new research, which do not include grants from external sources.

We also conducted training on:

- Developing research questions
- Reviewing medical and healthcare literature and journals
- Conducting interviews and surveys
- Writing analysis and findings

The following table outlines KPJUC's research and development activities in 2019.

Research activities conducted in 2019

	Research	New Research	Research Completed	Submit	Obtain	Indexed Journal	Non-Indexed Journal / Others	Indexed Conference	Non-Indexed Conference / Others
School of Medicine	10	0	3	0	0	6	0	0	1
School of Pharmacy	14	6	29	0	1	2	6	3	4
School of Health Sciences									
(Medical Imaging)	12	10	10	0	0	2	1	1	0
School of Health Sciences (Physiotherapy)	27	0	23	0	0	0	0	0	0
School of Nursing	12	5	8	0	0	0	6	0	5
School of Business & Management	4	2	0	0	0	0	0	0	0
Centre of Global Professional Social Development	6	0	1	0	0	0	0	0	0
KPJIC JB	1	0	0	0	0	0	0	0	0
KPJIC Penang	1	0	0	0	0	0	0	0	0
Total	87	23	74	0	1	10	13	4	10

Total research projects conducted in 2019



EDUCATION SPONSORSHIP

KPJ has awarded education sponsorships to talented and ambitious students who do not have the financial means to support their studies in the field of nursing and health sciences throughout the years. The scholarship offered is in full and partial scholarship for programmes such as Nursing and Pharmacy. Successful students will receive the scholarship for tuition fee purposes and in return they will be bonded with KPJ hospitals.

In 2019, KPJ sponsored a total of 96 staff and students in their education, of which 73 were for our staff to pursue the Post-Basic Nursing Programme.

POST BASIC NURSING PROGRAMME	2018	2019
Professional Certificate in Education Training for Nursing Professional	2	0
Professional Certificate in Critical Care Nursing	20	20
Certificate in Renal Nursing	13	10
Certificate in Paediatrics Nursing	17	20
Advanced Diploma in Midwifery Nursing	3	12
Post-Basic Certificate in Renal Nursing (Johor Bahru Campus)	3	10
Post-Basic Certificate in Orthopaedic Nursing	8	6



2020 Scholarship

The financial aid is aimed at assisting high potential and/or financially challenged young individuals to be able to study at KPJUC in Nilai and our colleges in Johor and Penang. Each successful candidate may receive in-kind financial aid up to RM48,000 depending on their prior academic and personal performance as well as monthly stipends or allowance based on financial background. The total allocation for KPJUC scholarship for 2020 is RM 10 million. KPJUC scholarship is divided into 3 categories, namely:

A BIASISWA
(based on academic merit),

B DERMASISWA
(based on financial need), and

C SETIASISWA
(a form of Alumni benefit)

A candidate who is qualified for more than one type of scholarship, will be offered the one that benefits him/her best.

Minimum requirements to be eligible to apply

- **3.90**
40% Tuition Waiver
- **3.70**
30% Tuition Waiver
- **3.50**
20% Tuition Waiver

BACHELOR	DIPLOMA / FOUNDATION
STPM / A LEVEL / Foundation / Diploma	SPM
3.90 40% Tuition Waiver	9As or more
3.70 30% Tuition Waiver	7As or more
3.50 20% Tuition Waiver	5As or more

DERMASISWA

Waiver for differences between tuition fees and study loans received from Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN). Exclusive for eligible B40 students signing up for selected programmes: Diploma and/ or Bachelor in Physiotherapy, Medical Imaging, Health Information Management, Healthcare Management, Psychology, Occupational Therapy, and Business Management. Recipients will receive RM300 pocket money monthly.

SETIASISWA

10% Tuition Waiver for KPJUC and KPJ International College (KPJIC) Diploma Alumni to study Bachelor of Pharmacy and other Bachelor programmes.

EMPLOYMENT FOR KPJUC GRADUATES

As part of our commitment to hiring quality medical professionals, we assisted our graduates to secure employment within our hospitals as well as our subsidiaries.

Number of secured employment (2017 - 2019)					
Secured employment for KPJUC graduates (2017-2019)	Total Graduates	KPJ Hospitals	Private Hospitals	Other employer	Further study
School of Medicine	9	7	0	2	0
School of Nursing	1293	775	133	33	32
School of Pharmacy	666	194	248	0	93
School of Health Sciences	561	159	229	0	58
School of Business and Management	88	42	11	15	4

Secured Employment since 2017

71%

No of students received scholarship since 2017

411



SDG Target 3.8

Materiality Economic 5: Access to Quality Healthcare

UNIVERSAL ACCESS TO QUALITY HEALTHCARE IS ONE OF THE OBJECTIVES LISTED IN THE 11TH MALAYSIA PLAN 2016 – 2020.

As a responsible corporate citizen, KPJ has been championing universal access to healthcare within our model of healthcare delivery through various initiatives. This is in line with KPJ's own strategy of creating value for our stakeholders. Our initiatives focus on enhancing targeted support particularly for underserved communities and expanding capacities to increase healthcare accessibility to public.

AMBULATORY CARE CENTRE (ACC)

This centre aims to be the focal point for integrated healthcare facilities to complement KPJ's network of hospitals in Malaysia as well as abroad. Through ambulatory services, medical care can be provided on an outpatient basis, these includes diagnosis, observation, consultation, treatment, intervention, and rehabilitation services. The operational hours of the centre will not exceed 23 hours combining operating and convalescent times. For a start, KPJ targets to establish the ACC in Klang Valley or Johor before extending it to other regions.

IMPROVING ACCESS TO PHARMACIES

As part of a good healthcare system, patients should be able to easily obtain the medicines they have been prescribed. To enable easy access to pharmacies for the public, KPJ Healthshoppe is focused on increasing its network of retail pharmacies. As at end 2019, there are 10 outlets located at:

- | | |
|-------------------|----------------|
| 1 KPJ Selangor | 6 KPJ Ipoh |
| 2 KPJ Damansara | 7 KPJ Sentosa |
| 3 KPJ Pahang | 8 KPJ Kajang |
| 4 KPJ Tawakkal KL | 9 KPJ Seremban |
| 5 KPJ Johor | 10 KPJ Klang |

One online store is located at Menara KPJ.

We have also ventured into full fledged retail pharmacy under the name of JX Pharmacy. The first JX Pharmacy outlet was launched in 2018, at Street Mall, Bandar Baru Bangi. In 2019, we have 3 outlets in Bangi, Shah Alam and Kota Damansara.

HEALTH TOURISM

Malaysia has excellent standards of healthcare services. Therefore, it is no surprise that the health tourism (HT) or medical tourism sector is experiencing strong growth within the healthcare industry in the country.

We are proud that Malaysia has been at the top of the list of preferred healthcare tourism destinations for a number of years.

KPJ Info Centre and Tourist Segment

In order to straighten KPJ's brand internationally, we have several Info Centres strategically located in Indonesia, Bangladesh, Uzbekistan

and Somalia. In Indonesia, KPJ had launched Info Centre in Padang, Medan, Batam and Tanjung Pinang. We expect the number of Indonesian patients to increase tremendously in the near future.

In 2019, we see the Indonesia region which represents 35% of the HT patients contribute to the increase of visits and revenue by 12% and 23% respectively.

KPJ is looking at expanding our Medical Tourism offerings to Vietnam, China and Myanmar due to daily flight from those countries to Malaysia, especially Kuala Lumpur. In 2019, those markets showed positive growth either revenue and visits.

HT Hospitals

Several of KPJ hospitals are designated as HT hospitals. HT hospitals features an International Patient Centre and HT Liaison Officers who are multi-lingual and speaks Arabic, Korean, Japanese, Thai, Indonesian – besides English, Malay, Chinese and Tamil.

SENIOR & ASSISTED LIVING CARE (SALC)

The Malaysian population is aging, and this has implications on the type of healthcare services and treatments required.

KPJ supports the government efforts to achieve universal health coverage for all ages, in line with Target 3.8 of the 2030 Agenda. We began our SALC initiative in 2011. 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 currently have 5 centres as follows:

- Sibu Geriatric Health and Nursing Centre, Sibul, Sarawak
- KPJ Tawakkal KL Health Centre, Kuala Lumpur
- KPJ Kuantan Care and Wellness Centre, Pahang
- Damai Wellness Centre, Kota Kinabalu, Sabah
- Jeta Gardens Retirement Resort, Brisbane, Australia

CONFINEMENT CENTRE

KPJ launched its first Confinement Care Centre at Damai Wellness Centre in Kota Kinabalu in 2018. It provides new mothers who have been recently discharged with personalised care for them and their babies in the comfort of their home.

In 2019, we have served 72 mothers and 73 babies at our After Birth Care (ABC) Services.

The ABC confinement services started in November 2018, with 10 suites. We have since expanded to 12 suites with the opening of our Premier Suites in January 2020.

The services provided include:-

- Our confinement packages are attractively priced between RM7,800 for Deluxe Suites to RM10,800 for Premier Suites.
- Options for special confinement meals which are outsourced to suppliers
- Additional add-on services available for traditional massages and spa services which are outsourced to suppliers

In August 2019, we opened our second Confinement Care Centre named Mom & Baby Care in KPJ Kuantan Care and Wellness Centre. This service provides a comfortable place for mothers during their confinement period with packages of 7 days, 14 days and 30 days.

The services provided include:-

- Complimentary spa and foot sauna which are available at the centre
- Options for special confinement meals and health education to the mothers

MEDICAL AIR SERVICES

- In December 2017, we launched our medical air services at KPJ Sabah Specialist Hospital. We continued to grow and develop this new area of service. Our medical air services cater to people living in rural and remote areas in the state of Sabah.
- It is carried out via a strategic collaboration with a third party vendor to provide medical air lifting services to transport patients from Tawau, Lahad Datu and Sandakan to KPJ Sabah.
- A KPJ medical team will be on board, accompanying the patient and providing any necessary emergency and stabilising treatments.

GROUP WIDE PACKAGES

KPJ launched several group wide packages at a affordable prices to patients. The top five campaigns were maternity, cataract, mammogram & ultrasound, endoscopy and health screening campaign. The campaign helped to increase our maternity deliveries by 5%.



SDG Target 17.14

Materiality Economic 6: Certification, Accreditation and Standards

WE ALWAYS ENSURE THAT OUR NETWORK OF HOSPITALS CAN PROVIDE HIGH QUALITY HEALTHCARE SERVICES TO OUR PATIENTS.

Towards this end, we adhere to the requirements and criteria of internationally and locally recognised certification, accreditation and standards. That is a key mechanism by which we manage and control the quality of our healthcare facilities and services.

We work together with accreditation bodies to support international cross-sector initiatives and to reach global alignment on sustainable business behaviour, in line with Target 17.14. We make sustainability an integral part of our daily operations, and safety is always a priority.

ACCREDITATION BY JOINT COMMISSION INTERNATIONAL (JCI) AND MALAYSIAN SOCIETY FOR QUALITY IN HEALTH (MSQH)

To ensure we maintain our hospitals at the best level and standards, our hospitals are certified by recognised bodies such as JCI and MSQH. We have achieved compliance with the MSQH 5th Edition Accreditation Standard. In 2019, KPJ Seremban, KPJ Johor and KPJ Penang went through the third cycle of JCI certification. At the end of 2019, 19 KPJ hospitals are MSQH-accredited, while four are JCI-accredited.

KPJ KL Dental Specialist Centres was the first dental ambulatory care centre in Malaysia to be awarded MSQH accreditation status.

MSQH's high level of standards is based on the core principles of safe dental practice, patient safety and the provision of high quality services for dental ambulatory care centre and dental clinics registered under the Private Healthcare Facilities and Services Act 1998.

We are always dedicated to the values that have made us what we are today – a leader in Dental Health Management and Services.

ISO INTEGRATED WITH MANAGEMENT SYSTEMS

KPJ's Integrated Management System (IMS) integrates:

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2004 (Environmental Management System)
- OHSAS 18001:2007 (Occupational Safety and Health Management System)

20 KPJ hospitals are fully certified with the ISO IMS.



SDG Target 2.1

BABY FRIENDLY HOSPITALS

TO ENCOURAGE AND RECOGNISE HOSPITALS AND CENTRES THAT OFFER OPTIMAL LEVEL OF CARE FOR INFANT FEEDING AND MOTHER/BABY BONDING, THE BABY FRIENDLY HOSPITAL INITIATIVE (BFHI) AND CERTIFICATION WAS LAUNCHED BY WHO AND THE UNITED NATIONS CHILDREN'S FUND (UNICEF).

The best way to provide infants with the nutrients they need is through breastfeeding. WHO recommends exclusive breastfeeding, starting within one hour after birth until a baby is six months old. Nutritious complementary food should then be added into the baby's diet, while still continuing to breastfeed for up to two years or beyond.

According to Global Nutrition Target 2025, the BFHI aims to increase the number of babies who are exclusively breastfeeding in the first six months worldwide. WHO estimates this could help prevent over a million child deaths each year, and potentially many premature maternal deaths as well.

WHO aims to increase global exclusive breastfeeding rates to at least 50% by the year 2025. In line with UN SDG Goal 2 (zero hunger), breastfeeding is a vital source of nutrition that can save children's lives under age 5 and contribute to improved health outcomes

for children with lower rates of infectious disease, and low risk of being overweight. Breastfeeding is associated with an IQ increase of three to four points. On the other hand, for breastfeeding mothers, it could prevent death from breast cancer, low-risk of diabetes and ovarian cancer.

As at end 2019, 13 KPJ hospitals are BFHI certified.

PLANETREE

In 2013, KPJ started the Planetree project. It was created to enhance our service care levels to be aligned with patient-centred care that prioritises the active participation of patients and their families throughout the healthcare process. It emphasised on partnership, compassion, transparency, inclusion and quality.

The programme is conducted in collaboration with Planetree International, a non-profit organisation that assists healthcare providers around the world to transform healthcare delivery services. In 2018, two of our hospitals, namely KPJ Ampang Puteri and KPJ Damansara were certified with the Gold-Level Excellence in Person-Centred Care from Planetree International.

Our two hospitals were also the first two in the Asia Pacific region to receive this certification. The Gold Certification represents the highest level of achievement in this category, based on evidence and standards.

PERSONAL DATA PROTECTION

We are committed to ensuring the protection of our customers and patients' personal data. We have remained in full compliance from 15 November 2013 till end 2019 with the Personal Data Protection Act 2010 (PDPA). In 2019, there were no major complaints about breaches of customer privacy.

5S

The 5S concept is one of several lean manufacturing (Lean) tools designed to improve how to organise a work space for efficiency and effectiveness, by identifying and storing the items used, maintaining the area and items, and sustaining the new order.

Each of the 5S guidelines help managers and workers achieve greater organisation, standardisation and efficiency — all the while reducing costs and boosting productivity.


Some core principles of the 5S concept involve creating and maintaining visual order, organisation, cleanliness and standardisation. With these goals in place, the hope is that workplaces can become more efficient, and equipped to carry out daily tasks in a safe manner. In 2019, MPC reviewed the marking criteria and included the Kaizen activity as part of the assessment.

With the new marking criteria, KPJ Healthcare Berhad and some of the hospitals were awarded 3 star (denoting achievement of 80% and above). Hence, we will continue with the Lean Management programme in improving the efficiency of the services.

KPJ's Certification, Accreditation and Standards:

	2018	2019
JCI	4	4
MSQH - Hospital	19	19
MSQH - KWAN	8	8
MSQH – Dental Clinic	1	1
ISO 9001:2015	1	1
BFHI	13	13
Planetree	2	2
PDPA	25	28
mQuit	8	8
IMS (KPJ's Integrated Management System)	21	20

A number of new initiatives were implemented, of which their certification is recognised by SIRIM.



Press Ganey

Working with Press Ganey, an international healthcare consultancy on the Doctor Customer Engagement project, to enhance customer service through data. Which can provide a comprehensive portfolio of feedbacks from patients, healthcare staff and doctors as well as providing strategies for further improvement.

Customer Service Management, recognised by SIRIM

The customer service management standards is to ensure organizations are able to manage their customer service according to the Customer Service Management Model. By implementing this standard, the organization can provide better customer experience and fulfil customer requirements.



ENVIRONMENTAL

WASTE MANAGEMENT

0.5KG

per patient

achieved target of not more than 0.5kg per patient

WATER MANAGEMENT

117m³

per employee

exceeded target of not more than 111m³ per employee

ELECTRICITY CONSUMPTION

23.48 kwh




per sq ft

achieved target of not more than 27.69 kWh per sq ft



"KPJ has several initiatives focused on waste, water and electricity management as our response to the global and national call for climate change mitigation, adaptation, impact reduction. In 2019, we are proud to announce that three KPJ hospitals have registered to become certified as Green Building Index buildings. These initiatives are aligned to the United Nations Sustainable Development Goals 2030 agenda targets. and the Malaysian Government's target to reduce greenhouse gases (GHG) emissions by 35% to 45% by 2030."

DATO' AMIRUDDIN ABDUL SATAR
President and Managing Director

Materiality Environmental	Link to Our Seven Strategic Thrusts	Key Stakeholders	Initiatives	Performance Indicators
Waste Management	Thrust 5 – Business Improvement Thrust 7 – Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> • Patients • Employees & Consultants • Local Communities • Accreditation Bodies & Associations • Government & Regulators 	<ul style="list-style-type: none"> • Our Waste Management Practices 	<ul style="list-style-type: none"> • Average of hazardous waste generated per patient • GHG emission per patient
Water Management	Thrust 5 – Business Improvement Thrust 7 – Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> • Patients • Employees & Consultants • Local Communities • Accreditation Bodies & Associations • Government & Regulators 	<ul style="list-style-type: none"> • Proactive Water Initiatives 	<ul style="list-style-type: none"> • Average of water used per employee • GHG emission per staff
Electricity Consumption	Thrust 5 – Business Improvement Thrust 7 – Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> • Patients • Employees & Consultants • Local Communities • Accreditation Bodies & Associations • Government & Regulators 	<ul style="list-style-type: none"> • Efficient Energy Management Initiatives 	<ul style="list-style-type: none"> • Average Electricity Consumption per square foot • Activities and initiatives to manage climate change • GHG emission per square foot

KPJ’s environmental initiatives were crafted to help achieve balance between the impact of our business on the environment and the need to provide high quality healthcare services. Hospitals tend to be large buildings, operating 24/7. Given the nature of the business, hospital operations are energy and water intensive.

Medical care involves a variety of factors, such as ongoing monitoring of equipment, laboratory tests and refrigerated storage facilities. In addition, patient safety and a comfortable inpatient and outpatient experience are top priorities. These fundamental functions of our hospital operations cannot be compromised, and efforts to reduce energy and water consumption in this area is marginal.

The hospital environment produces a substantial amount of waste, both hazardous and non-hazardous, which have to be managed properly.

Improper management of hospital waste will not only result in enlarging our carbon footprint but also has the potential spread of disease. Therefore, we take our role in mitigating these adverse impacts seriously.

MONITORING OUR ENVIRONMENTAL IMPACT

We have formulated a variety of initiatives to minimise our carbon footprint and other negative impacts on the environment. We also have performance indicators to monitor these initiatives while keeping track of the environmental impact of our hospital operations. Our approach goes beyond environmental compliance; we also focused on maintaining the highest standards of health and safety for our patients, employees and visitors by enforcing high health and safety standards and requirements as well as fire safety and environmental regulations.

All quantitative environmental data published in this section of the Sustainability Report is based on the 19 MSQH accredited hospitals in our Group.

SAFETY, HEALTH AND ENVIRONMENT

KPJ has a Group-wide Safety, Health and Environment (SHE) policy, which is compliant with the Integrated Management System (IMS) quality certification, which covers the following standards:

- OHSAS 18001 standard for employee health and safety
- EMS 14001 environmental standard
- ISO 9001 standard for quality management

Every year, we conduct both internal and external audits to retain the above quality-based certifications. Our SHE policy statement covers energy and water consumption, as well as conventional and hazardous waste disposal. In each of our hospitals, there is a committee to oversee the SHE policy and ensure the compliance of related procedures.

MANAGING ENVIRONMENTAL ASPECTS AND IMPACTS

To manage our environment impact better, all KPJ hospitals are required to conduct awareness programmes and training for their employees. In addition, staff are encouraged to propose and implement strategies and initiatives to combat global warming. Our initiatives to manage our impact on climate change is part of the risk management under the EMS 14001 environmental standard.

CARBON EMISSION

Since last year, we have reported our Carbon Emission (CO₂) for energy consumption (Scope 2). In order to improve our monitoring in reducing carbon emission, we have reported our indirect emission (Scope 3) associated with hazardous waste generated and water consumption starting this year.

Based on our set for 2019, we have successfully reduced 3.2% of CO₂ per square foot for energy consumption and zero percent increase of CO₂ of hazardous waste per patient served. However, we have seen an increase by 10.7% per employee for water consumption. The explanation of the activities in 2019 are covered under each of the materiality.

Total Carbon Emission

	CO ₂	2017	2018	2019
Scope 2	Energy Consumption	83,044,873	88,249,362	89,872,152
Scope 3	Hazardous waste generated	1,429,065.60	1,611,489.60	1,651,156.80
Scope 3	Water Consumption	4,596,086	4,766,029	5,469,517
	Total	89,070,025	94,626,881	96,992,826

SCOPE 2 - Energy Consumption: GHG emission per square foot area

	2017	2018	2019
GHG emission per square foot (sq ft) (CO ₂)	17.43	16.62	16.09
Variance %	(4.8)	(4.6)	(3.2)

SCOPE 3 - Hazardous Waste Generated: GHG emission per patient served

	2017	2018	2019
GHG Emission per patient served (CO ₂)	0.59	0.64	0.64
Variance %	(3.3)	8.5	0.0

SCOPE 3 - Water Consumption: GHG emission per employee

	2017	2018	2019
GHG Emission per employee (CO ₂)	466.94	443.31	490.58
Variance %	0.2	(5.1)	10.7



SDG Target 12.5

Materiality Environmental 1: Waste Management

KPJ AIMS TO SUBSTANTIALLY REDUCE WASTE GENERATION THROUGH PREVENTION, REDUCTION, RECYCLING AND REUSE, IN LINE WITH TARGET 12.5 BY 2030.

In the management and disposal of clinical and non-clinical waste generated from our hospital activities, KPJ practises a series of comprehensive monitoring and vetting processes. Despite our hospital network expansion, we have remained on course in ensuring proper disposal of waste to safeguard public health. Moreover, there are stringent protocols in place to ensure proper disposal of hazardous waste.

We monitor and track our waste management activities and diligently explore approaches to ensure deliverables while keeping up with the momentum gained in this area.

OUR WASTE MANAGEMENT PRACTICES

For proper and adequate management of clinical and non-clinical waste, we have formulated Waste Management Practices, which include the following elements:

- Continuous training of our nurses and other hospital staff on proper clinical waste disposal methods

- Appointing an MOH and DOE regulation compliant clinical waste disposal contractor
- Recycling non-clinical waste such as paper and other recyclable items
- Implementing waste disposal according to environmental regulations
- Handling, labelling, storing, packaging and collection of waste in accordance to the Environmental Quality Act 1974 (Act 127) and its subsequent amendments, in addition to subsidiary legislation referring to scheduled waste
- Daily removal of waste by dedicated vehicles within designated collection areas that are kept clean and locked
- Tracking and reporting waste generated by types of hazardous waste (schedule waste) and non-hazardous waste

In 2019, we produced 1,375,964 kg of hazardous waste, an increase of 2.5% from the previous year. This was due to increased hospital activities in surgeries and deliveries, as well as a rise in inpatients and outpatients. However, we have achieved our target to maintain the amount of hazardous waste generated at 0.5 kg per patient for the past three years. Our clinical waste disposal cost for 2019 was RM4.3million, an increase of 10% from RM3.9 million in 2018. The increase due to an increase in contract rates per disposal amount for most hospitals in the Group.

Hazardous Waste Generated 2017-2019

	2017	2018	2019	Target 2020
Amount of hazardous waste generated	1,190,888 kg	1,342,908 kg	1,375,964 kg	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
GHG Emission CO ₂	1,429,065.60	1,611,489.6	1,651,156.8	
No of Patients Served	2,329,830	2,508,639	2,559,828	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
Average of Hazardous waste generated per patient	0.49 kg	0.54 kg	0.53 kg	<0.5kg
GHG Emission per patient served	0.59 CO ₂	0.64 CO ₂	0.64 CO ₂	

Note: Calculation based on the following

1. The Intergovernmental Panel on Climate Change (IPCC), 2003. Emission waste from incineration. https://www.ipcc-nggip.iges.or.jp/public/gp/bgp/5_3_Waste_Incineration.pdf
2. Infectious waste. <https://www.sciencedirect.com/topics/earth-and-planetary-sciences/infectious-waste>



SDG Target 6.1

**Materiality
Environmental 2:
Water Management**

AN ADEQUATE SUPPLY OF WATER IS CRUCIAL TO MAINTAIN A HIGH QUALITY OF CARE FOR PATIENTS. IT IS AN INEVITABLE REQUIREMENT OF EFFICIENT HOSPITAL OPERATIONS.

KPJ provides safely managed drinking water to our patients, in line with Target 6.1 of the 2030 Agenda. Besides that, all our facilities provide functioning wash services to all patients and staff. Hospitals use a lot of water for a variety of purposes such as in our cooling equipment, plumbing, cleaning and medical process rinses. The constant demand for water places pressure on municipal water supplies, which also supplies water to homes and other businesses.

KPJ is committed to contributing to national environmental mitigation measures such as the reduction of energy used to treat and deliver water supply. Our hospitals are thus encouraged to implement proactive water saving initiatives.

In 2019, we consumed 1,305,374 m³ of water, an increase of 14.8% from the previous year. The increase was due to a rise in staff numbers by 4% and growth in hospital activities especially at KPJ Sabah, KPJ Pasir Gudang and KPJ Rawang. In the first quarter of 2019, the northern part of Malaysia suffered from hot weather and resulting in increased of water consumption for chiller and cooling tower. As at end 2019, we have not achieved our water consumption target of not more than 111 m³ per employee. Besides improving individual and institutional efforts, we will also conscientiously monitor and track all water leakages in our operations.

Water Consumption 2017-2019

	2017	2018	2019	Target 2020
Water Consumption	1,096,918 m ³	1,137,477 m ³	1,305,374 m ³	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
GHG Emission	4,596,086 CO ₂	4,766,029 CO ₂	5,469,517 CO ₂	
No of Employees	9,843	10,751	11,149	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
Average of water consumed per employee	111 m ³	106 m ³	117 m ³	<111m ³
GHG Emission per employee	466.94 CO ₂	443.31 CO ₂	490.58 CO ₂	

Note: Calculation based on CO₂ conversion rate referred from Malaysian Green Technology Corporation (MGTC), 2020. Carbon calculator. <https://greentechmalaysia.my/carboncalculator/index.php>



SDG Target 7.3



SDG Target 11.6



SDG Target 13.3

Materiality Environmental 3: Electricity Consumption

HIGH ENERGY USAGE IS ANOTHER INEVITABLE USAGE CONSEQUENCE OF HOSPITAL OPERATIONS.

Our hospitals are open 24/7. To cater to the health needs of patients, and the needs of our staff and visitors, a substantial amount of power is consumed by our modern Heating, Ventilation and Air Conditioning (HVAC) systems to control temperatures and air flow. Other energy intensive equipment and activities are hospital laundry, medical and lab equipment,, sterilisation, computers and servers, food services and refrigeration.

Through regular energy-saving campaigns, we work at increasing staff awareness of our energy efficiency and electricity saving initiatives. This is in line with Target 7.3 of the 2030 Agenda to double the global rate of improvement in energy efficiency.

Each of our hospitals has raised its individual standards on the initiatives implemented in 2017 to reduce KPJ’s electricity consumption. They are to:

- Upgrade chiller systems
- Replace conventional light bulbs with LED lights
- Install timers
- Staff awareness programme of these initiatives
- Implement Scheduled and Planned Preventive Maintenance
- Conduct training and awareness programmes on the impact of energy consumption on climate change

In 2019, our electricity consumption stood at 131,121,882kWh, a 2% increase from the previous year. The built area of KPJ hospitals now stands at 5,584,399 sq ft. Our GHG emission per sq ft reduced by 3.15% from 16.62 CO₂ in 2018 to 16.09 CO₂ in 2019.

We have maintained our average consumption within the target of not more than 27.69 kWh per square foot for three years in a row.

	2017	2018	2019	Target 2020
Electricity Consumption kWh	119,661,200	128,739,552	131,121,882	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
GHG Emission CO ₂	83,044,873	88,249,362	89,872,152	
Total Area of KPJ Hospitals in Square Foot (sq ft)	4,764,109	5,310,919	5,584,399	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
Average electricity per square foot of consumption	25.12 kWh	24.24 kWh	23.48 kWh	<27.69
GHG emission per square foot (sq ft)	17.43 CO ₂	16.62 CO ₂	16.09 CO ₂	

Note: The CO₂ values of GHG Emission for 2017 and 2018 were recalculated based on CO₂ conversion rate referred from Malaysian Green Technology Corporation (MGTC), 2020. Carbon calculator. <https://greentechmalaysia.my/carboncalculator/index.php>

Efficient Energy Management

Efficient Energy Management is at the heart of sustainable operations. It not only reduces operational costs but also our demand for power. The chain reaction of this is a reduced power production, one of the major causes for carbon emissions.

Besides a shift in mindsets and habits, we can be more efficient in energy management by adopting energy-efficient and cost-effective technologies.

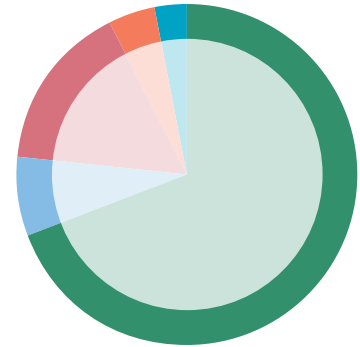
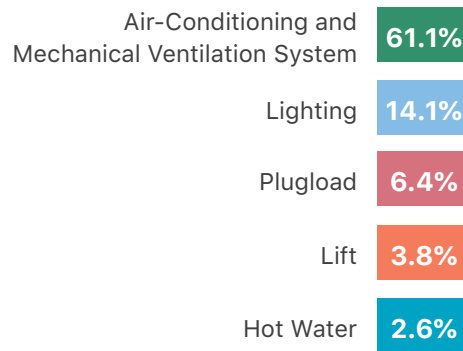
At KPJ we have incorporated energy efficiency into our decision-making process, especially during the design and acquisition of facilities, equipment and systems. In all these decisions, our emphasis is for more energy efficient alternatives, whenever possible.

To monitor the energy consumption pattern of our hospitals, we engaged Healthcare Technical Services (HTS), provider of consultancy services in healthcare sector that is certified to perform this function. It has oversight of ten of our hospitals, which are also amongst the larger ones in the network.

Nine of our hospitals are defined as large energy consumers as each of them use more than 3 million kWh over a maximum period of six consecutive months. To improve their energy management practices, these hospitals are required to adhere to the Suruhanjaya Tenaga's Efficient Management of Electrical Energy Regulations 2008 (EMEER 2008) and Malaysian Society for Quality in Health (MSQH) Standards (5th Edition).

Our review showed that the major contributors to the high energy consumption at our KPJ hospitals were as follows.

Power consumption elements:



Building energy audit is conducted to measure and analyse energy consumption patterns, usage, and interrelationship between different power consumption systems in hospitals. The results provide us with a record of actual energy consumption. Our records show that the air-conditioning mechanical & ventilation system (ACMV) is one of the main contributors with 61.1% to the total of building energy consumption excluding for parking areas, followed by lighting and plug load.

Our challenge is three-fold. We need to manage increasing energy cost and consumption against increasing levels of statutory obligations with regard to emissions and climate change policies. At the same time, we need to change our working culture towards energy consumption.

There is another dimension to take account of in our hospital environment. We need extensive knowledge of efficient energy management for our state of the art medical equipment. We have thus appointed engineers to lead the Efficient Electrical Energy Committee (EEEM) to implement our Energy Saving Management (ESM) at hospitals. They are also responsible for raising the awareness of staff who use and maintain these equipment.



KPJ Bandar Dato' Onn Specialist Hospital

In 2019, every hospital has been playing their role to in place the following Energy Saving Measures (ESM), for lowering energy consumption, cost as well as a mean of environmental protection :

- **Planned Preventive Maintenance (PPM) & Awareness Programme**

Planned Preventive Maintenance (PPM) by a third party contractor that includes maintenance to ensure the efficiency and overall performance of equipment. This is to ensure the equipment is optimally functioning without unnecessary additional energy consumption, minimise faults and leakages.

Through PPM, records are taken to identify potential energy saving approaches that can be used in the internal awareness programmes by Energy Committee. The Energy Committee at hospitals is led by engineers who conduct programmes to ensure minimal energy consumption. The committee also promotes the 'switch-off campaign' to turn off lights, plug loads and personal computers when not needed.

- **Improvements to Air Conditioning Mechanical Ventilation (ACMV) systems**

In tropical Malaysia, our ACMV systems operate 24/7 to maintain thermal comfort inside hospitals. ACMV is a cooling system designed to provide proper ventilation to a specific environment in terms of temperature, relative humidity, cleanliness and distribution of air.

When maintained well, they can be relied upon to perform their function efficiently, saving costs and energy consumption. As such, hospitals are committed to:

- Repairing or replacing defective parts such as the damaged chilled water valve, damaged thermostat inside AHU room,
- Ensuring chilled water balancing of the Air Handling Unit (AHU). The balancing and flow measurement valves play an important role to achieve efficient performance of HVAC system.
- Installing timers on air conditioners to avoid wastage when cooling is not needed.
- Hydraulic balancing of the cooling tower as per design. This is a heat rejection device that disposes waste heat to the atmosphere through the cooling of a water stream to a lower temperature

- Installing a temperature control system for water cooling towers to control the fan operation.

- **Improvements to lighting systems**

KPJ has embarked on a programme to progressively replaced conventional incandescent bulb to lighting-emitting diode (LED) bulbs, which are twice as energy efficient and last 30 times longer. Some of our LED installations have motion sensors and dimmers, which are along corridors, toilets and other public spaces. Motion sensors and dimmers help reduce power consumption.

- **Improvements to pumping system**

The pumping system transfers liquid to a specified destination or transfers heat by circulating liquid around the system. Pressure is needed to make the liquid flow at the required rate. By installing the variable speed motor drive (VSD) the flow or pressure meets demand while reducing power consumption.

OUR GREEN JOURNEY

With the rising sustainability trends, the healthcare industry is encouraged to implement the green initiatives in its operations. Being a premier healthcare provider, we have always made sure our buildings are designed with green initiatives and environment-friendly. As the main objective to fight global warming and reducing our carbon footprint, we need to maintain and improve the hospital functionality of the good health to our patients, consultants, employees and other stakeholders.

GBI-certified hospitals

Three of KPJ hospitals are registered with Green Building Index (GBI) Sdn Bhd, which awards certifications to energy efficient buildings. This pioneering effort involves KPJ Selangor Specialist Hospital, KPJ Ampang Puteri Specialist Hospital new inpatient block and KPJ Bandar Dato' Onn Specialist Hospital. This effort will help to reduce high energy consumption of hospital building due to its 24/7 nature of business operation.

Currently, these hospitals have been awarded the Provisional Design Assessment (DA) with respective individual GBI rating. They are now at the Completion and Verification Assessment (CVA) stage, which is undertaken when the building has 50% occupancy and operational for at least one year.

Green and Energy Efficiency Initiatives

We started our Green and Energy Efficiency initiatives for our new hospital development, currently at planning stage, namely KPJ Melaka and KPJ Bayuemas. These initiatives are based on the requirements of the Malaysian Standard (MS1525:2007).

The initiatives involved the following:

No	Items	Sub-Items
1	Energy Efficiency	<ol style="list-style-type: none"> 1) Roof Insulation (follow MS1525 requirement) 2) Overall Thermal Transfer Value (OTTV) (follow MS1525 requirement) 3) Energy Management System (EMS) 4) Electrical Sub-metering 5) Advanced Energy Efficiency Performance; e.g. efficient chiller, heat recovery wheel, auto condenser tube, etc 6) Sustainable maintenance; e.g. maintenance office, equipment, etc.
2	Indoor Environmental Quality	<ol style="list-style-type: none"> 1) Low Volatile Organic Compounds (VOCs) products (paint, coating, interior flooring, adhesive, sealants) 2) Temperature, Humidity and Lighting Level (follow MS1525 requirement) 3) Mould prevention (<70% of Relative Humidity) 4) Daylighting 5) Daylight glare control 6) High frequency ballast of light fittings; e.g. LED, T5, etc. 7) External views 8) Internal noise levels 9) Building air flushing pre & post occupancy
3	Sustainable Site Planning	<ol style="list-style-type: none"> 1) Preservation of matured trees & landscaping 2) QLASSIC (minimum 70%) 3) Workers' site amenities 4) Green vehicle reserve parking 5) Reduced heat island effects; e.g. grass pavement, colour stamped with light colour, etc. 6) Therapeutic garden
4	Water Efficiency	<ol style="list-style-type: none"> 1) Water efficient fittings; e.g. dual flush wc, self-closing tap, etc. 2) Water metering for leak detection 3) Rainwater harvesting
5	Material Resources	<ol style="list-style-type: none"> 1) Sustainable and green products 2) Locally manufactured products 3) Storage & collection of recyclables (during construction and during building occupancy) 4) Construction waste management plan 5) Refrigerants & Clean agents

AIR QUALITY MANAGEMENT, RADIATION MANAGEMENT AND NOISE MONITORING

• Air Quality Management

Indoor Air Quality (IAQ) is a critical to ensure health and safety of our patients, customers, employees and visitors. At KPJ, we monitor and manage IAQ diligently.

At hospitals, there are several sources of air pollution. Patients suffering from diseases and other ailments, create the risk of air contamination that can result in allergic reactions, viruses, respiratory problems and the onset of diseases and health issues among others. Hospitals also produce chemical and biological waste in the course of treatment and surgery, which could affect a person's health and well-being. The risk of spread of infection from these contaminants require us to adhere to optimal temperature and humidity.

It is a heavy responsibility that comes from operating hospitals, and KPJ is stringent about maintaining healthy IAQ levels.

Throughout 2019, we ensured high IAQ levels are maintained with the following IAQ programmes that focus on control and mitigation measures:

- Restricting air movement in and between departments
- Ensuring appropriate humidity and temperature levels at different hospital areas
- Complying with specific requirements for ventilation and filtration to dilute and remove contaminants from the air
- Upkeeping of the Air Handling Units (AHU) regularly, by replacing filters in a timely manner
- Decontaminating ventilation ducts and making sure that all related mechanical aspects are maintained in line with the hospital's requirement and standards.

• Radiation Management

An excellent hospital needs to have a full range of equipment. And staff must be trained on the proper management of radiation emissions from medical equipment such as Diagnostic Imaging, Radiotherapy and Oncology Services.

Exposure to harmful levels of radiation could result in radiation burn, acute radiation syndrome and cancer.

We have in place measures that comply with the following safety regulations:

- Compliance with the Atomic Energy Licensing Act 1984 (Act 304)
- Annual application for a Class C licence under the Radiation Protection (Licensing) Regulations 1986 from MOH to operate radiation emitting equipment
- Quality Assurance Programme (QAP), guided by the Atomic Energy Licensing (Basic Safety Radiation Protection) and Regulation 2010, to ensure our performance and safety standards meet specific requirements to provide a safe environment for our patients and staff

• Noise Monitoring

Noise pollution refers to harmful or annoying levels of noise. Unwanted sound, regardless of loudness, can produce undesirable physiological or psychological effects in a person. This may also interfere with the social activities and well-being of an individual or group. High noise levels in hospital environments might negatively impact patient recovery rates.

Noise limits in all our hospitals are set at:

- Not Exceeding 65.0 dB(A) for Daytime
- Not Exceeding 55.0 dB(A) for Nighttime

We also measure noise level as set by the Guidelines for Environmental Noise Limits and Control by Department of Environment (DOE) Malaysia, and the Guidelines for Control of Occupational Noise 2005 (DOSH). They are:

- Equivalent Continuous Sound Level (LAeq)
- Statistical Indices (LA10, LA50 and LA90)
- Maximum Noise Level (LAMax)
- Minimum Noise Level (LAMin)

Then, there is the issue of ambient noise caused by other types of sounds present in our hospital environment. We monitor ambient noise according to the requirements of the Environmental Quality Act 1974, Part IV, regarding the prohibition and control of pollution, and Regulation 23 on restriction on noise pollution.



Awareness on Zero Single Use Plastic campaign at Pasar Jumaat, Jalan Semarak

MOVING FORWARD WITH CLINICAL PLASTIC WASTE RECYCLE PROGRAMME

Majority of single-use plastic usage in a hospital setting is attributable to clinical-related activities and a part of this plastic waste is recyclable. In 2019, we performed a feasibility study on Clinical Plastic Waste Recycling Programme. The programme was inspired by HospiCycle, an American model which is developed to assist hospitals to successfully integrate recycling practices specifically for disposable items from clinical areas.

To understand further about this initiative, we have started our initial study on 13 September 2019. The objective was to identify suitable areas of focus that would contribute volume of uncontaminated plastic waste (e.g. sterilization wraps, flexible clear packaging, and irrigation bottles) such as sub-stores of pharmacy, operation theatre and wards. With proper approach and segregation it was estimated that a hospital could contribute an average of 2 to 3 kilograms in a month of plastic waste from the identified areas for recycle.

For this programme to be effective for implementation across the KPJ network of hospitals, from this study we recognised that the following guidelines must be observed:

- Commitment and involvement of every staff to responsibly support waste reduction efforts.
- Support and close observation by committed leadership throughout various steps involved. This may entail a form of financial support that require the approval of the hospital board
- Creation of sustainable work culture which encompasses development of new approach of clinical waste segregation to easily be adopted and practiced by all staff in a hospital.
- Continuous assessment of the programme to facilitate room for improvement and sustaining any success achieved.

ZERO SINGLE USE PLASTIC PROGRAMME

In 2019, KPJ hospitals have pledged support to find the alternatives to single-use domestic plastic products widely used in hospital premises. These are bottled mineral water, plastic packs for medication, food packaging and food utensils in cafeteria.

Based on the strong support, 92% of our hospitals have completely discouraged the use of plastic straw, 76% on bottled mineral water and 64% on plastic bags. Below is an update of approaches and alternatives at work in KPJ's Zero Single Use Plastic Programme implemented in all hospitals in 2019.

Types of single-use plastics	Alternatives/ approaches implemented	Achievement
Plastic straw	<ul style="list-style-type: none"> No straw policy (eating premises) Biodegradable straw (upon request) 	<ul style="list-style-type: none"> 92%
Drinking/ mineral water bottle	<ul style="list-style-type: none"> Stop issuance of bottled mineral water at meetings/ trainings/wards. Replaced by refillable glass jug and cups Installation of water dispensers/ purifiers in hospital wards and public areas. 	<ul style="list-style-type: none"> 76%
Plastic bag	<ul style="list-style-type: none"> Paper bag or biodegradable plastic for medication dispensing. Issuance of biodegradables plastic bag for a charge (café/ tenants) 	<ul style="list-style-type: none"> 64%
Disposable eating utensils (plastic spoon, forks, plates, food pack, food cover etc.)	<ul style="list-style-type: none"> Encourage staff and public to bring own container for food purchases at cafeteria Replace with reusable container/utensils (glass/metal) Replace with biodegradable plastics/paper containers (for take away food) 	<ul style="list-style-type: none"> 56%

There were constraints in replacing plastic bags with paper bag for medications because of the higher cost of paper. To overcome this challenge, the Group decided to make bulk purchases of standardised paper bags for medications. The bulk purchases saw a reduction of 66% in purchasing of plastic bags. The paper bags are distributed to dispensaries at hospitals across our network.

The hospitals showed a reduction in bottled mineral water usage and cost by 58% and 56% respectively. From this initiative, we have saved 143,375 empty bottles from being dumped into landfills and managed to lessen the harmful chemicals leak into the soil and contaminate ground water.

Through awareness and the availability of alternatives, the majority of the hospitals have successfully managed to reduce their purchase of plastic mineral water bottles and straws. Many hospitals have also opted to install water dispenser/purifier at wards and public areas, to be used by patients/customers.

Comparison of bottled mineral water purchase between 2019 and 2018 is tabulated below to show reduction in mineral water purchases by KPJ hospitals.

	2018		2019		Var (%)	
	Total Qty (unit)	Total Cost	Total Qty (unit)	Total Cost	Total Qty (unit)	Total Cost
Bottled mineral water						
Total	247,502	145,738	104,127	63,644	(57.93)	(56.33)

ENVIRONMENTAL PROGRAMME

1. Zero Single Use Plastic

KPJ Healthcare Berhad, 19 September 2019



2. Nature Awareness Campaign

KPJ Pahang, 22 June 2019 -Release of 1,000 baby turtles from the sanctuary at Cherating, Pahang



ENVIRONMENTAL PROGRAMME

3. Tree Planting

- a) KPJ Selangor, 30 January 2019 – Taman Rekreasi Paya Bakau, Kampung Sijangkang
- b) KPJ Kajang, 26 December 2019– 110 flower trees at lobby area



4. Zero Single Use Plastic Campaign

Public awareness to reduce use of single use plastic bags nationwide





SOCIAL

COMMUNITY INVESTMENT

RM10.3 mil
invested in Community
Outreach Programmes

TRAINING AND CAREER DEVELOPMENT

45 hours
Achieved above target of 30
man-training hours of average
training per employee










UPHELD SAFETY AT THE WORKPLACE

7 hospitals
Accredited with Systematic
Occupational Health
Enhancement Level Program
(SoHelp)



"At KPJ, we strive to make life better, not just for our patients but also our community. We are committed to providing affordable quality healthcare to low income groups through our flagship KWAN clinics and mobile clinics. Public health is also priority for us, and we conduct public health campaigns and talks, where our medical professionals share their knowledge on disease detection and control with various segments of the population. In collaboration with Social Welfare Department (JKM) we conducted Baby Hatch Programme which provides a safe environment within our hospitals for troubled mothers to drop off their infants whom they are unable to care for. I must credit many of our sustainability initiatives to our talented staff who are never short of ideas and keen to execute them. KPJ will continue to nurture and care for them because they are our core assets.

Dato' Amiruddin Abdul Satar
President and Managing Director

Materiality People	Link to Our Seven Strategic Thrusts	Key Stakeholders	Initiatives	Performance Indicators
1. Community Outreach	Thrust 1 – Capacity Building Thrust 7 – Sustainable Value for Stakeholders  	<ul style="list-style-type: none"> • Patients • Employees & Consultants • Local Communities • Accreditation Bodies & Associations • Government & Regulators 	<ul style="list-style-type: none"> • KWAN • Brigid Wakaf • Baby Hatches • Educating the Public 	<ul style="list-style-type: none"> • Amount Spent on Community Outreach Programme
2. Our Workforce	Thrust 5 – Talent Management 	<ul style="list-style-type: none"> • Patients • Employees & Consultants • Local Communities • Government & Regulators 	<ul style="list-style-type: none"> • Investment in policies, programme and benefits for employees • Activities conducted to hire new staff • Awareness promotion on workplace harassment including policies/code governing non-discrimination and zero tolerance for sexual harassment. • Building a Culture of Corporate Integrity 	<ul style="list-style-type: none"> • Grievance Mechanism – complaints solved • Integrity Initiatives (Publicly stated commitment to work against corruption in all its forms, including bribery and extortion)
3. Training and Career Development	Thrust 5 – Talent Management Thrust 7 – Sustainable Value for Stakeholders  	<ul style="list-style-type: none"> • Patients • Employees & Consultants • Local Communities • Accreditation Bodies & Associations • Government & Regulators 	<ul style="list-style-type: none"> • Group policy on minimum 30 hours training for all employees • Facilitate internal and external training programmes 	<ul style="list-style-type: none"> • Training hours per employee • Equal opportunity for employment with defined career path for employees
4. Employee Benefits and Welfare	Thrust 5 – Talent Management 	<ul style="list-style-type: none"> • Employees & Consultants 	<ul style="list-style-type: none"> • Advocating Work Life Balance 	<ul style="list-style-type: none"> • Employee Benefit and Welfare, Advocating Work Life Balance
5. Employee Engagement	Thrust 5 – Talent Management 	<ul style="list-style-type: none"> • Employees & Consultants 	<ul style="list-style-type: none"> • Talent Management (TM) Open Day • KPJ Pedoman • Healthy Breakfast • KPJ Buzz Intranet Portal • Psychosocial well-being life • Engagement Employee Survey 	<ul style="list-style-type: none"> • Employee Engagement Index
6. Diversity	Thrust 5 – Talent Management 	<ul style="list-style-type: none"> • Employees & Consultants 	<ul style="list-style-type: none"> • Equitable level of wages between men and women • Return to Work Programme • Diversity at the workplace 	<ul style="list-style-type: none"> • Diversity of governance bodies and employees
7. Safety at the Workplace	Thrust 5 – Talent Management 	<ul style="list-style-type: none"> • Employees & Consultants 	<ul style="list-style-type: none"> • Ongoing and Regular Training • Workplace Inspection Checklist Form • Hazard Identification Risk Assessment and Risk Control / Determining (HIRARC / HIRADC) • Feedback Form • Potential Fire Risk • SoHelp • Disaster and Emerging Management Plan (DEMP) 	<ul style="list-style-type: none"> • Occupational Health and Safety Management System



SDG Target 1.2

Materiality People 1: Community Outreach

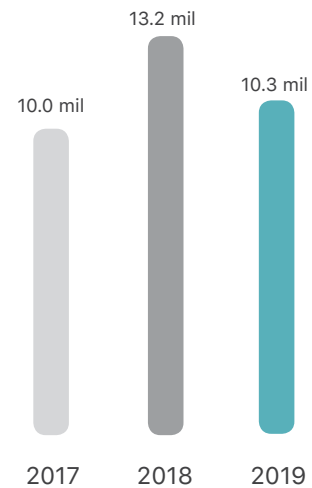
KPJ'S COMMUNITY OUTREACH INITIATIVES ARE IN LINE WITH THE GOVERNMENT'S ASPIRATIONS TO SPUR COMMUNITY DEVELOPMENT AND SOCIAL WELFARE. AT THE SAME TIME, INCREASE UNIVERSAL ACCESS TO HEALTHCARE NATIONWIDE, THEREBY PROMOTING PUBLIC HEALTH AND SAFETY.

As such, our efforts cover basic healthcare screening, public health talks and campaigns promoting healthy lifestyles and good hygiene. As part of our support for Target 2030 Agenda 1.2, we provide affordable and accessible healthcare services for the underprivileged and B40 group, through our mobile clinics and KWAN nationwide. To date, seven of our KWANs are accredited by MSQH, a testament of its quality service.

As of 2019, there were 18 KWANs and four mobile clinics across Malaysia; KPJ has invested RM10.3 million in this community outreach programme.

Community outreach programmes 2017-2019

Amount spent in Community Outreach Programmes (RM' million)



KLINIK WAQAF AN-NUR (KWAN)

KPJ's community outreach flagship programme, KWAN provides quality healthcare services for the underprivileged and B40 groups at very affordable rates; a medical consultation and medication for RM5. While a dialysis treatment costs RM90 per session.

Since its inception in 1998, some 1.7 million patients were treated at KWAN clinics. To reach out to the poor, especially in rural areas that are predominantly Malay-Muslim, KWAN has forged strategic partnerships with state Islamic religious authorities. They are Majlis Agama Islam Negeri-Negeri Johor, Negeri Sembilan, Selangor, Perak, Penang, Kelantan and Sarawak; three religious bodies comprising Lembaga Zakat Selangor, Baitulmal Sarawak and Perbadanan Waqaf Selangor; and one non-governmental organisations (NGOs)/Bank Muamalat.

By providing affordable and quality healthcare services, KPJ strives to alleviate pressure on public healthcare services while making contributions towards the social well-being of the country's underserved communities.

Moving forward, we aim to focus on strengthening our mobile clinic operations. In 2019, new strategic partnerships were formed between Kedah Medical Centre and Lembaga Zakat Negeri Kedah.

STATIC CLINIC
120,941
2019
(2018 : 120,399)
(2017 : 121,846)

MOBILE CLINIC
3,677
2019
(2018 : 3,902)
(2017 : 2,464)

TOTAL KWAN'S PATIENT
124,618
2019
(2018 : 124,301)
(2017 : 123,301)

BRIGED WAQAF

Briged Waqaf is a voluntary group formed in 2007 by our parent company JCorp through Waqaf An-Nur Corporation Berhad (WANCorp). Briged Waqaf was recognised by the National Security Council in 2009 and has become a non-profit entity that provides much needed humanitarian aid to Malaysians at risk during times of national disasters.

Briged Waqaf is a channel for all staff members from its Group companies to contribute humanitarian aid and conduct social programmes based on their skillset and capacity under JCorp.

KPJ as the healthcare arm in this Group has 248 volunteers from seven hospitals serving Southern Region and called themselves Briged Waqaf Kompeni Salahuddin Al-Ayubi. These volunteers work at KPJ Johor, KPJ Puteri, KPJ Pasir Gudang, KPJ Kluang Utama, KPJ Bandar Maharani, KPJ Bandar Dato' Onn and Klinik Wakaf An-Nur Pasir Gudang.

In 13 October 2019, KPJ expanded its participation to the Central Region named Briged Waqaf Kompeni Ibnu Sina. This Kompeni has 104 volunteers from all Klang Valley hospitals as well as from the KPJ headquarters.

In order to reward their spirit in volunteerism, KPJ provides a daily allowance to staff on duty during disaster relief efforts.

Over the years, Briged Waqaf has participated in disaster relief missions, which include providing basic health checks, treatments and distributing medicines to survivors of disasters. Among the humanitarian relief missions were the Humanitarian Relief for Earthquake Victims in Padang, West Sumatra, Indonesia (2009), Flood Relief in Kedah (2010), Flood Relief in Johor (2011), Flood Relief in Pahang (2013), Flood Relief in Kelantan (2014/2015) and Flood Relief in Penang (2017).

In March 2019, 82 volunteers joined authorities to provide medical assistance, medicines and other essentials to victims of the Kim Kim River toxic pollution accident that occurred in Pasir Gudang. The dedicated volunteers took turns to serve the affected community over seven days.

We donated almost 4,000 pieces of surgical masks to the public and various medical items to help the victims, including the mineral water and clinical waste bins.



KPJ extending support to victims of Kim Kim River toxic pollution accident



SDG Target 3.2

BABY HATCHES

KPJ's baby hatch programme is conducted in collaboration with the Social Welfare Department (JKM) and OrphanCare, a child protection NGO which provides unfortunate mothers with the option of safely dropping off their new-borns where they are unable to take care of them.

This is in response to the unfortunate social trend in the country where mothers who are unable to care for their babies have chosen to abandon them in unsafe places, which in many cases has resulted in the infant's death. By providing this option, and conducting public awareness programmes on the initiative, KPJ is able to contribute to the reduction of this social ill.

To date, we have received 35 babies, who were then placed for adoption through a regulated process overseen by Orphan care and JKM in Peninsula Malaysia, and by JKM in East Malaysia.

Currently, baby batches are available in the following KPJ hospitals nationwide:



	♂ Boy	♀ Girl	
KPJ Kuching	-	02	02
KPJ Penang	01	01	02
Total for 2019	01	03	04



EDUCATING THE PUBLIC

As part of our commitment to educate Malaysians on early detection of disease and prevention, we conduct a number of public education and awareness talks and health screening programmes throughout the year.

Amongst our initiatives for 2019 include the following:

Combat obesity since young

Ayam Brand Community Care 2019

KPJ is one of the original partners of the Ayam Brand™ CSR project that began in 2007. Its objective was to educate youths on healthy meals and provide them with the skills to prepare their own Healthy Malaysian Plate meals. Our dietician from KPJ Ampang Puteri became involved in the nutrition talks.

In November 2019, KPJ Ampang Puteri held an event with a theme “Ayam Brand™ Community Care Campaign - Get Healthy Malaysia, Start Now”. This event is in line with the MOH’s effort to reduce burden of Non-Communicable Disease (NCDs) and combat the high obesity rate among young Malaysians. The event was attended by 26 children from 10 states.

Improved Healthcare for All

KPJ-Pfizer General Practitioners’ (GP) Medical Updates

KPJ collaborated with Pfizer to host its inaugural Group General Practitioners’ (GP) Medical Update 2019. This is a knowledge-sharing platform between KPJ specialist consultants and general practitioners from various parts of Malaysia.

There were three events, one held in Kuala Lumpur (14 July 2019), another in Ipoh (17 August 2019) and the last in Johor (16 November 2019). We received encouraging response with more than 500 GPs coming together with our medical team.

At each event, KPJ consultants shared their know-how across several medical disciplines. The sessions covered ‘Up-to-Date Trends and Topics’ as well as best practices and medicines for vaccination, diabetes, hypertension and cardiovascular diseases.

These events recognised the important role GPs play in the nation’s healthcare ecosystem for the benefit of the patients and establishing a common goal “Improved Healthcare for All”. While the sessions aim to be beneficial to the GPs, it was also an exercise to strengthen KPJ’s relationship with GPs.

Bernama TV Medical Today Show

KPJ participated in 13 episodes of Bernama TV’s Medical Today online show which attracted 260,879 views. All episodes can be viewed on the Bernama TV Youtube channel. The topics were shared and discussed by the speakers and panels:

Future Retirees and Pensioners

Karnival Rasa Sayang (KRS) by Kumpulan Wang Persaraan (KWAP)

KPJ participated in the Karnival Rasa Sayang held at Stadium Shah Alam Melawati on 5 and 6 October 2019 by providing health screening and eye checks for 3,000 participants. The 2-day event was launched by the Tan Sri Ahmad Badri, Treasury Secretary General Ministry of Finance.

The event aimed to educate and promote retirement readiness and active ageing. This includes remaining active, living well and enjoying the golden years with a positive mindset. Shah Alam was chosen as the venue for the event because the city aspires to become the “most liveable knowledge city” in Malaysia. It is becoming popular as the preferred city to live and work, and has the potential to attract future retirees.

Speakers and topics for Bernama TV Medical Show:

SPEAKERS	DESIGNATION
Dr. Yeo Chee Kian	Consultant, Cardiology
Dr. Mohan Varutha Rajoo	Fertility Consultant, Obstetrician & Gynaecologist
Dr. Aminudin Rahman Mohd Mydin	Consultant, Clinical & Radiation Oncologist
Dr. Azura Deniel	Consultant, Clinical Oncologist
Datuk Dr. Ahmad Shukri Bin Md Salleh	Consultant Physician & Gastroenterologist Hepatologist
Dr. Mohammad Iqbal Sarwar	Consultant, Paediatrician & Neonatologist
Prof Datuk Dr. Zulkifli Ismail	Paediatrician & Paediatrician Cardiologist
Dr. Norazlina Bachik Ng	Specialist, Cataract, Refractive and Anterior Segment surgery
Tuan Haji Aminudin Dawam	Executive Director, KPJ Healthcare Berhad
Dr. Ng Teck Siang	ENT Surgeon, Subspecialized in Otology & Neuro-Otology
Dr. Sharina Binti Mohd Razali	Consultant Obstetrician & Gynaecologist
Dr. Mohamad Muzafar Hamirudin	Consultant Prosthodontist / Dental Restorative Specialist
Dr. Rahmat B. Harun @ Haron	Consultant Neurosurgeon
Dr. Rajeentheran Suntheralingam,	Paediatrician, Consultant Urologist & Urological Surgeon
Datuk Dr. Haron Ahmad	Consultant Surgeon (General & Hepatopancreatobiliary / Laparoscopic Surgery)
Dr. Naveen Rajadurai	Consultant Musculoskeletal Radiologist (Diagnostic & Intervention)

ORGANISATION	TOPICS
KPJ Tawakkal KL Specialist Hospital	Cardiovascular diseases are correctible problems
KPJ Damansara Specialist Hospital	The keys to IVF success
KPJ Damansara Specialist Hospital	Cancer Care/Management & Weak Immune System
KPJ Ampang Puteri Specialist Hospital	Cancer Care/Management & Weak Immune System
KPJ Damansara Specialist Hospital	Endoscopy Is Purposeful & Preventable
KPJ Damansara Specialist Hospital	NICU: A Parents First Journey
KPJ Selangor Specialist Hospital	Now more than Ever
KPJ Tawakkal KL Specialist Hospital	Brand New Mission to Better Vision
KPJ Healthcare Berhad (KPJ HQ)	The future of healthcare in Malaysia
KPJ Damansara Specialist Hospital	Non-Cancerous ENT Disorders
KPJ Damansara Specialist Hospital	Obstetric & Gynaecological Disorders
KPJ Dental Specialist Centre	Teeth without teeth
KPJ Selangor Specialist Hospital	Early warning for brain & spinal cord injuries
KPJ Damansara Specialist Hospital	Urological care for patients
KPJ Damansara Specialist Hospital	Restoring health through bariatric surgery
KPJ Damansara Specialist Hospital	Back pain – Minimally invasive treatment options



KPJ-Pfizer General Practitioners' (GP) Medical Updates 2019



Karnival Rasa Sayng (KRS) by Kumpulan Wang Persaraan (KWAP)

SUSTAINABILITY REPORT

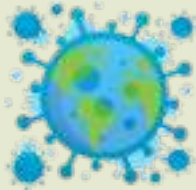
ECONOMIC

ENVIRONMENTAL

SOCIAL

Materiality People 2: Our Workforce

We take pride in our employees, who are at the forefront in providing the best quality healthcare services to all our patients. They play an important role in making KPJ what it is today. As such, KPJ is committed to ensure our employees' right are protected and we comply with laws and regulations as stated herein. We will ensure our employees are accorded with fair policies, benefits coupled with work-life balance initiatives as well as professional growth and development opportunities. With that in mind, we aim to become the employer of choice in the country's healthcare sector.



COVID-19 PANDEMIC

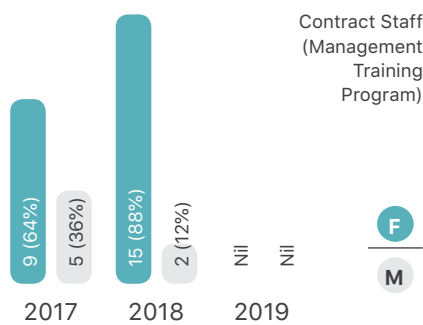
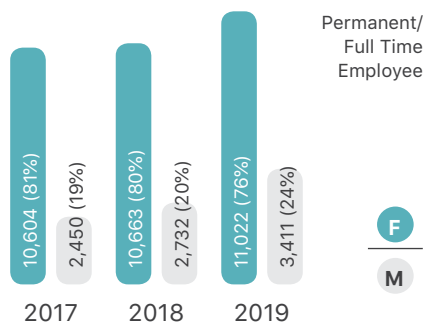
Our first priority has been to protect the well-being of our employees and their families. We impose self-quarantine travel restriction for staff that have been to high risk countries. Due to the partial lock down announced by the Government on beginning 18 March 2020, we ensured that our back office staff work on rotation basis or work from home until further notice.

All our clinical staff have been trained for readiness of and in full compliance with the MOH guidelines to protect them while managing the highly contagious Covid-19 pandemic. Front liners were provided with full Personal Protective Equipment (PPE). Other staff and Healthcare Professional/ Provider (HCP) were screened daily for symptoms of Covid-19 infection, and suspected cases were swab-tested and quarantined; where further treatment was needed, the staff was referred to a designated government hospital.

Significant investments had been made to ensure our employees professional growth and development are taken care of, through the following policies, programmes and benefits:

- Providing fair and equitable benefits and welfare provisions
- Promoting career development through training and upskilling programmes
- Encouraging employee engagement to embrace a 'speak up' culture
- Cultivating a positive workplace culture and environment
- Facilitating work-life balance
- Creating a safe workplace
- Promoting diversity and inclusion at work
- Adoption of current and future IT trends at work

Employee Breakdown According to Position



NEW HIRES

Our hiring policy dictates that we fill vacancies through recruitment and transfers wherever possible. In our quest to ensure quality employees, we adhere to strict recruitment processes and a selection criteria

based on their merit, qualification as well as past experiences.

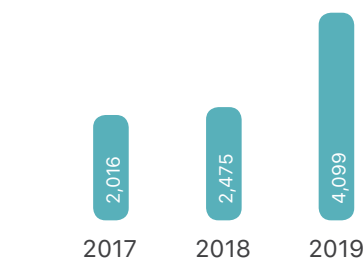
This is also include race, religion, gender, age, sexual orientations, physical/mental /sensory disabilities, political beliefs and nationality. We practice no child and youth person labour and no forced labour in any kind of work.

All employment decisions at KPJ are based on business needs, job requirements and qualifications.

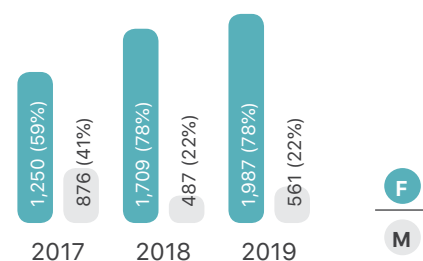
Vacancies in KPJ are publicised in the following ways:

- Career and Campus Job Fairs organised at selected public and private universities and colleges
- Job Advertisements:
 - o For external candidates via major newspapers, Job Portals such as Jobstreet.com, LinkedIn, WOBB etc.;
 - o For internal candidate via internal job advertisements at all KPJ hospitals and its related companies
 - o Posting job advertisements at selected public and private universities and colleges
- Recruitment agencies
- Employee Referrals

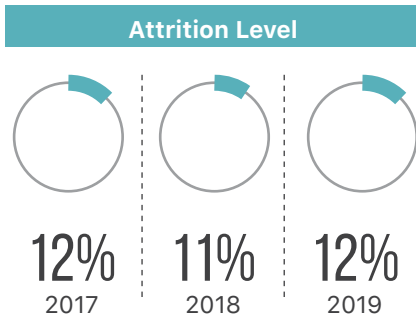
Resumes sent by potential candidates



New Hire Breakdown by Gender



ATTRITION LEVEL

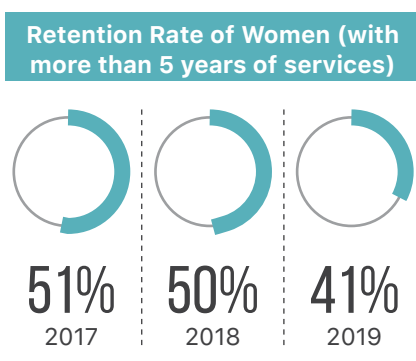


Attrition Level by Gender (pax)

	2017	2018	2019
F	1,106 (69%)	1,401 (75%)	1,400 (78%)
M	504 (31%)	459 (25%)	395 (22%)

Attrition Level by Age Group (pax)

	2017	2018	2019
U30	1,059 (66%)	1,262 (68%)	1,208 (67%)
30-50	472 (29%)	478 (26%)	462 (26%)
A50	79 (5%)	120 (6%)	125 (7%)



SDG Target 5.2

ADDRESSING GRIEVANCES

AS A RESPONSIBLE EMPLOYER, WE PROMOTE COMPLIANCE OF OUR WORKPLACE HARASSMENT POLICY/CODE, WHICH INCLUDES NON-DISCRIMINATION AND ZERO TOLERANCE TOWARDS SEXUAL HARASSMENT OUTLINED IN OUR EMPLOYEE HANDBOOK.

This handbook is available on the Employee Self Service (ESS) Portal. We have a structured process to address the grievances of our employees. They involve the following three steps:

Our Grievance Mechanism Process



In 2019, we resolved 95% of grievance issues.

2017	2018	2019
74	148	75

BUILDING A CULTURE OF CORPORATE INTEGRITY



SDG Target 16.5

AT KPJ, INTEGRITY PLAYS A PIVOTAL ROLE AS EXEMPLIFIED BY THE ACTIONS OF OUR EMPLOYEES IN THEIR DAY TO DAY INTERACTIONS AT WORK.

To build a culture of integrity and ensure compliance with the relevant laws and regulations in line with our Corporate Integrity Pledge, as well as in support of the Target 2030 Agenda 16.5, KPJ has developed various policies and procedures and programmes to address all forms of corruption in the Group. In addition, we also collaborate with stakeholders, especially employees and vendors/suppliers, to promote transparency and a zero tolerance towards corruption and bribery.

Our Code of Ethics and Business Conduct sets our expectations of the behaviours and conduct of our employees. Each employee is expected to take a "Service Pledge" declaration at "PEDOMAN", our annual staff gathering held at our hospitals. In addition, we incorporated the e-integrity pledge (e-pledge) onto the Employee Self Service (ESS) portal in 2014.

It features a module on the Declaration of Assets, which is compulsory for all employees to complete and is incorporated into our Human Resource Information System (HRIS). This is done to ensure there are no conflicts of interest, corruption and mismanagement in our efforts to promote transparency and good governance.

At the Group level, all hospitals' and subsidiaries' vendors, contractors, suppliers and other related third parties which based in Malaysia are expected to sign the Corporate Integrity Agreement (CIA)/ declaration. In 2019, there were no incident where contracts were terminated or not renewed due to violations related to fraud, bribery or corruption.

INTEGRITY INITIATIVES IN 2019

1,268 employees attended Integrity Talk at all hospitals

8,214 local vendors and suppliers signed the Corporate Integrity Agreement/Declaration

96% of employees signed e-integrity pledge via Employee Self Service (ESS) portal

ISO 37001:2016 - Anti Bribery Management System

KPJ is embarking on the ISO 37001 Anti-bribery Management system which should be ready by June 2020. This system is aligned with the enforcement of Malaysia Anti-Corruption Commission Act, 2009, where Section 17A fulfills international requirements as listed under Article 26 of the United Nations Convention against Corruption (UNCAC), which refers to the liability of legal persons.

We formed the ABMS Steering Committee in 2019 to look into the policy, standard operating procedures and other requirements of this ISO standard. With the implementation of the ISO 37001, KPJ is expected to strengthen the integrity and ethical values of all stakeholders.

Some of the KPJ initiatives that already comply with ABMS are the Group's "Malaysian Corporate Integrity Pledge" introduced in 2011, based on the Malaysian Institute of Integrity (MII) guidelines that support of Government efforts to combat corruption and unethical practices.

The Group also has put in place the "No Gifts and Entertainment" Policy and "Annual Asset Declaration" Policy that are applicable to all staff. These policies aim to uphold ethical and responsible behaviour by employees and avoid conflicts of interest in ongoing or potential business dealings between the Group, suppliers and service providers.

In line with the National Anti-Corruption Plan 2019, launched by the Government in January 2019, four officers from KPJ became Certified Integrity Officer (CeIO), having successfully completed the program in a collaboration with JCorp and the Malaysian Anti-Corruption Commission (MACC) to manage all aspects of business integrity.



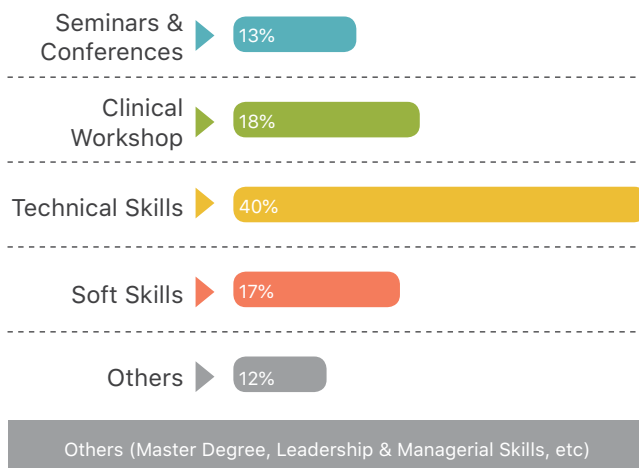
SDG Target 4.3

Materiality People 3: Training and Career Development



In March 2020, Talent Management conducted more than 20 complimentary online training and webinar sessions for all employees to assist them with remote working from home. Talent Management also provided motivational sessions for employees to remain productive during the MCO. Staff attendance and training hours for the online training were recorded.

Percentage of Employees Receiving Training in 2019 (by Category)



2019 HIGHLIGHTS

KPJ provides high quality education for the personal and professional development of its employees. In 2019, we had conducted 1,785 Clinical Programmes that were attended by 9,076 Clinical & Allied Health employees. We invested RM1.76 million (RM1,756,882) for the Post-Basic Program in 2019.

For more details, please refer to Materiality Economic 4- Nurturing Future Medical Professionals.

At KPJ, we provide our employees with continuous training and career development opportunities through a tailored talent development programme, which can help them in their clinical or management career.

In 2019, we spent RM10.9 million on training and development programmes that benefitted majority of our employees, a decline of 2% (or RM0.2 Million) from the previous year due to high utilisation of the Human Resources Development Fund (HRDF). In 2019, employees received an average of 45 hours of training, exceeding the mandatory of 30 hours per year.



Breakdown of Talent Development in KPJ

	2017	2018	2019
Amount Invested in Talent Management (RM' million)	RM12.2	RM11.1	RM10.9
Average Training Hours per Employee	40 hours	43 hours	45 hours
Training Hours by Gender			
Female	264,400	451,155	483,645
Male	62,040	112,789	136,412
Training Hours by Category			
Manager	30,840	45,116	55,805
Executive	178,840	287,611	310,029
Executive Assistant	116,760	255,578	254,224



SDG Target 3.2



SDG Target 10.3

Materiality People 4: Employee Benefits and Welfare

IN SUPPORT OF TARGET 3.2 AND MAINTAINING OUR POSITION AS EMPLOYER OF CHOICE WITHIN THE HEALTHCARE SECTOR, KPJ RESPECTS THE RIGHTS OF ALL EMPLOYEES AS EVIDENCE IN THE EQUAL AND COMPREHENSIVE BENEFITS AND WELFARE WE OFFER OUR PEOPLE.

Our employee benefits and welfare are also aligned with Target 10.3, where we adopt a no discrimination policy that is practised across all our businesses, especially with regard to remunerations and benefits.

Talent recruitment is extremely competitive in our industry; and we are aware to maintain our status as employer of choice it is imperative that our own employees are happy and contented to ensure the long-term sustainability of our businesses.

Aside from competitive salaries and benefits, our full-time employees are offered the following:

- Free annual medical screening for employees aged 45 and above;
- Free medical coverage for inpatient and outpatient services that also cover their immediate families;
- Employees Provident Fund (EPF) contribution of up to 15% since 2015, 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 study at KPJUC, and placement in KPJ Hospitals based on their final results;
- Parental Leave ;
- Living Well Programme designed for employees diagnosed with critical lifestyle-related illnesses such as diabetes and hypertension; they can access their latest health status to enable them to make better informed lifestyle choices;
- 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 RM 1.5 million has been allocated Group-wide for this purpose



SDG Target 3.2

ADVOCATING WORK-LIFE BALANCE

IN LINE WITH OUR SUPPORT FOR TARGET 3.2, WE PROVIDE ADDITIONAL HEALTHCARE OPTIONS FOR OUR FEMALE EMPLOYEES, EMPOWERING THEM WITH A HEALTHY LIFESTYLE AS WELL AS PROVIDING THEM WITH A GOOD WORKING ENVIRONMENT.

At KPJ, our work-life-balance initiatives aim to empower employees to strike a balance between their family and work commitments. We are proud that this initiative has contributed towards a high employee satisfaction and strong retention rates.

Some of our work-life balance initiatives include:

- Flexible working hours;
- Onsite childcare centre with 24/7 breastfeeding room
- Promotion of healthy living amongst our employees through wellness programmes and health initiatives;
- Time off to attend to personal matters;
- Special parking for pregnant employees;
- Work from home for employees in Information Technology Services (IT) for up to two days per week; and
- Provision of daily healthy breakfast
- Respect the rights of employees to practice their religion during their working hours.

Work-Life Balance Benefits

PARENTAL LEAVE	2017	2018	2019
No. of male employees who were entitled to and utilised their 2 days parental leave	90	172	74
No. of female employees who were entitled to and utilised their 60 days parental leave	864	1,018	891



SDG Target 3.4

Materiality People 5: Employee Engagement

WE ENGAGE WITH OUR EMPLOYEES ON A REGULAR BASIS AND IT IS THIS CONSISTENCY THAT HAD ENABLED US TO MOTIVATE OUR EMPLOYEES TO PERFORM THEIR BEST; THEY ARE AT THE FOREFRONT OF THE KPJ BRAND AND SEEN AS BEING SYNONYMOUS WITH THE HIGH QUALITY PATIENT-CENTRIC HEALTHCARE PROVIDER.

The focal point of our employee engagement initiatives is centred on hosting meaningful events for employees. Besides this, we show our appreciation by sending personalised birthday e-mail messages, festive greetings and, condolence messages in the event of the passing of their loved ones. We also share information in our group e-mails with topics that we consider as meaningful to our employees.

In 2019, we conducted the following Group Employee Engagement activities:

- **Talent Management (TM) Open Day**

This annual event provides employees the opportunity to engage with the TM team directly. Held at all KPJ hospitals and companies in the group, we also extend our invitation to Government agencies and companies such as banks, insurance companies to come and set up booths and give informative talks to our employees.

- **KPJ PEDOMAN**

A much-anticipated annual event, KPJ PEDOMAN is an interactive sharing and communication platform whereby employees are free to share, give feedback and have a dialogue with KPJ's President and Managing Director.

• **Healthy Breakfast**

The healthy breakfast programme for employees was initiated by KPJ Headquarters, and it was subsequently adopted by all hospitals and subsidiaries. TM conducted periodic survey to gather feedback on the food served and suggestions for future improvements.

• **KPJ Buzz Intranet Portal**

This portal was launched in 2018 to serve as a centralised digital platform for internal employee communication and updates on work-related activities.

• **Psychosocial Health**

We acknowledge that the healthcare business is an extremely stressful environment to be in. And our employees are exposed to this stress on a daily basis. The well-being and welfare of our medical team and employees are our priority. Therefore, we provide counselling on work related and personal

issues, and support employees experiencing traumatic incidents, stress management and motivational sessions. At the same time, we strive to promote a safe and healthy environment in and around our facilities and sites. Additionally, we encourage active mobility and sports by offering relaxing work environment and smoke-free healthcare facilities.

* **Employee Engagement Survey**

We improve our employee engagement and two-way communication by conducting the Employee Engagement Survey every 4 years. We started our first Employee Engagement Survey in 2014 followed by the KPJ Pulse Survey in 2015. The latest survey was conducted in 2018, by Hay Group which resulted an average of 75%. Our employees reported increased by 11% in engagement and 8% in enablement levels, which ultimately provide them with adequate to perform at work.



SDG Target 5.1

Materiality People 6: Diversity

WE BELIEVE THAT HAVING A DIVERSE WORKFORCE IS GREAT FOR OUR BUSINESS, AS IT CAN BENEFIT FROM DIFFERENT VIEWPOINTS AND OPINIONS.

Equitable Level of Wages between Men and Women

We support Target 5.1 which respects women’s rights and supports the empowerment of women in the workplace. We take pride that women employees make the 80% of our Group total workforce. We believe this is an outcome of the equitable opportunities available at KPJ when it comes to training and development, wages and other matters that are in line with our non-discrimination hiring policy.

	2017	2018	2019
Ratio of Basic Salary and Remuneration of Women to Men	1:1.4	1:1.4	1:1.1

Return to Work Programme

Inclusiveness and diversity forms part of KPJ’s culture, as such, we have the Persons with Disabilities (Orang Kurang Upaya or OKU) recruitment drive. In this regard, we collaborate with PERKESO’s, ‘Return to Work Programme’, by providing differently-abled individuals and pensioners the opportunity to return to work.

	2017	2018	2019
Physically Challenged Staff	2	4	11
Visually Impaired Staff	11	4	5



Diversity of KPJ Board of Directors – Gender and Race

Gender	Malay	Chinese	Indian
Female (8%)	-	1 (8%)	-
Male (92%)	10 (76%)	1 (8%)	1 (8%)



Diversity of KPJ EXCO's Management (Malaysia) – Gender and Race

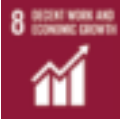
Gender	Malay	Chinese	Indian
Female (23%)	3 (23%)	-	-
Male (77%)	9 (69%)	1 (8%)	-

Diversity of KPJ's Specialist Consultants (Malaysia)

	Malay	Chinese	Indian	Others
Race	553 (50%)	337 (30%)	184 (17%)	31 (3%)
Gender	 Female 247 (22%)	 Male 858 (78%)		

Diversity by KPJ's Employees (Malaysia)

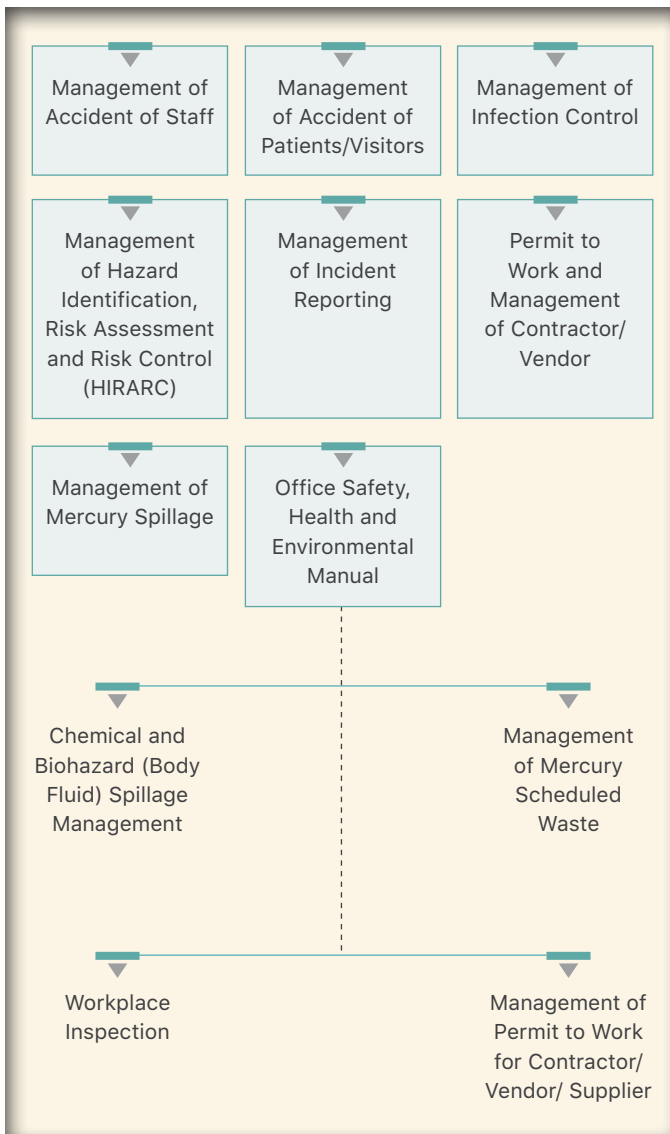
	Malay	Chinese	Indian	Others
Race	11,649 (81%)	652 (4%)	1,121 (8%)	1,011 (7%)
Gender	 Female 11,022 (76%)	 Male 3,411 (24%)		



SDG Target 8.8

Materiality People 7: Safety at the Workplace

Policies and Regulations which KPJ Adheres to:



Disaster drill in KPJ Ampang Puteri: Decontamination of victim due to chemical spillage by Hazardous Material Unit Team (HAZMAT), BOMBA

We ensure the highest standards when it comes to health and safety at the workplace, both within our hospitals and office locations. In our hospitals, this sets the basis for our high-quality healthcare services, where a safe environment is foremost for patient safety as well as that of our employees.

Our health and safety policies, processes and systems are embedded within the IMS system that is in compliance with our hospitals' JCI and MSQH accreditation standards, which also covers the OHSAS 18001:2007.

Meanwhile, our SHE Policy outline measures regarding safe and proper way of disposing sharp and hazardous objects. At the same time, the policy also sets out measures for monitoring the exposure levels of employees working with medical equipment that emit radiation. In addition, vaccination policies are also in place for Typhoid and Hepatitis B for all our clinical and support services, this is to ensure that the employees are free from diseases.

Our Safety and Health Officer and Environmental Officer are registered with the Department of Occupational Safety and Health (DOSH) Malaysia and have to date, undergone DOSH-recognised safety training courses conducted by the National Institute of Occupational Health and Safety (NIOHS) and Environment Institute of Malaysia (EIMAS).

In addition, a series of SHE related systems and processes had been embraced by our employees, such as Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Environmental Impact (EA) systems. These systems help us in identifying potential hazards, as well as to control risks and assess injury due to exposure to these hazards.

On-going training are conducted regularly for all our employees to keep them abreast on the latest OSH practices and procedures. At the same time, we also share information Group-wide, so all our employees are aligned in the adoption of preventive measures. Aside from our employees, our vendors and suppliers are also required to adhere to our health and safety standards.

Health and Safety is a continuous effort, as such we consistently and continuously monitor the health and safety incidents of our employees. In this regard, we are committed to achieving zero incidents in the long-term. All incident reports are reported and recorded in Q-Radar system.

In 2019, we recorded a 2.6% increase on OSH-related incidents compared to previous year. An increase in the number or rate reported incidents indicate a higher propensity to record and report incidents after SoHelp implementation.

OSH RATES	2017	2018	2019
* Fatality Rate	0	0	0
* Incident Rate	12.5	5.3	6.7
** Frequency Rate	5.1	2.2	2.3
** Severity Rate	19.9	8.1	10.4
Total man-hours worked	22,935,744	24,568,128	32,722,312

Note:

* Rates were calculated over annual average number of employees in the respective year

** Rates were calculated over total man-hours work for all employees in the respective year (8 working hours per day)

Types of incidents recorded include slips and falls, fall from heights, sharp injury, chemical spoils, burns, electrical incidents and other office-related incidents as required to be reported under OSH (Notification at Accidents, Dangerous, Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004.

Initiatives to Reduce Health & Safety Incidents at KPJ Hospitals

Workplace Inspection Checklist Form

This form has been reviewed and revised by the OSH Committee and workplace inspection is to be conducted every 3 months as required by OSHA 1994.

Hazard Identification Risk Assessment and Risk Control / Determining Risk (HIRARC/HIRADC)

Annual review and revised HIRARC/HIRADC as part of compliance to IMS for ISO Certification, MSQH and JCI.

Feedback Form

To act upon any feedback related to safety and health within the hospitals.

Potential Fire Risk

Revised checklist on physical checks on annual basis of all potential fire risk especially isolated areas or not commonly accessed by staff and contractors/ vendors.

Workers' Health and Decent Jobs - Systematic Occupational Health Enhancement Level Program (SoHelp)

The workplace is a key setting for preventing disease and promoting health. The WHO Global Workers' Health Programme addresses the full range of occupational diseases and injury risk, environmental, social and individual. Promoting access to health and occupational health services for workers and their families is a key goal of the decade-long WHO Global Plan of Action on Workers Health.

KPJ has around 15,000 staff and we promote safe and secure working environments for all employees, 80% of whom are women.

Healthcare workers are exposed to significant risks of infection as well as being first responders during emergencies. Their occupational health thus requires special attention.

We support the SDG Agenda led by WHO with regard to the following SDGs:

<p>SDG 1 Elimination of Poverty</p>	<ul style="list-style-type: none"> Improving detection and reporting of occupational diseases and injuries to guarantee workers' access to employment injury schemes and meet the target of universal social protection.
<p>SDG 3 Health and well-being</p>	<ul style="list-style-type: none"> Prevention and control of occupational cancer and respiratory diseases; Expanding health coverage of workers in the informal economy by integrating occupational health and safety interventions into people-centred health care; Protecting occupational health and safety of responders to public health emergencies; Reducing workplace air pollution exposures and occupational poisonings.
<p>SDG 8 Decent work and economic growth</p>	<ul style="list-style-type: none"> Improving working conditions of workers in the informal economy; Improving the global measurement and monitoring of workers' health.

KPJ supports Occupational Safety and Health Master Plan 2016-2020, OSH Transformation

The OSH Transformation

Under Strategy 4, Mainstreaming of Industrial Hygiene Programme 1 Re-Engineering of Industrial Hygiene Management, the SoHelp is one of the occupational health management programmes at the workplace that can help reduce exposure of workers to health risks arising from occupational activity such as excessive chemical and noise exposure as well as ergonomic risks.

SoHelp is more appropriate for employers and OSH practitioners compared with conventional programmes. It aims to help to change the perception that occupational health management programmes in the workplace are complex and difficult to implement.

The aim of SoHelp is to improve occupational health management and culture at the workplace. We foresee that the SoHelp programme can improve our work process, compliances and reporting on OSH cases by taking injuries/illness of our employee seriously. This includes injuries such as backache, slip disc, carpal tunnel syndrome, conjunctivitis and the like. At the same time, we appreciate employees reporting to us their injuries/illness.

By analysing their data, we can identify and take preventive measures to develop/create conducive working environment and improve productivity.

In 2018, Kedah Medical Centre was the first to have completed the SoHelp assessment. Five other hospitals completed the assessment in 2019; they were KPJ Tawakkal KL, KPJ Damansara, KPJ Pahang, KPJ Ipoh and KPJ Perdana.



KPJ Miri Specialist Hospital

Hospitals in SoHelp Program

No	Hospital	Remarks
1	Kedah Medical Centre	May 2018 - Completed with Level 5 implementation (Excellent)
2	KPJ Tawakkal KL	April 2019 - Completed with Level 5 (Noise & Chemical) & level 3 (Ergonomic)
3	KPJ Damansara	June 2019 - Completed with Level 5 implementation (Excellent)
4	KPJ Pahang	June 2019 - Completed with Level 5 implementation (Excellent)
5	KPJ Ipoh	July 2019 - Completed with Level 5 implementation (Excellent)
6	KPJ Perdana	July 2019 - Completed with Level 5 implementation (Excellent)
7	KPJ Selangor	1 st Assessment (Phase 3)

Disaster and Emergency Management Plan (DEMP)

Disasters and emergencies are part of the healthcare industry’s ecosystem. As such, all our hospitals have a Disaster and Emergency Management Plan (DEMP) in place. The emergency management plan is established and maintained to manage disasters both internal and external.

We prepare all our employees with adequate management training and drills throughout the year. Disaster drills are also conducted hospital-wide once a year to evaluate the plan as well as employee readiness to execute DEMP.

KPJ’s DEMP involves the following:

1. Disaster Management Plan

- Disaster and Emergency Management Plan – this is based on a colour coding system. In hospitals , there is Code Yellow, Code Blue, Code Red, Code Pink and Code Black
- Code Red: Fire Rescue and Prevention/Fire Safety Plan
- Code Black: Bomb Threat

2. Clinical related Emergency Management Plans

- Code Blue: Cardiac or Respiratory Arrest
- Code Pink: Baby or Child who has been abducted or missing

A bomb threat at KPJ Seremban in November 2018 proved to be a valuable lesson for us. Following the incident, we enhanced our policies and improved our evacuation plans to improve the crisis & disaster management action plan for the entire KPJ Hospital’s Group . This was based on KPJ Seremban sharing their experiences and findings after a post mortem of what happened. An improvement plan was then formulated and discussed at Group Risk Officers Meeting held in November 2019.

GRI CONTENT INDEX

This report has been prepared in accordance with GRI Standards: Core option.

GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)	
General Disclosures				
GRI 102: General Disclosures 2016	Organisational Profile			
	102-1	Name of the organisation	cover page	
		Activities, brands, products, and services	-	Refer to pages 4-7 of the Integrated Report 2019
	102-3	Location of headquarters	back cover	
	102-4	Location of operations	-	Refer to page 4 of the Integrated Report 2019
	102-5	Ownership and legal form	-	Refer to pages 128-129 of the Integrated Report 2019
	102-6	Markets served	-	Refer to pages 78-99 of the Integrated Report 2019
	102-7	Scale of the organisation		Refer to pages 6-7 (What We Do), 10-11 (Value Creations) & 74-75 (5-Years Financial Performance) of Integrated Report 2019
	102-8	Information on employees and other workers	pages 82-93	
	102-9	Supply chain	pages 32 & 44	Refer to pages 40, 42, 85 (Biomedical and Commissioning Services), 93, & 95 (Pharmaserve) of Integrated Report 2019
	102-10	Significant changes to the organisation and its supply chain	page 2	
	102-11	Precautionary Principle or approach	-	Refer to pages 44-49 (Key Risks and Opportunities) of the Integrated Report 2019
	102-12	External initiatives	pages 10, 45, 49, 56, 60, 76 & 78	
	102-13	Membership of associations		We hold memberships including in those with a focus on healthcare industry. Our membership include, Malaysian Society for Quality in Health (MSQH), Joint Commission International (JCI), Malaysia Healthcare Travel Council (MHTC), Association of Private Hospitals in Malaysia (APHM)
Strategy				
	102-14	Statement from senior-decision maker	pages 4-8	
Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behaviour	inner cover	
Governance				
	102-18	Governance structure	page 14 Refer to page 131 (CG Model) of the Integrated Report 2019	
Stakeholder Engagement				
	102-40	List of stakeholder groups	page 25	
	102-41	Collective bargaining agreements	N/A Freedom of Association - In 2019, we have 494 of 13,395 or 4% of our employees were union members. We did not receive any reports on the violation of this right.	
	102-42	Identifying and selecting stakeholders	page 18, 25	
	102-43	Approach to stakeholder engagement	pages 25-33	
	102-44	Key topics and concerns raised	pages 25-33	

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
General Disclosures				
GRI 102: General Disclosures 2016	Reporting Practice			
	102-45	Entities included in the consolidated financial statements	-	Refer to pages 128-129 (Corporate Structure) of the Integrated Report 2019
	102-46	Defining report content and topic Boundaries	page 2	
	102-47	List of material topics	pages 20-24	
	102-48	Restatements of information	pages 2, 43, 63, 64 & 65	
	102-49	Changes in reporting	pages 2-3	
	102-50	Reporting period	page 2	
	102-51	Date of most recent report	page 2	
	102-52	Date of most recent report	page 2	
	102-53	Contact point for questions regarding the report	page 3	
	102-54	Claims of reporting in accordance with the GRI Standards	page 2	
	102-55	GRI content index	pages 94-99	
102-56	External assurance	page 2		

GRI 200: Economic Standard Series

Economic Impact				
Materiality Economic 3 - Improving Efficiency with Technology - a				
Materiality People 1 - Community Outreach - b				
GRI 102: General Disclosures 2016	103-1	Explanation of the material topic and its Boundary	pages a - 48-50 b - 76-81	
	103-2	The management approach and its components	pages a - 48-50 b - 76-81	
	103-3	Evaluation of the management approach	pages a - 48-50 b - 76-81	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	pages b - 76-81	Refer to pages 10-11 (Value Creations) & 76 (Statement of Value Added) of the Integrated Report 2019
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impact	page a - 48	

GRI CONTENT INDEX

GRI STANDARD	PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
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Materiality People 2 - Our Workforce : Building a Culture of Corporate Integrity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 82-85	
	103-2	The management approach and its components	pages 82-85	
	103-3	Evaluation of the management approach	pages 82-85	
GRI 205: Anti-Corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	pages 84-85	

GRI 300: Environmental Standard Series

Materiality Environmental 3 - Electricity Consumption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 2, 60-62 & 65	
	103-2	The management approach and its components	pages 60-62, 65-68	
	103-3	Evaluation of the management approach	pages 65-68	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	pages 62 & 65	
	302-3	Energy intensity	pages 62 & 65	
	302-4	Reduction of energy consumption	pages 62 & 65	

Materiality Environmental 2 - Water Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 2, 60-62	
	103-2	The management approach and its components	pages 60-62 & 64	
	103-3	Evaluation of the management approach	pages 60-62 & 64	
GRI 303: Water 2016	303-1	Water withdrawal by source	pages 60-62 & 64	

Materiality Environmental 1 - Waste Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 2, 60-63	
	103-2	The management approach and its components	pages 2, 60-63	
	103-3	Evaluation of the management approach	pages 2, 60-63	
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	page 63	

GRI STANDARD	PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
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Environmental Impact				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 2, 60-73	
	103-2	The management approach and its components	pages 60-73	
	103-3	Evaluation of the management approach	pages 60-73	
	305-2	Energy indirect (Scope 2) GHG emissions	pages 62 & 65	
	305-3	Other indirect (Scope 3) GHG emissions	pages 62, 63 & 64	
	305-4	GHG emission intensity	pages 62, 63 & 64	
	305-5	Reduction of GHG emissions	pages 62	

GRI 400: Social Standard Series

Materiality People 1 - Our Workforce - c Materiality People 4 - Employee Benefit and Welfare - d Materiality People 5 - Employee Engagement - e				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 2	
	103-2	The management approach and its components	pages c - 82-83 d&e - 86-88	
	103-3	Evaluation of the management approach	pages c - 82-83 d&e - 86-88	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	pages c - 82-83	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pages d&e - 86-88	

Materiality People 7 - Safety at the Workplace				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	page 2	
	103-2	The management approach and its components	pages 90-93	
	103-3	Evaluation of the management approach	pages 90-93	
GRI 403: Occupational, Health and Safety 2018	403-1	Occupational health and safety management system	pages 90-93	



GRI CONTENT INDEX

GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Materiality Economic 4 - Nurturing Future Medical Professionals - f			
Materiality People 3 - Training and Career Management - g			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 2
	103-2	The management approach and its components	pages f - 54 g - 85-86
	103-3	Evaluation of the management approach	pages f - 54 g - 85-86
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	page g - 86
	404-2	Programme for upgrading employee skills and transition assistance programmes	page g - 85
	404-3	Percentage of employees receiving regular performance and career development reviews	page f - 54 g - 85
Materiality People 6 - Diversity			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 2
	103-2	The management approach and its components	pages 88-89
	103-3	Evaluation of the management approach	pages 89-89
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	page 88
Materiality People 2 - Our Workforce - Grievance Mechanism			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 2
	103-2	The management approach and its components	page 83
	103-3	Evaluation of the management approach	page 83
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	page 83

GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)	
Materiality Economic 1 - Patient Satisfaction - h Materiality Economic 2 - Delivering Safe and Excellent Clinical Services - i Materiality Economic 5 - Access to Quality Healthcare - j				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 2	
	103-2	The management approach and its components	pages h - 34-39 i - 40-47 j - 56-57	
	103-3	Evaluation of the management approach	pages h - 34-39 i - 40-47 j - 56-57	
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	page i, j, & k - 36	Patient Satisfaction Index

Materiality Economic 6 - Certification, Accreditation and Standards - Personal Data Protection				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 2	
	103-2	The management approach and its components	pages 57-59	
	103-3	Evaluation of the management approach	pages 57-59	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	pages 58	



KPJ HEALTHCARE BERHAD 199201015575 (247079-M)

Level 12, Menara KPJ, 238 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.
t (603) 2681 6222 | f (603) 2681 6888

W W W . K P J H E A L T H . C O M . M Y