



KPJhealthcare
A JCORP Company

WE HEAL
WE TEACH
WE DISCOVER

SUSTAINABILITY REPORT 2024



COVER RATIONALE

The cover of KPJ Healthcare's Sustainability Report 2024 is designed to reflect the deep connection between human well-being and the natural world. At its heart is a human profile, seamlessly intertwined with vibrant organic patterns; a visual metaphor for the balance between people, nature and the healthcare ecosystem in which KPJ operates.

Swirling, leaf-like textures convey the richness and complexity of life, while the colour palette transitions from warm golden tones – symbolising vitality and care – to greens and deep blues, representing growth, knowledge and discovery. This thoughtful composition nods to sustainability in all its dimensions: environmental, social and intellectual. It is not only a work of art but a visual statement of KPJ's ongoing efforts to build a healthier, more sustainable future.

Anchored by the message "We Heal. We Teach. We Discover.", the cover reinforces the collective spirit of KPJ's mission. The repetition of "WE" highlights unity, a shared purpose and a reminder that progress happens together.

What's Inside This Report



Scan this QR Code
to download our
Sustainability
Report 2024

Icons used in this report



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



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

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About This Report

KPJ Healthcare Berhad and its group of companies and subsidiaries (“KPJ”) are pleased to present our seventh annual Sustainability Report reflecting our commitment to delivering long-term value by integrating sustainability considerations into business operations. ESG principles are central to ongoing efforts, driving enhancements across the organisation.

Sustainability is embedded within the business strategy, guided by the six capitals framework to create value while advancing sustainable development. This Report provides stakeholders with a comprehensive overview of sustainability risks, opportunities and progress toward established targets. It highlights key initiatives, challenges and developments that shape our sustainability journey, reinforcing its focus on long-term success and the well-being of communities and stakeholders.

REPORTING SCOPE AND BOUNDARIES

This report presents KPJ's sustainability performance for the year 2024, encompassing our operations. It includes data from our activities in Malaysia, for the period from 1 January to 31 December 2024, unless otherwise specified. Any significant restatements of data compared to previous years are duly highlighted within the respective sections. The information provided highlights our commitment to sustainable practices, focusing on how we integrate sustainability risks and opportunities into our operations.

The report also offers comparative data to ensure transparency regarding our progress and challenges across key sustainability areas. It outlines our targets, key performance indicators (KPIs) and strategic objectives, all aligned with the KPJ Sustainability Framework. The environmental data included in the report is drawn from 42 sites, comprising 29 hospitals and 13 subsidiaries.

Our sustainability performance is supported by strong internal controls and governance processes, ensuring the accuracy and consistency of the information presented.

REPORTING GUIDELINES, STANDARDS AND FRAMEWORKS

This report has been prepared in accordance with Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Main Market Listing Requirements (MMLR), the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and international reporting standards to ensure transparency and accuracy in sustainability disclosures. Aligned with the Global Reporting Initiative's (GRI) Universal Standards 2021, it provides a comprehensive view of performance, reinforcing our commitment to responsible practices across ESG areas.

The Sustainability Accounting Standards Board (SASB) standards for the healthcare sector have also been incorporated, focusing on key metrics related to healthcare quality and customer satisfaction. This approach strengthens long-term sustainability and financial performance, ensuring disclosures are consistent, comparable and relevant to stakeholders.

In preparation for the upcoming National Sustainability Reporting Framework, we are cognisant of the guidance from IFRS S1 and S2 and have begun to take steps towards this compliance journey.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDGs”)

We actively contribute to 13 out of the 17 United Nations Sustainable Development Goals (UNSDGs).



Please refer to page 17 for more information.

ACCURACY AND ASSURANCE

KPJ maintains robust governance processes to uphold the integrity and accuracy of the information presented in this report. Sustainability data is managed through strict internal controls, with oversight from the KPJ Group Management Committee (KGMC) and quarterly updates provided to the Risk, Sustainability and Governance Committee (RSGC).

To further strengthen transparency and adherence to the highest reporting standards, an independent third party, SIRIM QAS, conducts external verification, providing an additional layer of assurance on the accuracy and reliability of reported data.

FEEDBACK

We encourage stakeholders to provide feedback on our sustainability performance. Please send your comments and thoughts to sustainability@kpjhealth.com.my.

We are part of the Bursa Malaysia FTSE4Good index, which monitors the Environmental, Social and Governance (ESG) performance of companies. KPJ has been a constituent of FTSE4Good since 2016.



OUR REPORTING SUITE

KPJ Healthcare Berhad's Sustainability Report 2024 provides an in-depth overview of our Environmental, Social, and Governance (ESG) commitments and progress. It complements our Integrated Annual Report 2024, offering stakeholders a holistic perspective on our sustainability initiatives alongside financial and strategic disclosures.



For more information on our reporting suite, visit <https://www.kpjhealth.com.my>.

INTEGRATED ANNUAL REPORT 2024

Reporting Frameworks

- Main Market Listing Requirements ("MMLR")
- Value Reporting Foundation's Framework
- Malaysian Code on Corporate Governance
- Companies Act 2016 (CA 2016)
- Malaysian Financial Reporting Standards ("MFRS")

SUSTAINABILITY REPORT 2024

Reporting Frameworks

- Main Market Listing Requirements ("MMLR")
- GRI Universal Standards
- Bursa Malaysia Sustainability Reporting Guide and Toolkits (3rd Edition)
- SASB Standards

Our Sustainability Journey

2010

Shelter of Hope



- KPJ established the first hospital-based baby hatch at Ipoh Specialist Hospital – a compassionate initiative aimed at safeguarding the lives and well-being of abandoned infants. This meaningful effort offers a safe haven for newborns while providing a discreet and humane alternative for mothers in crisis.

1998

Laying the Foundation of Inclusive Healthcare



- Launched Klinik Waqaf An-Nur (KWAN) to provide quality and affordable healthcare to underserved and B40 communities – helping close the gap in access to essential medical services and improving health outcomes for those most in need.

2018

Our First Sustainability Report and Commitment to a Plastic-Free Future



- KPJ published its inaugural Sustainability Report, detailing our initiatives across the Economic, Environmental, and Social pillars.
- The report also reaffirmed KPJ's commitment to the United Nations Sustainable Development Goals (UN SDGs), highlighting how these global goals are embedded into the company's business strategy and long-term objectives.
- KPJ implemented a zero single-use plastic policy across its operations, reinforcing its commitment to reducing environmental impact and promoting more sustainable healthcare practices.

2016

KPJ's Inaugural Inclusion in the FTSE4Good Index



- KPJ was proudly included for the first time as a constituent of the FTSE4Good Bursa Malaysia Index – a key benchmark that recognises public-listed companies with strong ESG performance.
- This milestone affirms KPJ's robust corporate governance, transparent ESG practices, and growing leadership in advancing sustainable healthcare across Malaysia.

2021

Innovating for Greater Efficiency and Sustainable Impact



- Successfully implemented the first phase of the new Hospital Information System (HIS) at two pilot locations – Damansara Specialist Hospital 2 and Damansara Specialist Hospital – aimed at enhancing administrative efficiency, streamlining operations, and supporting digital healthcare transformation.
- During the Covid pandemic, KPJ carried out tests and provided vaccines at our hospitals, Malaysia's Mega Vaccine Centers and KWAN clinics, for the benefit of the public.

2024

Powering the Future of Green Healthcare



- KPJ remains steadfast in its commitment to powering the future of green healthcare by embedding sustainability across its operations and advancing environmentally responsible practices. As part of our Green Healthcare agenda, we are investing in renewable energy through solar panel installations, adopting sustainable building design standards, expanding electric vehicle (EV) infrastructure, and improving overall energy efficiency. We are also integrating ESG criteria into our procurement processes to ensure responsible sourcing throughout our value chain. These efforts collectively support our Group-wide target to reduce greenhouse gas (GHG) emissions by 25% across 42 facilities by 2025 – reinforcing our role as a leader in sustainable and future-ready healthcare.



2023

Driving Sustainable Healthcare



- KPJ strengthened its commitment to environmental and social progress through a series of impactful initiatives – including the upskilling of nurses to enhance healthcare delivery, the implementation of 17 community outreach programmes to support underserved populations, and the continued provision of accessible healthcare services for underprivileged communities. We also deepened engagement with our supply chain by effectively communicating our Sustainability Agenda to over 300 active suppliers, reinforcing shared responsibility and alignment across the value chain.
- KPJ established a dedicated Group Sustainability (GS) function to lead and coordinate our sustainability agenda across the Environmental, Social, and Governance (ESG) pillars. Centrally positioned within the organisation, the GS function plays a pivotal role in driving groupwide alignment, embedding sustainability into core operations, and fostering a unified organisational mindset for meaningful and lasting impact.



2022

Strengthening Governance for Long-Term Impact

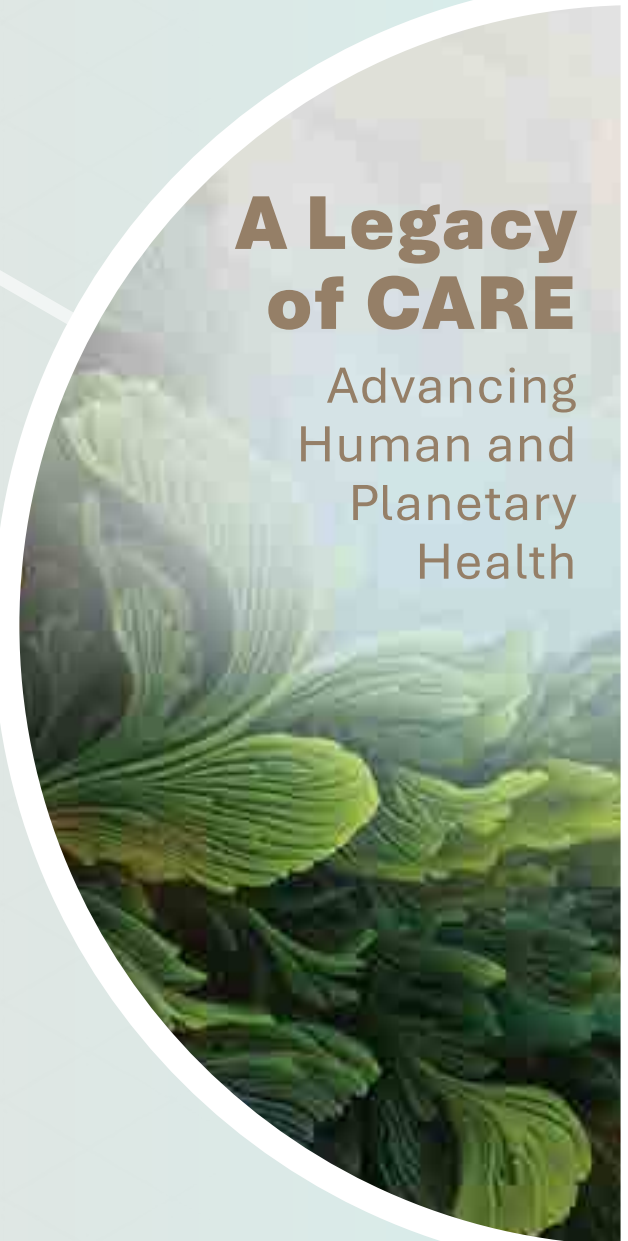


- KPJ launched its Sustainability Sukuk Framework to mobilise Shariah-compliant financing in support of expanding medical care capacity and improving access for underserved communities.
- The framework was awarded a Gold rating by MARC Ratings, the independent external reviewer – recognising its strong alignment with sustainability principles and its potential to deliver meaningful social impact.
- KPJ's Sustainability Framework was formally endorsed by the Board of Directors, establishing a structured, group-wide approach to embedding sustainability across all operations and strategic decision-making.



A Legacy of CARE

Advancing Human and Planetary Health



Key Highlights of 2024



Official launch of KPJ's inaugural Sustainability Policy.



94% of employees feel engaged and aligned with KPJ's goals, according to the latest Culture Survey.



Achieved green building certifications for three facilities – Damansara Specialist Hospital 2, KPJ Pahang Specialist Hospital, and Kedah Medical Centre.



Ranked in the top 18% globally (healthcare sector) for ESG performance under the FTSE4Good Bursa Malaysia Index.



Commissioned rooftop solar panel installations at KPJ Kluang, Rawang, Seremban, and Bandar Dato' Onn Specialist Hospitals.



Jejak Lestari Programme: Strengthening KPJ's sustainability culture through internal awareness and education initiatives.



Expansion of KWAN's network of mobile clinics and dialysis centres to increase healthcare accessibility for underserved communities.



Completion of baseline data verification of KPJ's greenhouse gas (GHG) emissions, establishing a benchmark for future reduction efforts.



Commissioning of 31 electric vehicle (EV) charging bays across KPJ premises, supporting the transition to low-carbon mobility.



25 TNB accounts subscribed to the Green Electricity Tariff (GET), supporting KPJ's transition to cleaner energy sources and lowering carbon emissions across its operations.



Sustainability Day 2024, themed "Powering the Future of Green Healthcare," served as a catalyst for strengthening KPJ's sustainability culture through engagement, recognition, and shared responsibility across the organisation.



Accelerating Sustainability Thought Leadership through active engagement, strategic knowledge-sharing, and championing the transformation towards Green Healthcare.



Our Strategic Partners



Gentari Sdn Bhd

Supporting sustainable transportation by exploring the integration of electric vehicle (EV) solutions across our hospitals, reducing carbon emissions and promoting green mobility



Tenaga Nasional Berhad and GSPARX Sdn Bhd

Advancing renewable energy adoption by installing solar panels and improving energy efficiency in our facilities, aligning with our goal to lower our carbon footprint



United Nations Global Compact Network Malaysia & Brunei (UNGCMYB)

Strengthening our sustainability commitments through membership that aligns our business strategies with the United Nations Sustainable Development Goals (SDGs)



Department of Environment (DOE)

Engaging local communities in sustainability initiatives, fostering environmental awareness, and promoting grassroots action while enhancing KPJ's outreach efforts while reinforcing our contribution to national sustainability goals



Cenviro Sdn Bhd

Ensuring responsible clinical waste management by adopting safe, compliant, and sustainable disposal methods, contributing to a cleaner healthcare ecosystem



Green Building Index (GBI)

Supporting sustainable development by guiding green certification for our hospitals, enhancing energy efficiency, and promoting environmentally responsible infrastructure.



Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST)

Driving our green building initiatives by guiding green building certification and embedding carbon reduction benchmarks into the design and development of our hospitals



Sustainable Energy Development Authority Malaysia (SEDA)

Advancing energy efficiency and renewable energy adoption through the SEDA Grant and Green Pass Certification, supporting our transition to low-carbon operations across hospitals.



Accolades and Awards



- ▶ The Edge ESG Awards 2024 - Silver for Outstanding ESG Performance and Dividend Return
- ▶ MSQH Accreditation Excellence Award for Sustainability in Quality Assurance
 - Ampang Puteri Specialist Hospital
 - KPJ Selangor Specialist Hospital
 - Johor Specialist Hospital
- ▶ Sustainability Shared Prosperity Organisation (SSPOA) Gold
 - KPJ Rawang Specialist Hospital
 - Ipoh Specialist Hospital
- ▶ Certificate of Appreciation ESG Award - KPJ Rawang Specialist Hospital
- ▶ Accreditation Excellence Award – Sustainability - Johor Specialist Hospital
- ▶ Sustainability in Quality Assurance - Ipoh Specialist Hospital
- ▶ Employer of Choice (Private Sector) - KPJ Klang Specialist Hospital
- ▶ The Graduates' Choice Awards - Champion for Healthcare (Hospitals) category
- ▶ Malaysian Society for Occupational Safety and Health (MSOSH) Award
 - Gold Class II - KPJ Sentosa KL Specialist Hospital
 - Gold Class I - KPJ Kluang Specialist Hospital
 - Silver Award - Lablink (M) Sdn. Bhd.
- ▶ Best Employer Appreciation Award - Johor Specialist Hospital
- ▶ Best Employer Award KWSP Manjung District 2024
- ▶ Employees Provident Fund (EPF) – Anugerah Majikan Terbaik 2024
 - KPJ Bandar Maharani Specialist Hospital
 - KPJ Kluang Specialist Hospital
 - Pengurusan Keselamatan Perjalanan Pergi Balik Kerja - Tawakkal Specialist Hospital
- ▶ The Asset Triple A Awards 2024 for Best Sustainability Sukuk (Healthcare)
 - Best in Sustainable Finance
 - Best Deals by Country
- ▶ 'Excellence in Corporate Social Responsibility (CSR)' recognition from the American Malaysian Chamber of Commerce (AMCHAM)
- ▶ The Edge Billion Ringgit Club & Corporate Awards 2024 - Highest Returns to Shareholders Over Three Years (Healthcare)

Sustainability Sukuk Wakalah Programme

The Sukuk Wakalah Programme, introduced in early 2022 by the Malaysian Rating Corporation Berhad (MARC), allows KPJ Group to issue Sustainability Sukuk Wakalah under its Sustainability Sukuk Framework. Guided by the Shariah principle of Wakalah Bi Al-Istithmar, the proceeds from this programme support KPJ's general corporate needs, including the expansion of its healthcare and healthcare-related businesses, working capital, healthcare ventures and the refinancing of existing borrowings and financing.

In 2024, MARC upgraded its rating for KPJ's Sukuk Wakalah Programme from AA- to AA, while the rating outlook has been revised to 'Stable', reflecting our strengthened operating performance and improved leverage position.

ALLOCATION REPORTING



Fully utilised to refinancing, working capital requirement and capital expenditure for hospital developments, which includes Bandar Dato Onn Specialist Hospital, Damansara Specialist Hospital 2, Kuching Specialist Hospital and KPJ Kuala Selangor Specialist Hospital – supporting KPJ's expansion and modernisation efforts.



The Asset Triple A Awards 2024 for Best Sustainability Sukuk (Healthcare)



Best in
Sustainable
Finance



Best
Deals by
Country

IMPACT REPORTING

Communities are able to gain improved access to medical services, marking a significant stride towards achieving UNSDG 3 – Good Health and Well-being.



The utilisation is in line with

The Point Zone* Sustainability Sukuk Framework

Aligned with KPJ's sustainability commitments, the Eligible Sustainability Project Category of Access to Essential Services: Quality Healthcare Services with focus on improving healthcare accessibility, affordability and quality.

* Point Zone (M) Sdn Bhd is a special purpose vehicle (SPV) wholly owned by KPJ Healthcare Berhad. Established in 2009, its primary role is to serve as a funding conduit for KPJ and its subsidiaries, facilitating the issuance of debt instruments such as Sukuk Wakalah to finance healthcare-related projects and refinance existing facilities.

Joint Leadership Statement

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar

Chairman,
KPJ Healthcare Berhad

Chin Keat Chyuan

President & Managing Director,
KPJ Healthcare Berhad

Leading Sustainable Healthcare

Dear Valued Stakeholders,

It is a privilege to address you as we reflect on a year of progress and transformation at KPJ. The industry is evolving rapidly, shaped by changing patient needs, technological advances and a growing emphasis on sustainability. As a leading healthcare provider, we have a responsibility not only to deliver high-quality medical care but also to contribute to a healthier planet and a more resilient society.

As Malaysia's leading provider with more than 40 years' hands-on experience managing a diverse range of healthcare-related services, KPJ continues to be resolute and resilient at the forefront of change. With varying expectations and concerns, it is crucial to maintain alignment between our Sustainability goals and the needs of our stakeholders. The goal was accomplished through strategic stakeholder mapping, effective communication channels and a collaborative approach.



Joint Leadership Statement

Notwithstanding the many challenges, some of them unprecedented, we kept our focus on five key priorities – namely :



Patients

Delivering value-based & personalised services



People

Supportive environment for talent



Partners

Collaborative opportunities to drive healthcare advancements



Physicians

Integration of medical education and research



Planet

Integrating eco-friendly practices and sustainable solutions in operations

The focus is on incorporating sustainability into all aspects of governance, strategy, and decision-making, ensuring alignment of sustainability priorities throughout the organisation and designing management remuneration policies that incentivise long-term, sustainable value creation.

KPJ'S BRAND TRANSFORMATION

We introduced KPJ's new brand identity, innovative systems and a more streamlined approach to sustainability that is closely aligned to our corporate targets.

Along with the philosophy of 'We Heal. We Teach. We Discover', KPJ is driven by the tenets of our new Values, namely C.A.R.E. which stands for Committed, Accountable, Respectful and Excellent. From a sustainability perspective, KPJ is committed towards driving the sustainability agenda to create the strong sustainability culture upon which we solidly stand. Measures are in place to ensure we remain dedicated and accountable for our sustainability targets, encompassing the three pillars of Environment, Social and Governance (ESG).

KPJ is reiterating the need to be respectful to the needs and preferences of our external stakeholders namely patients and customers, as well as internal stakeholders. Realising the important role of Team KPJ, we prioritised enhancing staff members' knowledge and targets crucial to sustainability through both face to face sessions and the provision of online learning.

Cohesively, these factors encapsulate our efforts to propel KPJ's sustainability agenda forward, attaining a higher standard of excellence for the long term.

Having this firm bedrock in place provides KPJ with a competitive advantage as we continue our sustainability journey. We effectively adopt and integrate sustainability considerations in decision-making processes and operations across KPJ, including our corporate social responsibility (CSR) goals.

We introduced KPJ's Green Healthcare Sustainability Framework that aligns with the Group's five strategic pillars, setting forth enhanced strategic targets for each ESG pillar.

Our sustainability commitments were further solidified with the launch of KPJ's Sustainability Policy, which outlines clear targets to reduce environmental impact through initiatives such as renewable energy adoption, improved energy efficiency, responsible waste management, and the implementation of green building standards. The policy aims to align with Malaysia's goal of Net Zero Emissions by 2050, on top of encompassing climate impact considerations, ethical business practices, and responsible governance.

Beyond environmental stewardship, the policy underscores KPJ's commitment to social responsibility by prioritising community well-being through accessible, quality healthcare and actively supporting local communities via outreach and corporate responsibility programmes. Internally, we foster a culture of sustainability by instilling shared values among employees and empowering them through continuous engagement, development, and growth opportunities.

On the governance front, the policy reinforces our ambition to be an ESG-accountable organisation – anchored in strong corporate governance, the integration of digitalisation, and transparent disclosure of sustainability data, performance, and targets. These efforts are aligned with globally recognised frameworks, reflecting our dedication to integrity, accountability, and long-term value creation.

KPJ's initiatives centre on the underlying principle of Advancing Human and Planetary Health, recognising the interconnectedness between human well-being and the health of the Earth's ecosystems.

DECARBONISATION – FURTHERING OUR JOURNEY

Malaysia has set a goal to achieve net-zero emissions by 2050 and we are supporting this commitment by reducing GHG emissions across our operations. Our strategy focuses on implementing energy-efficient initiatives, subscribing to the Green Electricity Tariff (GET) programme, and accelerating the adoption of renewable energy across our operations.

A key step forward in our decarbonisation journey is our strategic partnership with Gentari – a leading clean energy solutions provider in the region. Through this collaboration, we are integrating electric vehicle (EV) solutions at key hospital locations to promote sustainable mobility. This initiative complements our broader commitment to reducing carbon emissions and advancing a low-carbon, future-ready healthcare model that is both resilient and environmentally responsible.

As of 2024, KPJ successfully reduced GHG emissions by
25.49%
across all 42 operational sites – achieving this milestone ahead of our 2025 target, while upholding excellence in patient care.

EFFICIENT ENERGY MANAGEMENT

Hospitals are among the most energy-intensive facilities and improving resource efficiency is a priority. In line with Malaysia's target to cut GHG emissions intensity per GDP by 45% by 2030, we have adopted a structured long-term plan focused on reducing emissions, expanding renewable energy and improving resource management.

This includes optimising electricity, water, and material usage, alongside increasing the adoption of renewable energy within our overall energy mix. Our partnership with Tenaga Nasional Berhad (TNB) and its subsidiary GSPARX is accelerating our transition to cleaner energy by enabling the installation of solar panels and enhancing energy efficiency across our healthcare facilities.

GREEN BUILDINGS AND RESPONSIBLE PROCUREMENT

Sustainable building practices are essential to our long-term strategy. We are working towards green building certifications by integrating energy-efficient hospital chillers, rainwater harvesting systems and smart energy monitoring.

These measures are reducing both costs and environmental impact.

In 2024, we reinforced our procurement processes by enhancing our centralised system to incorporate ESG criteria in supplier selection. This shift promotes greater transparency, accountability, and sustainability across our supply chain – ensuring more responsible sourcing of both medical and non-medical supplies. In parallel, we expanded our clinical waste segregation efforts and advanced sustainable waste management initiatives to further reduce our environmental footprint and support a more circular approach to resource use.



■ First hospital to achieve Commercial Operation Date (COD) for Rooftop Solar on July 2024.

Joint Leadership Statement

EMPOWERING OUR PEOPLE THROUGH CONTINUOUS DEVELOPMENT

Our employees, known as Team KPJ, are one of our most important stakeholders, and we are dedicated to creating value for them too. In addition to competitive salaries and benefits, as well as continuous training and engagement activities, we nurture an inclusive and equitable environment within our workplace.

We remain focused on employee well-being and sustaining a competent, committed workforce. Our efforts to cultivate a supportive and engaging workplace culture were reflected in the Pulse People Happiness Survey, which recorded a 94% employee satisfaction score – a strong indicator of staff morale and organisational alignment.

INTEGRITY AT THE CORE

At KPJ, we understand that strong governance is not just a pillar of sustainability – it is the foundation upon which trust, care, and performance are built. Through the Ikrar Bebas Rasuah (IBR) with the Malaysian Anti-Corruption Commission (SPRM), initiated by our Integrity Unit, we reaffirm our zero-tolerance stance on corruption and unethical practices. This pledge, endorsed by senior leadership at both headquarters and hospitals, underscores our collective commitment to upholding the highest standards of integrity, transparency, and accountability across the organisation. As we continue advancing our environmental and social goals, governance will remain at the core of how we lead, serve, and grow.

AWARDS & RECOGNITION

Our efforts to advance KPJ's Sustainability Agenda have been marked by several notable commendations, serving as a testament to our progress and encouraging us to strive for continuous improvement.

During the year under review, KPJ was recognised twice by The Edge Malaysia. We were among the top three recipients at the acclaimed The Edge Malaysia ESG Awards, for our “Outstanding ESG Performance and Dividend Return”. This is especially noteworthy as it is specifically aimed at acknowledging corporate leaders in the Environmental, Social and Governance (ESG) space in Malaysia. KPJ was also recognised at The Edge Billion Ringgit Club & Corporate Awards 2024 for providing “Highest Returns to Shareholders Over Three Years (Healthcare)”.



■ KPJ won the silver award at the The Edge Malaysia ESG Awards 2024 in the outstanding ESG performance and dividend return category.

KPJ also received two prestigious recognitions for our Sustainable Sukuk at The Asset's annual Triple A Awards – Best Deal by Country and Best in Sustainable Finance. These awards are among the most respected in the finance industry, celebrating excellence in banking, finance, treasury, and capital markets. The acknowledgement is especially meaningful as our Sustainable Sukuk is directly aligned with KPJ's sustainability ambitions – enabling the development of environmentally responsible and socially impactful hospital infrastructure. Through this financing, we are not only expanding access to quality healthcare but also supporting low-carbon development, energy efficiency, and sustainable building practices.

Our unwavering commitment to community engagement and service for underprivileged populations – delivered through the KWAN network of charity clinics and dialysis centres – was once again recognised, earning us the prestigious ‘Sustainability and CSR Malaysia Award’.

KPJ's Employee Engagement and Development strategies are also in line with ESG benchmarks. We received three awards that support our standing as a leading employer in Malaysia's healthcare industry.

These awards are the Graduates' Choice Award, the HR Asia Best Companies to Work for in the HR Asia Awards, and the 24th Malaysia-International HR Awards 2024. This recognition particularly underscores KPJ's dedication to fostering talent, creating a positive workplace culture, and advancing human resources' best practices.

DRIVING SUSTAINABLE GROWTH

KPJ's commitment to sustainability has been reflected in key industry recognitions. In December 2024, KPJ was included in the FTSE4Good Bursa Malaysia Index for the ninth consecutive year and maintained our position in the FTSE4Good Bursa Malaysia Shariah Index. KPJ also improved its percentile rank to 82, placing it among the top 18% of healthcare companies assessed globally.



KPJ won the ESG Leadership award at the Sustainability and CSR Malaysia Awards 2024.

These achievements demonstrate the progress made in embedding ESG principles into strategy and operations. The focus now shifts to strengthening climate resilience, expanding renewable energy adoption and enhancing digital healthcare solutions to better serve patients. ESG considerations will continue to be integrated into corporate decision-making, reinforcing sustainability as a driver of business growth rather than a compliance obligation. The transition from TCFD recommendations to IFRS S1 and S2 will commence in 2025, enabling a deeper assessment of climate resilience strategies and sustainability risks and opportunities.

A FUTURE-BASED STRATEGY

During the financial year ended 2024, work commenced on a refined Sustainability Framework and Roadmap towards achieving Net Zero Emissions by 2050, detailing actionable steps that will shape how we operate, protect the planet, and engage meaningfully with our communities. This ensures a stronger alignment between sustainability goals and business strategy, reinforcing accountability at every level of the business.

Another long term strategy introduced during the year is the KPJ Health System, a collaborative approach that integrates patient care, education and research, transforming our hospitals into efficient hubs of learning and innovation. The KPJHS is currently being designed to transform our hospitals into hubs of learning and innovation, where cutting-edge medical practices and groundbreaking research converge.

By the nature of its operations, KPJHS will contribute significantly to KPJ's Sustainability measures, including efforts in waste reduction, sustainable infrastructure, energy efficiency, as well as sustainable procurement for our hospitals.

ACKNOWLEDGEMENTS

The Board and Senior Management of KPJ would like to express our most sincere appreciation to all patients, partners, shareholders and communities for their continued trust and support. We would also like to extend our deepest gratitude to #TeamKPJ – our dedicated employees, doctors, and support staff – who continue to be at the heart of our organisation. Your unwavering loyalty, commitment, compassion, and professionalism are instrumental in delivering exceptional care and driving our mission forward.

TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR

Chairman
KPJ Healthcare Berhad

CHIN KEAT CHYUAN

President & Managing Director
KPJ Healthcare Berhad

KPJ Health System

EMBEDDING SUSTAINABILITY ACROSS THE KPJ HEALTH SYSTEM

Under the KPJ Health System, we are advancing excellence by integrating clinical services, education, and research – with sustainability embedded as a foundational principle. Guided by Environmental, Social and Governance (ESG) priorities, this integrated approach supports our ambition to position KPJ Healthcare as a sustainability leader within the healthcare industry.

As we move forward, the KPJ Health System will continue shaping a more sustainable healthcare ecosystem:

Clinically, we are reducing our environmental impact through green hospital designs, energy-efficient technologies, and responsible medical waste management.

Through education, we are nurturing future healthcare professionals who embody environmental awareness, social responsibility, and the sustainability of workforce resources in their practice. This includes equipping the next generation of healthcare providers to meet the demands of Malaysia's aging population and the rising prevalence of chronic diseases.

In research, we are focusing on innovation that advances health equity, promotes digital healthcare, and supports climate-resilient care models.

Together, these pillars elevate the standard of care while reinforcing our Care for Life purpose – placing patients, physicians, people, partners, and the planet at the heart of everything we do. This is underpinned by robust governance frameworks that are transparent, accountable, and grounded in ethical leadership.



KPJ'S ESG ROADMAP TOWARDS NET ZERO BY 2050

At KPJ, our journey toward Net Zero is guided by a structured ESG roadmap that integrates near, medium, and long-term actions across our operations. Anchored in our Care for Life philosophy, the roadmap reflects our commitment to environmental responsibility, social impact, and strong governance, with clear milestones established through to 2050.

We have adopted a phased decarbonisation approach, focused on achieving progressive emission reductions while maintaining high standards of patient care and clinical excellence. Our targets are aligned with Malaysia's national climate goals, including the National Energy Transition Roadmap (NETR) and the country's Net Zero ambition by 2050.



Our ESG roadmap is more than a compliance tool – it is a catalyst for transforming how we deliver healthcare. With sustainability embedded into our clinical systems, governance structures, and hospital design, KPJ is actively shaping a healthcare model that is future-ready, climate-smart, and community-focused.

We remain committed to achieving Net Zero by 2050, supported by data-driven performance, transparent disclosures, and an unwavering commitment to do no harm – to people, or to the planet.

Our Sustainability Mindset

As a leading healthcare provider, KPJ's commitment to sustainability is deeply rooted in our mission to advance both human and planetary health. Guided by our Green Healthcare ethos, where responsibility, integrity, and innovation intersect, we recognise that delivering exceptional healthcare goes hand-in-hand with protecting the environment, upholding strong governance practices, and uplifting the communities we serve. Environment, Social and Governance ("ESG") principles are integrated across operations, ensuring sustainability extends beyond compliance to drive long-term impact. This commitment is reflected in the adoption of sustainable healthcare practices, environmental stewardship and strong governance.

Our Sustainability Framework, which serves as the foundation for all sustainability efforts, is underpinned by five pillars of KPJ's Corporate Strategy, namely Patients, People, Partners, Physicians and Planet. Complementing this, the four key focus areas provide a structured approach to taking decisive, data-driven actions that address critical issues, align with strategic priorities and capitalise on emerging industry opportunities.

Aligned with global sustainability benchmarks and stakeholder expectations, the framework supports responsible business practices and continuous improvement. Through this structured approach, KPJ continues to drive meaningful change, foster innovation and build a more resilient, sustainable healthcare ecosystem for future generations.

5 KEY PILLARS OF KPJ'S CORPORATE STRATEGY



Patients

Delivery of value-based and personalised services by experts



People

Fostering a supportive environment for talent and performance excellence



Partners

Seeking collaborative opportunities to drive healthcare advancements



Physicians

Providing a dynamic environment that integrates medical education and research for optimal outcomes



Planet

Integrating eco-friendly and ethical business practices and sustainable solutions in its operations.

KEY SUSTAINABILITY THEMES

Protecting Our Environment

Uplifting Our Patients and Communities

Fostering Our People

Upholding Good Governance

Key Focus Areas

- Renewable Energy
- Energy Efficiency
- Waste Management
- Water Conservation

- Patient Care
- Diversity and Inclusion
- Employee Well-being/ Health and Safety
- Community Engagement

- Risk Management
- Transparency
- Anti Bribery and Zero Corruption
- Sustainable Procurement

Our Material Matters

- 1 Climate Change Resilience
- 2 Resource and Waste Management
- 3 Diversity, Inclusion and Human Rights
- 4 Service Quality and Safety
- 5 Employee Engagement and Development
- 6 Community Outreach
- 7 Governance, Ethics and Integrity
- 8 Technology, Innovation and Collaboration
- 9 Data Privacy and Security
- 10 Supply Chain Management

Application of Green Healthcare

- Green Building Certification
- Energy Efficiency
- Integrating EV charging solutions
- Transitioning to Renewable Energy
- Inclusive Policies
- Occupational Health and Safety Policies
- Labour Rights Policies
- Improving Access to Healthcare
- Outreach programmes
- Scholarships
- Continuous Leadership Commitment
- ESG benchmarks in Group Performance
- Enhanced Centralised Systems (eg. e-Procurement)
- ESG Criteria in Supplier Registration

OUR PRIORITISED UNSDGs

ENVIRONMENTAL



SOCIAL



GOVERNANCE

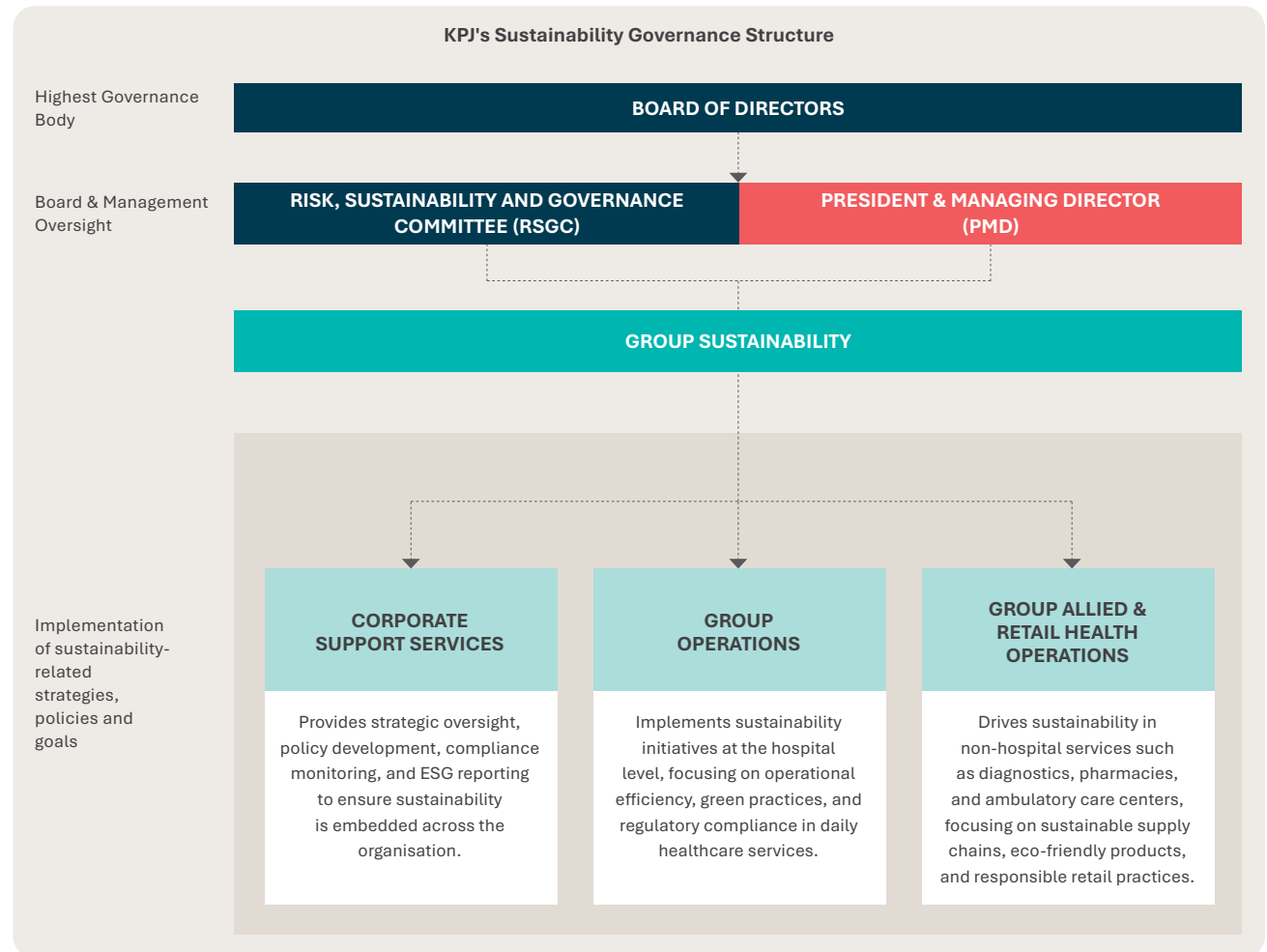


Sustainability Governance

At KPJ Healthcare Berhad, sustainability is embedded within the corporate governance framework, supporting regulatory compliance, alignment with stakeholder expectations and the long-term resilience of the business.

The Risk, Sustainability and Governance Committee (RSGC) plays a central role in overseeing sustainability-related matters, reporting directly to the Board of Directors. This committee ensures the effective identification, mitigation and management of sustainability risks and opportunities, aligning these efforts with KPJ's business strategy and long-term objectives. It also oversees the development of sustainability strategies, performance metrics and monitoring mechanisms to evaluate, manage and enhance non-financial performance.

In adherence to the Malaysian Code on Corporate Governance (MCCG), KPJ has established a dedicated Group Sustainability function since 2023 to drive sustainability initiatives across the organisation, supported by Corporate Support Services, Group Operations, Group Allied, Retail Health and Operations. This ensures that sustainability efforts are integrated into day-to-day hospital and business functions, contributing to KPJ's long-term goals of decarbonisation, responsible resource management and enhanced patient and community well-being.



Green Healthcare Sustainability Framework

At KPJ Healthcare Berhad, sustainability is not just a pillar of our strategy – it is the foundation of how we operate and grow. It shapes our commitment to delivering healthcare that is responsible, innovative, and environmentally conscious. Anchored by our Green Healthcare Sustainability Framework, we pursue our purpose of Advancing Human and Planetary Health, ensuring that every decision and initiative contributes to a healthier future. Through this integrated approach, we strive to create enduring value for our patients, employees, communities, and all stakeholders.



Green Healthcare Sustainability Framework

Anchored by our vision to be a leader in green healthcare, the Framework is built on four key Sustainability Pillars – Protecting Our Environment, Uplifting Our Patients & Communities, Fostering Our People, and Upholding Good Governance. These pillars address the material topics identified through stakeholder engagement and materiality assessments, aligned with global sustainability best practices and the United Nations Sustainable Development Goals (SDGs), ensuring that our initiatives deliver meaningful impact.

KPJ's Green Healthcare Sustainability Framework drives integrated thinking across our business, ensuring that ESG risks and opportunities are systematically identified, managed, and disclosed transparently. The framework also positions us to lead by example in the healthcare sector, integrating environmental responsibility, social impact, and governance excellence into our operations. We remain committed to advancing healthcare that safeguards both human health and the planet for future generations.

KEY FOCUS AREAS

Environmental Stewardship



As a healthcare provider with significant energy, water, and waste footprints, KPJ recognises the environmental impact of our operations. KPJ is focused on mitigating climate-related risks and driving environmental stewardship across our hospital network.

- **Clean Energy Transition**
We prioritise initiatives to enhance energy efficiency, transition towards renewable energy sources, and reduce carbon emissions in line with climate action targets and ISSB-aligned climate risk disclosures.
- **Driving Resource Circularity**
Our hospitals implement waste segregation, recycling, and responsible disposal practices, including clinical waste, to minimise environmental harm and optimise resource use.
- **Green Building Certification**
We aim to obtain green certifications for selected facilities, embedding sustainable design and operations.

Social Responsibility



In fostering a positive patient and workforce experience, our Social pillar champions a diverse, inclusive, and caring environment. We prioritise patient-centred care, employee engagement, and meaningful community outreach programmes.

- **Promoting Workplace Diversity & Inclusion**
We foster a diverse and inclusive workplace, upholding human rights, gender equality, and non-discrimination.
- **Delivering Safe, High-Quality Patient-Centred Care**
Patient-centred care is at the heart of our operations, ensuring clinical excellence, safety protocols, and continuous quality improvement.
- **Fostering a Culture of Engagement, Growth and Continuous Learning**
We invest in the development, health, and well-being of our people through training, talent management, and employee engagement initiatives.

Strong Governance



Governance remains the foundation of sustainable business practices at KPJ. Strengthening our governance structure ensures we maintain stakeholder trust while embedding sustainability in procurement and risk management practices.

- **Upholding Accountability, Transparency, and Ethics**
We maintain a robust governance framework, supported by policies on anti-corruption, whistleblowing, and ethical business practices, aligned with GRI 2 and <IR> governance principles.
- **Securing Patient Data and Strengthening Security**
In an increasingly digital environment, we are committed to protecting data privacy through cybersecurity measures and compliance with relevant regulations.
- **Fostering Supplier Responsibility and Sustainable Procurement**
We engage suppliers who share our commitment to ethical conduct, environmental responsibility and quality assurance.

Stakeholder Management

At KPJ Healthcare Berhad, our stakeholders – patients, employees, regulators, investors, suppliers, and the community – are vital to shaping our operations and strategy.

We prioritise open communication, building trust and transparency to align stakeholder concerns with our sustainability goals. By integrating stakeholder interests into decision-making and using tailored engagement methods, we foster meaningful relationships that drive shared value and reinforce our commitment to responsible business practices, operational excellence, and long-term sustainability.

Stakeholder Engagement Continuum

Monitor Daily media monitoring and social listening with PR value tracking, reporting and archiving.	Advocate Participate in activities to enlist support for a strategic direction when there is an imbalance/negative influence affecting the relationship.	Dialogue Organise or participate in two-way dialogue on mutual learning and solutions.	Message Create messages in line with specific stakeholders' needs.	Consult Solicit explicit feedback or input on projects or plans.	Collaborate Share work and value on common objectives of KPJ and stakeholders.
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KPJ's Stakeholders	Stakeholder Engagement Continuum
Patients	Message, Collaborate
Employees	Advocate, Dialogue, Message, Collaborate
Consultants	Advocate, Dialogue, Message, Consult, Collaborate
Investors and Shareholders	Dialogue, Message, Collaborate
Government and Regulators	Advocate, Dialogue, Consult, Collaborate
Business Partners	Advocate, Dialogue, Message, Consult, Collaborate
Accreditation Bodies and Industry Associations	Advocate, Dialogue, Consult, Collaborate
Suppliers and Vendors	Dialogue, Message, Collaborate
Local Communities	Advocate, Dialogue, Collaborate




Sustainability Themes




- Protecting Our Environment
- Uplifting Our Patients and Communities
- Fostering Our People
- Upholding Good Governance

Frequency of Engagement




- AS As Required
- B Biannually
- W Weekly
- Q Quarterly
- A Annually
- D Daily
- M Monthly

Stakeholder Management

	Stakeholder Engagement Continuum		Key Concerns	Response	Impact On Strategy
 Patients	Customer Satisfaction Survey	M	<ul style="list-style-type: none"> Cost of healthcare services Quality of service standards World-class health facilities and technology 	<ul style="list-style-type: none"> Monitoring customer satisfaction, increasing access to quality and affordable healthcare, offering Group-wide packages and promoting niche markets Patient-centric, qualified and experienced healthcare professionals Investment in technology and data privacy for patients' information 	<p>We are advancing patient management by continuously integrating feedback to enhance satisfaction and deliver more personalised care. Through our Group-wide healthcare packages and specialised niche services, we are broadening access to high-quality care. At the same time, we are strengthening patient trust and operational excellence by investing in digital health technologies, data-driven insights, and stringent data privacy measures – enabling a more connected, secure, and patient-centric healthcare ecosystem.</p>
	Corporate and hospital websites	D			
	Comprehensive integrated social media presence	AS			
	Health-related information magazines	Q			
	Health awareness days	AS			
	Service brochures with hospital information	D			
 Employees	Town halls	B	<ul style="list-style-type: none"> Career progression Health, safety and human rights Competitive remuneration packages and benefits Employee Well-being and wellness Employee Information management 	<ul style="list-style-type: none"> Listening to and understanding employees' needs and developing strategies to attract, develop and retain staff Revised salary and benefits structure in alignment with the Employment Act 2022 (EA 2022) Ensuring compliance with the Company's policies Organise more engagement programmes related to employee wellness and well-being 	<p>Our employees continue to be the driving force behind KPJ's strength and resilience in the healthcare industry. Recognising their vital contributions, we have expanded our efforts in employee well-being – particularly through initiatives focused on mental health, career development, and continuous learning, which directly support our mission of long-term business success. In return, we are committed to cultivating a safe, empowering, and rewarding work environment that motivates our people and reflects our ongoing investment in human capital.</p>
	Employee performance review programmes	B			
	Employee engagement survey	A			
	Staff wellness, engagement and recognition programmes	AS			
	Intranet portal	AS			
	HR Information System	AS			
 Consultants	Town halls	A	<ul style="list-style-type: none"> Service quality and safety Top-notch equipment and facilities (Robotics) A safe, motivating and rewarding workplace 	<ul style="list-style-type: none"> Ensuring compliance with the Company's policies Enabling well-trained clinical and support staff and offering attractive new packages and services for new consultants 	<p>As a healthcare provider, consultants are not only essential partners but also a vital pillar of our service delivery model. Recognising their critical role, we remain committed to supporting their needs by cultivating an enabling ecosystem – one that empowers them to deliver the highest standards of patient care with excellence, efficiency, and compassion.</p>
	Clinical Governance Meetings	A B Q			
	Annual Medical Conference	A			
	Collaboration in educating the public	AS			
	Clinical Governance Workshop	A			
	Meetings of the clinical committees	Q			
	Medical Directors' meetings	Q			

	Stakeholder Engagement Continuum	Key Concerns	Response	Impact On Strategy
 Investors and Shareholders	Investor and analyst briefings Q	<ul style="list-style-type: none"> Shareholder returns Corporate governance Business sustainability Clear and transparent reporting 	<ul style="list-style-type: none"> Provide strategic input for development of healthcare policies and intra-industry collaboration 	<p>Enhances investor and shareholder confidence by demonstrating consistent financial and non-financial performance, underpinned by transparent and credible ESG disclosures. This approach reinforces KPJ's commitment to corporate responsibility, integrity, and accountability – fully aligned with the principles of the Malaysian Code on Corporate Governance (MCCG).</p>
	Financial results and non-financial reports Q			
	Corporate website AS			
	General meetings (Annual General Meeting/ Extraordinary General Meeting) AS			
	Investor meetings A B			
 Government and Regulators	Licence applications A B AS	<ul style="list-style-type: none"> Regulatory compliance Fair and ethical business practices Crisis management and business continuity programme 	<ul style="list-style-type: none"> Strengthening governance policies, standards and frameworks and adhering to regulatory requirements We developed the KPJ Business Continuity Management (BCM) Framework to help strengthen the existing management plan for disasters and emergency situations Supporting the Public-Private Partnership or PPP programme 	<p>We integrate applicable government policies and regulatory requirements into our internal policies, procedures, strategic planning, and decision-making processes to ensure full compliance and the continued validity of our operating licence.</p>
	Facilities inspection AS			
	Healthcare conference A			
	Public-Private Partnership Programme AS			
 Business Partners	Regular meetings AS	<ul style="list-style-type: none"> Quality clinical and healthcare delivery improvements are offered at reasonable prices Competitive pricing offered via promotional packages Revising contracts and agreements and arranging panels for new KPJ specialist hospitals with major corporate clients News updates on print/broadcast/ digital platforms to increase brand prominence, promote services and educating the public 	<ul style="list-style-type: none"> Participation in our business partners' activities and performance Collaborating with the mass media and the public in order to improve stakeholders' confidence and protect KPJ's reputation via crisis and reputation management Immediate reactivation of health tourism strategy with our partners and agents 	<p>Building strategic partnerships beyond the healthcare sector allows us to expand our offerings with broader healthcare packages and services, better respond to evolving customer needs, and extend our reach to more diverse and underserved communities.</p>
	Contract negotiations and renewals AS			
	Media releases/media announcements W M Q A			
	Quarterly briefing sessions AS			
	Media relationship programmes AS			

Stakeholder Management

	Stakeholder Engagement Continuum	Key Concerns	Response	Impact On Strategy
 Accreditation Bodies and Industry	KPJ's senior management members hold key positions in the Malaysian Society for Quality in Health (MSQH) and in the Association of Private Hospitals Malaysia (APHM) A	<ul style="list-style-type: none"> Key role in developing healthcare industry's strategic direction Leadership role in shaping healthcare-related policies. 	<ul style="list-style-type: none"> Consistent financial and non-financial performance, transparent ESG disclosures of corporate responsibility, integrity and accountability as enshrined in the MCCG 	<p>The management and operations of industry-certified and accredited hospitals affect our ability to generate sustainable and long-term growth of our network of hospitals within the healthcare industry to reach out to our nation.</p>
	KPJ's Group Chief Nursing Officer is a committee member of the Nursing chapter of the APMH R			
	Participation in APMH and other industry conferences. AS			
 Suppliers and Vendors	Regular meetings with medical and non-medical suppliers	<ul style="list-style-type: none"> Compliance with regulatory requirements and quality standards to protect the environment and society and uphold good governance Availability of products and services and ability to provide continuous support Fair and transparent negotiations Active communication with suppliers 	<ul style="list-style-type: none"> Streamlining and centralising our procurement processes to improve efficiency and cost-effectiveness Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ's Corporate Integrity Agreement (CIA), the KPJ Environment, Safety and Health Policy and Supplier Code of Conduct. 	<p>Enhances supplier and vendor management by streamlining and centralising procurement processes – improving operational efficiency, strengthening cost-effectiveness, and reinforcing transparency and accountability across the value chain.</p>
	Tenders, bidding, quotations and contract negotiations W M Q A			
	Product demonstrations and evaluations			
	Training and collaboration sessions			
 Local Communities	Uplifting Our Patients and Communities programmes, e.g. KWAN	<ul style="list-style-type: none"> Affordable and accessible healthcare services Development of communities, prioritising solidarity, social welfare, education, health and safety 	<ul style="list-style-type: none"> Continuous investment in identified community engagement programmes, in line with the WHO's promotions and initiatives Expanding the reach of social healthcare services, targeting the urban poor and rural areas KPJU education sponsorship for the B40 income group 	<p>Our engagements with local communities and NGOs provide us with a platform to showcase our good corporate citizenship practices. KPJ's value is reflected in the community's quality of health and well-being.</p>
	Educating the public D M AS			
	Other CSR programmes			
	Collaboration with Non-Government Organisations (NGOs)			

Determining Materiality

Materiality assessments form a core component of KPJ's value creation strategy, guiding the development of targeted sustainability initiatives and strengthening performance management. These assessments keep Environmental, Social and Governance (ESG) priorities relevant, aligned with stakeholder expectations and responsive to evolving global trends.

Regular materiality reviews are essential to maintaining strategic relevance, resilience, and stakeholder trust. As the ESG landscape evolves, our materiality assessment processes are continuously refined to address emerging risks, regulatory developments, and changing stakeholder expectations.

In 2024, KPJ Healthcare conducted a materiality validation exercise to reaffirm that our key sustainability issues remain aligned with both organisational priorities and stakeholder interests. Through this exercise, we streamlined our focus areas – refining the previous 18 key material matters into 10 prioritised issues that most significantly impact our business and sustainability performance.

The 2024 materiality validation was conducted through a structured three-phase approach:

- **Phase 1** - Review of existing material matters and integration of latest ESG trends and regulatory requirements
- **Phase 2** - Engagement with internal and external stakeholders to validate issue relevance and importance
- **Phase 3** - Prioritisation and final endorsement by senior management and the Board Sustainability Committee.

The Materiality Assessment Process

Phase 1



We began by refining and consolidating 18 identified sustainability topics, grouping those that share common themes. This phase involved benchmarking against industry peers, assessing emerging sustainability trends, and identifying potential risks that could impact our business and stakeholders.

Phase 2



To determine the most critical sustainability topics, we engaged both internal and external stakeholders through a comprehensive survey. This allowed us to capture diverse perspectives on which issues are most material to KPJ and to our stakeholders, ensuring that our focus remains aligned with their concerns and expectations.

Phase 3



The prioritised topics were then reviewed and validated by KPJ's management and board, ensuring alignment with our corporate strategy, operational goals, and long-term business plans. The final set of material topics reflects our commitment to addressing key environmental, social, and governance (ESG) issues that are integral to our success.

Determining Materiality

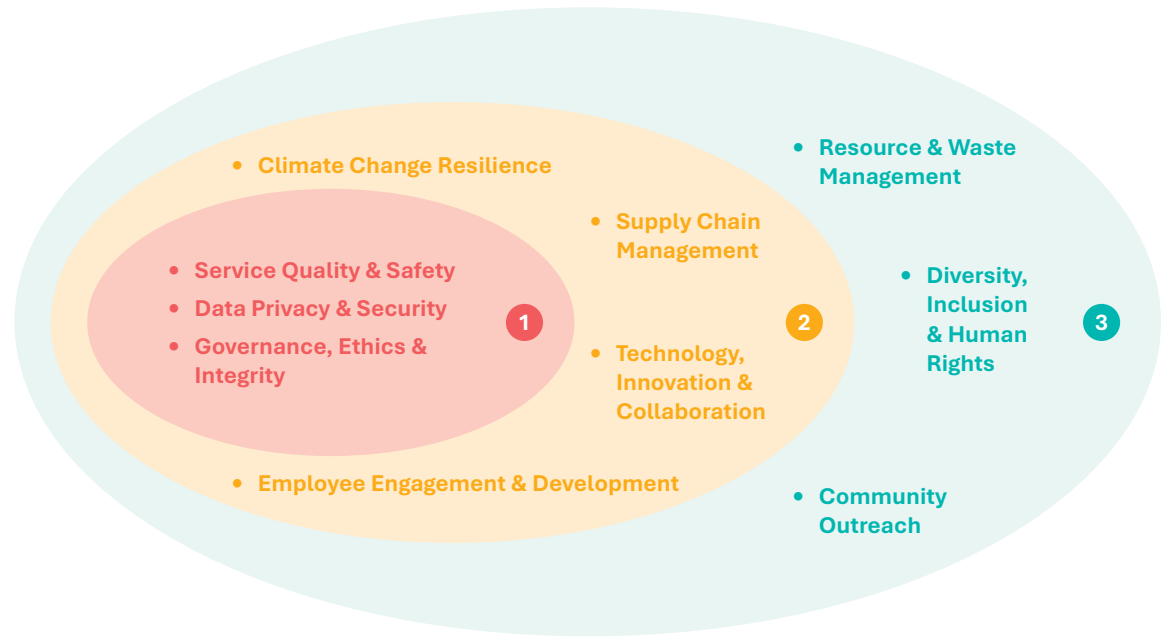
The 10 prioritised material matters are presented in the diagram, systematically grouped into three tiers based on a dual assessment of their relative impact on KPJ Healthcare's business performance and their significance to key stakeholders.

This tiered approach enables us to focus our resources and strategies on the areas that are most critical to our long-term value creation, operational resilience, and stakeholder trust.

Material matters placed in Tier 1 represent issues of the highest strategic importance, requiring proactive management, close monitoring, and robust disclosure.

Tier 2 encompasses matters that are important and require active management, while Tier 3 reflects emerging priorities that are monitored for future risk or opportunity alignment.

This structured prioritisation supports a more agile, responsive sustainability strategy – ensuring that KPJ Healthcare remains aligned with evolving external expectations, regulatory requirements, and global ESG best practices.



Most Material

Least Material

Service Quality & Safety

Central to our purpose – impacts patient outcomes, trust, compliance, and competitiveness.

Data Privacy & Security

A top priority amid rising cyber threats, regulatory risks, and the need to safeguard patient trust.

Governance, Ethics & Integrity

Strong governance and ethics are essential for compliance, licensing, ethical care, and investor confidence.

Employee Engagement & Development

Workforce well-being and upskilling are key to care quality, patient experience, and talent retention.

Supply Chain Management

Resilient supply chains are critical for healthcare continuity, especially post-pandemic.

Technology, Innovation & Collaboration

Digital health, AI, and telemedicine are essential for future readiness and competitive advantage.

Climate Change Resilience

Increasing focus on energy efficiency and infrastructure resilience in response to climate risks.

Resource & Waste Management

Managing medical and plastic waste is vital for compliance and meeting stakeholder ESG expectations.

Diversity, Inclusion & Human Rights

Fosters an inclusive culture and equitable care, embedded within HR and operations.

Community Outreach

Enhances reputation and stakeholder relations, supporting our broader CSR commitments.

OUR MATERIAL MATTERS

Protecting Our Environment

Stakeholders Impacted



Risks and Our Mitigating Actions

- Climate risks, regulatory changes, and inefficient resource and waste management may disrupt operations, increase costs and pose compliance challenges.
- These are mitigated by adopting low-carbon operational strategies, proactive regulatory compliance and improving resource management.

Opportunities Arising

- Ensures operational stability and strengthens KPJ's reputation.
- Improved resource efficiency drives cost savings and ESG performance.
- Improved waste and water management minimises environmental impact and enhances resource efficiency.

Material Matters

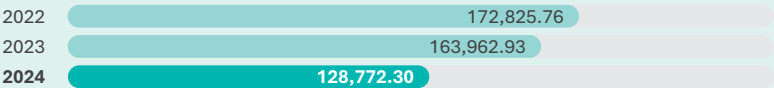
Climate Change Resilience

Strengthening hospital infrastructure and operations to withstand climate-related risks while advancing sustainable healthcare practices. This includes enhancing disaster preparedness, improving energy efficiency, integrating renewable energy solutions and ensuring regulatory compliance to support long-term climate resilience in healthcare.

Related UNSDGs



Total GHG Emissions (tCO₂e)



Note: Absolute GHG emission figures presented include carbon avoidance through offsetting measures, where applicable.

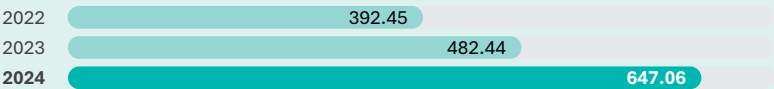
Resource and Waste Management

Optimising resource use and enhancing waste management practices to minimise environmental impact while ensuring regulatory compliance. This includes expanding the clinical waste segregation programme, improving water efficiency through rainwater harvesting and promoting recycling and upcycling initiatives to drive sustainable hospital operations.

Related UNSDGs



Total Waste Diverted from Disposal (tonnes)



Determining Materiality

Uplifting Our Patients and Communities

Stakeholders Impacted



Risks and Our Mitigating Actions

- Service quality gaps, patient safety concerns, and limited community healthcare access may impact patient trust, regulatory compliance and operational effectiveness.
- These are mitigated by maintaining stringent clinical governance, enhancing patient safety protocols, expanding community healthcare programmes and improving service delivery through digital healthcare solutions.

Opportunities Arising

- Strengthened service quality enhances patient trust and operational excellence.
- Improved patient safety measures ensure regulatory compliance and healthcare leadership.
- Expanding community outreach fosters inclusivity and reinforces KPJ's role as a trusted healthcare provider.

Material Matters

Service Quality and Safety

Upholding the highest standards of patient care and safety to enhance healthcare outcomes and maintain regulatory compliance. This includes continuous quality improvement, adherence to clinical best practices, investment in advanced medical technologies and strengthening patient safety measures to provide trusted and high-quality healthcare services.

Related UNSDGs



Customer Satisfaction Index



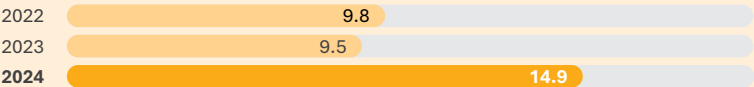
Community Outreach

Expanding access to healthcare and improving community well-being through targeted outreach programmes. This includes free health screenings, mobile clinics, health education initiatives and collaborations with local organisations to bridge healthcare gaps and promote healthier communities.

Related UNSDGs



Total Investment in Community Outreach Programmes (RM million)



Fostering Our People



Risks and Our Mitigating Actions

- Workforce diversity gaps, limited employee development, and inadequate workplace safety measures may lead to low employee engagement, talent attrition and compliance risks.
- These are mitigated by strengthening DEI (Diversity, Equity & Inclusion) initiatives, enhancing employee training programmes, implementing stringent workplace safety measures and fostering a culture of inclusivity and well-being.

Opportunities Arising

- A diverse and inclusive workforce fosters innovation and strengthens employee morale.
- Enhanced training and development improve retention and talent attraction.
- Strong workplace safety measures ensure employee well-being and regulatory compliance.

Material Matters

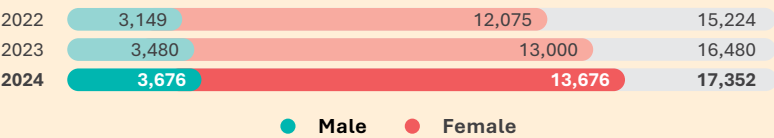
Diversity, Inclusion and Human Rights

Fostering an inclusive, equitable, and safe workplace that values diversity and upholds human rights. This includes strengthening DEI initiatives, ensuring fair employment practices, implementing anti-discrimination policies, promoting gender equality and enhancing workplace safety measures to create a secure and respectful working environment.

Related UNSDGs



Breakdown of Employees by Gender



Employee Engagement and Development

Empowering employees through continuous learning and career growth to enhance engagement and productivity. This includes structured training programmes, leadership development, mentorship initiatives and well-being support to cultivate a motivated and high-performing workforce.

Related UNSDGs



Employee Culture Survey (%)



Determining Materiality

Upholding Good Governance

Stakeholders Impacted



Risks and Our Mitigating Actions

- Weak governance structures, ethical lapses, cybersecurity threats, and inefficient supply chain management may lead to regulatory non-compliance, reputational damage, financial losses and operational disruptions.
- These are mitigated by strengthening corporate governance policies, enforcing ethical business practices, enhancing cybersecurity measures, driving digital innovation and improving supplier due diligence and ESG integration.

Opportunities Arising

- Strong governance and ethical practices enhance stakeholder trust and regulatory compliance.
- Advancements in technology drive operational efficiency and service innovation.
- Robust cybersecurity and data privacy measures protect patient and corporate information.
- Sustainable supply chain practices improve resilience and long-term business sustainability.

Material Matters

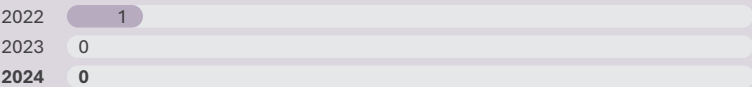
Governance, Ethics and Integrity

Ensuring strong corporate governance and ethical business conduct to uphold transparency, accountability, and stakeholder trust. This includes compliance with regulatory frameworks, stringent anti-corruption policies and board oversight on sustainability governance.

Related UNSDGs



Number of Corruption Incidents



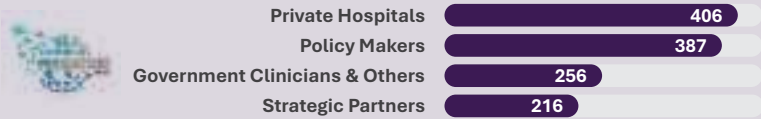
Technology, Innovation and Collaboration

Leveraging digital transformation and strategic partnerships to enhance healthcare services and operational efficiency. This includes investments in AI-driven healthcare solutions, electronic medical records, digital patient services and collaborations with industry experts to drive medical innovation.

Related UNSDGs



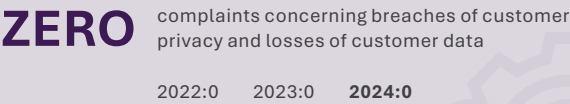
MIH 2024 Attendance of Delegates by Industry



Data Privacy and Security

Safeguarding patient and corporate data through stringent cybersecurity protocols and regulatory compliance. This includes enhancing data governance frameworks, implementing advanced cybersecurity technologies and ensuring compliance with data protection laws.

Related UNSDGs



Supply Chain Management

Strengthening supplier governance and sustainability practices to ensure ethical sourcing and operational efficiency. This includes supplier ESG assessments, ethical supplier code of conduct and fostering partnerships that align with sustainability goals.

Related UNSDGs



Suppliers assessed for environmental and social criteria (%)



ALIGNMENT OF MATERIAL MATTERS AGAINST REPORTING DISCLOSURES

Material Matters	BURSA Sustainability Reporting Guide 3rd Edition – minimum 11 prescribed sustainability matters	GRI Framework	SASB Healthcare Sector Standard
Climate Change Resilience	Energy Management	GRI 201: Economic Performance 2016 - Financial implications and other risks and opportunities due to climate change	SASB Climate Change Impacts on Human Health & Infrastructure HC- DY-450a.1
	Emissions Management	GRI 305: Emissions 2016	SASB Greenhouse Gas Emissions HCS-EN-110a
Resource and Waste Management	Water Management	GRI 303: Water & Effluents 2018	SASB Water Management HCS-EN- 130a
	Energy Management	GRI 302: Energy 2016	SASB Energy Management HC-DY-130a.1
	Waste Management	GRI 306: Waste 2020	SASB Waste Management HC-DY-150a.1&2
Diversity, Inclusion and Human Rights	Diversity and Inclusion	GRI 405: Diversity and Equal Opportunity 2016	SASB Diversity and Inclusion HCS- HR-140b
	Labour Practices and Standards	GRI 406: Non-discrimination	SASB Labor Practices HCS-HR-12-a
	Health and Safety	GRI 403: Occupational Health & Safety	SASB Patient Health Outcomes HCDR-260b.1&2 SASB Employee Health & Safety HCDY-320a.1
Service Quality and Safety	Health and Safety	GRI 416: Customer Health and Safety	SASB Quality of Care & Patient Satisfaction HC-DY-250a.1
		GRI 417: Marketing & Labelling 2016	SASB Management of Controlled Substances HC-DY-260a.1&2
			SASB Pricing & Billing Transparency HC-DY-270a.1&2 SASB Pricing & Billing Transparency HC-DY-270a.3
Employee Engagement and Development	Labour Practices and Standards	GRI 401: Employment 2016	SASB Workforce Development and Engagemen HCS-HR-140a
		GRI 404: Training and Education	
Community Outreach	Community / Society	GRI 203: Indirect Economic Impacts 2016 - Infrastructure Investments And Services Supported	SASB Community Health Impacts HCS-SO-510a
			SASB Collaboration to Improve Healthcare Access HCS-AA-120a
Governance, Ethics and Integrity	Anti Corruption	GRI 205: Anti-corruption 2016	SASB Compliance and Ethics Programme HCS-SO-110a
		GRI 408: Child Labour 2016	
		GRI 409: Forced Or Compulsory Labour 2016	
Technology, Innovation and Collaboration	N/A	GRI 102-12: External Initiatives	SASB Data Security and System Reliability HCS-IT-110a
Data Privacy and Security	Data Privacy and Security	GRI 418: Customer Privacy 2016	SASB Data Security, Patient Privacy & Electronic Health Records HC-DY- 230a.1,2&3
Supply Chain Management	Supply Chain Management	GRI 204: Procurement Practices 2016	SASB Supply Chain Management HCS-SC-120a
		GRI 308: Supplier Environment Assessment 2016	
		GRI 414: Supplier Social Assessment 2016	

Looking ahead, we aim to conduct a more comprehensive materiality assessment. This may include incorporating double materiality, which considers both financial and impact materiality, and aligning our process with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) to enhance transparency and accountability in our sustainability reporting.



A New Dawn of Green Healthcare

KPJ is accelerating its transition toward a low-carbon future by integrating solar energy solutions across its hospital network. As part of KPJ's broader commitment to environmental sustainability and renewable energy adoption, KPJ has commenced the implementation of solar photovoltaic (PV) systems at selected hospitals. These systems reduce dependence on conventional grid electricity, lower greenhouse gas emissions, and contribute to national decarbonisation goals. This marks a significant milestone in KPJ's environmental journey – embedding clean energy into the core of its healthcare infrastructure and setting the foundation for long-term climate resilience.

The solar installations are being rolled out in phases, beginning with five hospitals under Phase One. These systems are expected to significantly offset each hospital's electricity consumption, improving long-term energy efficiency and reducing operational costs. More importantly, the initiative contributes to Malaysia's renewable energy goals, aligning private healthcare with national climate action priorities.

This initiative is driven through a Supply Agreement with Renewable Energy (SARE), in collaboration with Tenaga Nasional Berhad (TNB) and its subsidiary, GSPARX. Following the successful implementation of Phase One and with expansion plans actively underway, KPJ is making strong strides toward becoming the largest adopter of solar energy in Malaysia's private healthcare sector. This ambition reinforces our belief that hospitals can be champions of both human health and environmental sustainability.





PROTECTING OUR ENVIRONMENT

Climate Change Resilience

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Resource and Waste Management

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Protecting Our Environment

Climate Change Resilience

Capital



Related SDGs



Activities

- GHG emissions baseline verification
- Energy efficiency initiatives
- Renewable energy adoption
- Installation of EV charging stations at hospitals
- Tree planting and urban greening projects
- Staff and stakeholder awareness programmes

Outputs

- GHG emissions data and reporting
- Energy-efficient hospital infrastructure
- Solar panel installations and Green Electricity Tariff
- EV charging stations across hospitals
- Increased green spaces in hospital/community areas
- Green-certified hospital buildings

Value Created

- Net Zero Emissions by 2050 commitment
- Green and healthy hospital buildings
- Improved energy and resource efficiency
- Compliance with ESG and regulatory standards
- Long-term cost savings from sustainability investments
- Green Transportation

The healthcare sector remains a significant contributor to global greenhouse gas (GHG) emissions, responsible for an estimated 4–5% of total worldwide emissions (Source : Healthcare's Climate Footprint report, 2019). In Malaysia, the sector accounted for approximately 2% of national emissions in 2015. This figure has likely increased in recent years, driven by rising demand for healthcare services, the widespread use of energy-intensive medical technologies, and the ongoing expansion of hospital infrastructure. Addressing these emissions is critical to ensuring a low-carbon, climate-resilient healthcare system that supports both environmental and public health goals.

KPJ recognises climate change as a material risk that can impact financial performance, business continuity, and corporate reputation, particularly as sustainability-related regulations and stakeholder expectations continue to evolve. In response, KPJ has embedded climate resilience and decarbonisation efforts into its operations, guided by KPJ's Group-wide Sustainability Policy that was launched in 2024, the Environmental Safety Services (EES) Policy and aligned with Malaysia's Net Zero 2050 roadmap, the 12th Malaysia Plan (RMK-12), and the United Nations Sustainable Development Goals (UNSDGs).

Recognising that transitioning to a net zero economy is a long-term strategic investment, KPJ is committed to proactive carbon reduction initiatives – where the future benefits of mitigating global warming significantly outweigh the costs of inaction. As part of this, KPJ continues to drive low-carbon hospital operations, improve energy and resource efficiency, and enhance climate risk preparedness to ensure service continuity and regulatory compliance.

Environmental Safety Services (ESS) Policy

ISO 9001:2015 Quality Management System (QMS)

Environmental Quality Act 1974

ISO 14001:2015 Environmental Management System (EMS)

ISO 9001:2015 Quality Management System (QMS)

OUR APPROACH

KPJ's climate initiatives support key national and international commitments, reinforcing its long-term vision for a sustainable, efficient, and climate-resilient healthcare system:

KPJ takes a full-spectrum approach by addressing all emission scopes:



To strengthen environmental performance, KPJ conducted a Carbon Footprint Baseline Assessment in collaboration with an independent third party to enhance accuracy and transparency. Covering 42 sites, including 29 hospitals and 13 subsidiaries, the assessment provided a comprehensive analysis of emissions across Scope 1, Scope 2 and Scope 3 categories. Data collected from 22 emission sources has enabled a more targeted approach to emissions reduction, refining sustainability strategies and prioritising high-impact areas.

- Findings indicate that Scope 2 emissions, primarily driven by electricity consumption, represent the largest contributor to KPJ's carbon footprint. KPJ hospitals are high-energy consumers due to their 24/7 operations, reliance on HVAC systems, diagnostic equipment, and medical devices, and backup diesel generators for uninterrupted care. To mitigate environmental impact, KPJ continues to implement energy efficiency measures, aligning with its long-term sustainability strategy.
- To tackle Scope 1 emissions, KPJ focuses on optimising energy use in on-site facilities and managing refrigerant emissions.
- To manage Scope 3 emissions, KPJ has been actively engaging suppliers on sustainable practices and expanding its waste management initiatives.

Protecting Our Environment

INITIATIVES / PROGRESS



**KPJ SUPPORTS THE NATIONAL
NET-ZERO TARGET BY 2050**

Scope 1

17,216.78 tCO₂e

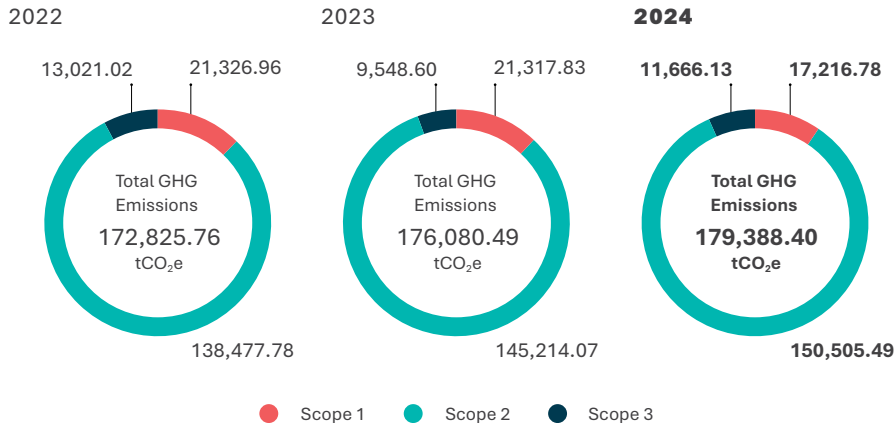
Scope 2

150,505.49 tCO₂e

Scope 3

11,666.13 tCO₂e

Total GHG Emissions Year-by-year Comparisons (pre-offset)



**Scope 2 emissions reduced
via solar adoption and GET**

**50,616.10
tCO₂e**

**Total GHG emissions 2024
post-offset**

**128,772.30
tCO₂e**

SCOPE 1 – DIRECT EMISSIONS



Notes:

- The Total GHG Emissions and Emissions Intensity figures presented above excludes fugitive emissions.
- The figures reported for 2022 and 2023 have been independently verified by a third-party assurance provider.

SCOPE 2 – INDIRECT EMISSIONS



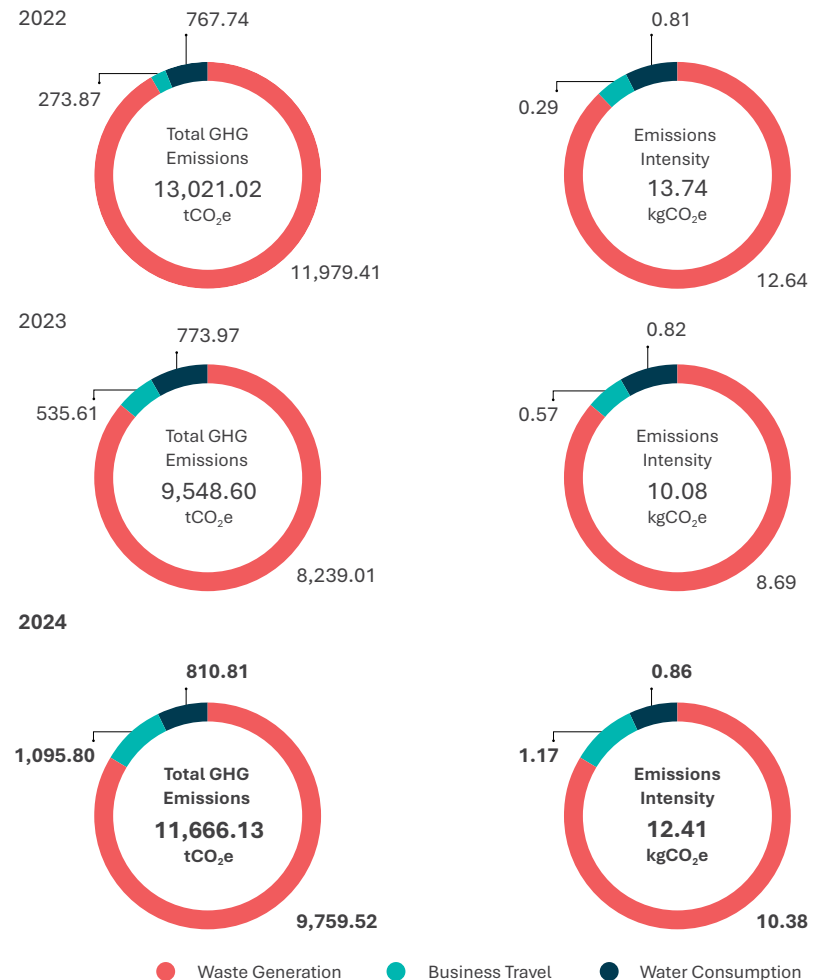
Notes :

The figures reported for 2022 and 2023 have been independently verified by a third-party assurance provider.

¹ Scope 2 emissions in tonnes of CO₂ data for 2022 and 2023 have been restated due to changes in emissions factor.

² Increase from the 2022 baseline due to higher energy consumption across expanding hospital facilities.

SCOPE 3 – INDIRECT EMISSIONS



Notes :

- The Total GHG Emissions and Emissions Intensity figures presented above excludes fugitive emissions.
- The figures reported for 2022 and 2023 have been independently verified by a third-party assurance provider.
- In 2024, we expanded our Scope 3 emissions monitoring to include employee commuting for the first time. Based on 422 of employee commuting samples, emissions from this category totaled to 303.87 tCO₂e. As baseline data is unavailable, emissions from employee commuting are not reflected in the Scope 3 charts above. Moving forward, this category will be incorporated into future disclosures for a fuller Scope 3 emissions profile.

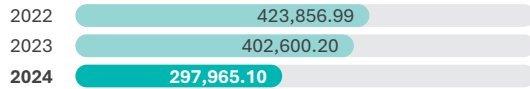
In 2024, KPJ recorded a 3.80 % increase in total greenhouse gas (GHG) emissions, corresponding to the expansion of hospital operations across 42 entities. Its GHG emissions intensity ratio for 2024 was recorded at 191 kgCO₂e per m², based on our total gross floor area of 940,237.74 m², covering 42 entities in 2024 compared to 947,682.71 m² with 44 entities in 2023 and 2022. However, this impact was effectively mitigated through our ongoing renewable energy initiatives, which contributed to a 25.49% reduction in greenhouse gas (GHG) emissions.

Protecting Our Environment

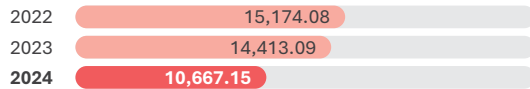
Energy Consumption

Diesel (Genset and Company Vehicle)

Litres

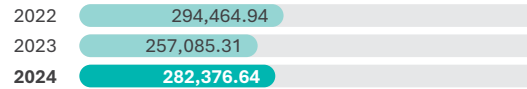


Gigajoules (GJ)

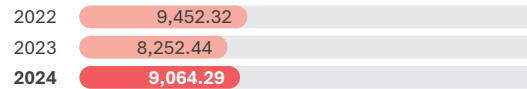


Petrol (Company Vehicle)

Litres

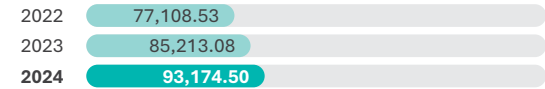


Gigajoules (GJ)



Liquefied Petroleum Gas (LPG) (Cooking Gas)

Kilograms (kg)



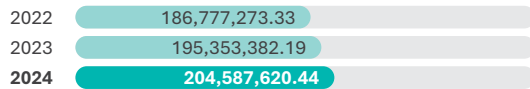
Gigajoules (GJ)



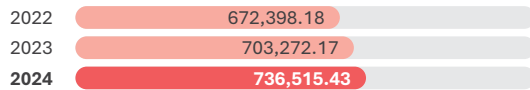
Electricity Intensity and Consumption

Electricity Consumption

kWh



Gigajoules (GJ)



Gross Floor Area

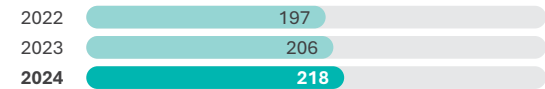
m²



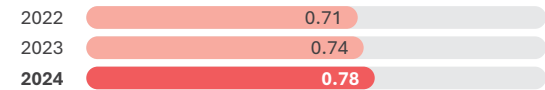
* Data for 2022 and 2023 is based on figures from 44 sites (29 hospitals and 15 subsidiaries). Data for 2024 is based on 42 sites (29 hospitals and 13 subsidiaries), reflecting the closure of two subsidiaries in 2024 – Fabricare Laundry Sdn Bhd and KPJ Kuantan Care & Wellness Centre.

Electricity Intensity (per m²)

kWh/m²



Gigajoules per square metre (GJ/m²)



Building Energy Intensity (BEI)

2022

197 kWh/m²

2023

206 kWh/m²

2024

218 kWh/m²

Amidst this growth, KPJ remains committed to long-term carbon reduction, strengthening its decarbonisation strategy by implementing key initiatives aimed at reducing GHG emissions, optimising energy efficiency, expanded adoption of renewable energy and advancing sustainable resource management. In addition to these operational initiatives, KPJ integrates nature-based solutions such as tree planting to enhance carbon sequestration and support biodiversity conservation. These initiatives align with Malaysia's National Low Carbon Agenda, driving operational sustainability while balancing healthcare service expansion.

Renewable Energy Projects

KPJ is expanding its renewable energy adoption through:



Photovoltaic (PV) Installation

Under the Supply Agreement for Renewable Energy (SARE), the Phase 1 plan includes solar PV installations at five (5) hospitals: KPJ Kluang Specialist Hospital, Bandar Dato' Onn Specialist Hospital, KPJ Seremban Specialist Hospital and KPJ Rawang Specialist Hospital and Johor Specialist Hospital. The Commercial Operation Date (COD) for Johor Specialist Hospital is scheduled for 5 August 2025. Phase 2 will commence from 2025 onwards, scaling up solar PV adoption across additional hospitals



Green Electricity Tariff (GET) Programme

Through our participation in Tenaga Nasional Berhad's (TNB) Green Electricity Tariff (GET) programme, 25 TNB accounts across KPJ group has successfully offset 33.6% of Scope 2 GHG emissions by sourcing low-carbon electricity, significantly lowering their reliance on fossil-fuel-based electricity. From 2025 onwards, KPJ plans to expand this initiative by adding more hospital blocks and facilities under the GET programme

Protecting Our Environment

Electric Vehicle (EV) Charging Stations

In July 2023, KPJ signed a Memorandum of Understanding (MoU) with Gentari for a collaboration to install electric vehicle (EV) charging stations in our hospital parking areas. With the installation of 31 charging points across 10 KPJ premises, we aim to encourage the adoption of sustainable transportation within our operations. This initiative aligns with our commitment to reducing our carbon footprint and promoting eco-friendly practices.



■ One of the Electric Vehicle (EV) charging stations installed at Menara KPJ, in collaboration with Gentari in January 2024. This initiative is part of KPJ's broader commitment to green mobility and reducing carbon emissions across its network of hospitals and facilities.

Energy Efficiency Projects

To manage rising energy demand, KPJ has intensified efforts to optimise resource usage through efficiency-driven initiatives while maintaining uninterrupted hospital operations. These energy efficiency measures are integral to KPJ's broader commitment to green building initiatives, ensuring that hospital facilities are designed and retrofitted to meet sustainable building standards such as GBI (Green Building Index) and MyCREST (Malaysian Carbon Reduction and Environmental Sustainability Tool).

As of 2024, three KPJ hospitals have been awarded Green Building certifications, reflecting our commitment to sustainable infrastructure and energy-efficient healthcare delivery.



Key energy efficiency measures introduced in 2024 include:

- Deployment of LED lighting across hospitals and medical warehouses to reduce electricity consumption.
- Installation of solar-powered outdoor lighting to decrease reliance on grid electricity.
- Upgrades to Air Handling Unit (AHU) systems with motorised valves to enhance HVAC efficiency.
- Implementation of motion sensor lighting in staircases and low-traffic areas to minimise unnecessary energy usage.
- Installation of Variable Frequency Drives (VFDs) to improve chiller system performance and optimise cooling loads.
- Chiller system scheduling and chilled water supply balancing to improve cooling efficiency.
- Strategic scheduling of corridor and car park lighting to reduce energy consumption during off-peak hours.

KPJ has been participating in the Energy Efficiency Projects Malaysia initiative, supported by SEDA (Sustainable Energy Development Authority). This initiative provides grants for energy audits, optimised energy consumption management and cost-saving measures within the Commercial Building sector. In 2024, KPJ Sentosa Specialist Hospital was awarded the SEDA RMK-12 Energy Audit Conditional Grant, and three KPJ hospitals (KPJ Selangor Specialist Hospital, KPJ Kajang Specialist Hospital, Damansara Specialist Hospital) achieved the SEDA 2023 Green Pass Operation Certification, demonstrating excellence in energy efficiency and carbon footprint reduction.

These initiatives not only reduce hospital energy consumption but also contribute to low-carbon healthcare infrastructure, positioning KPJ as a leader in sustainable hospital design while reinforcing Malaysia's commitment to green development.

Protecting Our Environment

Carbon Sequestration & Green Spaces

In alignment with its decarbonisation strategy, KPJ integrates nature-based solutions such as tree planting to enhance carbon sequestration, mitigate urban heat, and improve air quality around hospital facilities. Key initiatives include:



- **Tree Planting Programmes**

Collaborating with local communities and stakeholders to plant native and fast-growing tree species within hospital compounds and surrounding areas.



- **Urban Green Spaces**

Establishing hydroponic and mini gardens within hospital premises to enhance biodiversity, promote sustainable food sources, and provide cooling effects while offering fresh vegetables for hospital use.

- **Reforestation Efforts**

Partnering with environmental organisations to support mangrove restoration and forest rehabilitation projects that contribute to carbon capture.

GOING FORWARD

Looking ahead, KPJ is focused on strategic initiatives aimed at reducing its environmental impact. This will be accomplished through enhanced monitoring via a carbon accounting system, expanding renewable energy adoption, improving energy efficiency, advancing circular economy practices, and pursuing green certifications. By continuously refining our sustainability strategy, KPJ is taking decisive steps to position itself as a leader in low-carbon healthcare operations, ensuring a resilient and environmentally responsible future.

Resource and Waste Management

Capital



Related SDGs



Activities

- Waste segregation and recycling programmes
- Clinical Waste Segregation Programme expansion
- Circular economy initiatives (e.g., upcycling, waste-to-energy projects)
- Water conservation and efficiency programmes
- Rainwater harvesting system
- Staff and stakeholder engagement on waste reduction and water conservation

Outputs

- Improved waste segregation compliance and tracking
- Reduced clinical and general waste sent to landfills
- Increased recycling and upcycling rates
- Enhanced rainwater harvesting and water reuse
- Transparent waste and water consumption data reporting
- Reduction in single-use plastics in hospital operations

Value Created

- Enhanced environmental sustainability in hospital operations
- Improved compliance with regulations
- Cost savings through optimised waste and water management
- Contribution to national and global waste reduction goals

Hospitals generate significant amounts of clinical, hazardous, and general waste, contributing to environmental pollution and resource depletion. In Malaysia, medical waste production is rising due to increased healthcare demand, stringent hygiene requirements, and disposable medical supplies. Addressing waste through better segregation, recycling, and paperless digital transformation is essential to building a more resource-efficient, sustainable, and compliant healthcare system. Meanwhile, water consumption in healthcare facilities is substantial, necessitating efficient management to prevent wastage and ensure long-term sustainability. Addressing these challenges through enhanced waste segregation, recycling, circular economy initiatives, and water conservation measures – such as rainwater harvesting and efficiency programmes – is essential to building a more resource-efficient, sustainable, and compliant healthcare system.

Waste Management

At KPJ, we recognise that responsible waste management is a key element of our sustainability strategy, ensuring that hospital operations remain efficient, compliant, and environmentally responsible. Managed in accordance with KPJ's Sustainability Policy, ISO 14001: Environmental Management System (EMS), SDG 12: Responsible Consumption and Production, and Malaysia's Waste Legislation as mandated under the Environmental Quality Act 1974 by the Department of Environment (DOE), KPJ is committed that waste is minimised, recycled, and disposed of sustainably.

OUR APPROACH

Our waste management strategy prioritises the reduction of waste generation, efficient resource utilisation, and responsible disposal methods. This includes a strong focus on waste segregation at the source, enhancing recycling efforts and transitioning towards paperless operations to minimise environmental impact. KPJ is shifting towards a circular economy model, moving away from the traditional linear approach of take-make-dispose and instead adopting strategies that support reuse, recycling, and upcycling of materials. To ensure effective waste governance, KPJ has adopted Standard Operating Procedures (SOPs) and environmental policies that provide clear guidelines for waste handling, monitoring, and disposal across its network of hospitals.

Protecting Our Environment

To strengthen its waste management ecosystem, KPJ actively partners with environmental service providers, vendors, and local authorities. A key focus is on proper waste segregation, particularly for different waste streams, including general, recyclable, scheduled, and hazardous waste. This includes the strict segregation and safe disposal of sharps and medical waste. Collaborations with Cenviro support the proper handling of scheduled waste, while partnerships with local councils facilitate food composting initiatives, reducing organic waste sent to landfills.

KPJ also works with industry stakeholders to recover and repurpose materials, such as unused cooking oil and recyclable cardboard, reinforcing its commitment to waste-to-value strategies. Beyond operational waste management, KPJ extends its environmental responsibility through community-driven sustainability efforts, including public awareness programmes and environmental conservation activities such as beach cleanups. By embedding sustainability into its waste management approach, KPJ ensures long-term environmental resilience, cost efficiency, and compliance with global best practices.

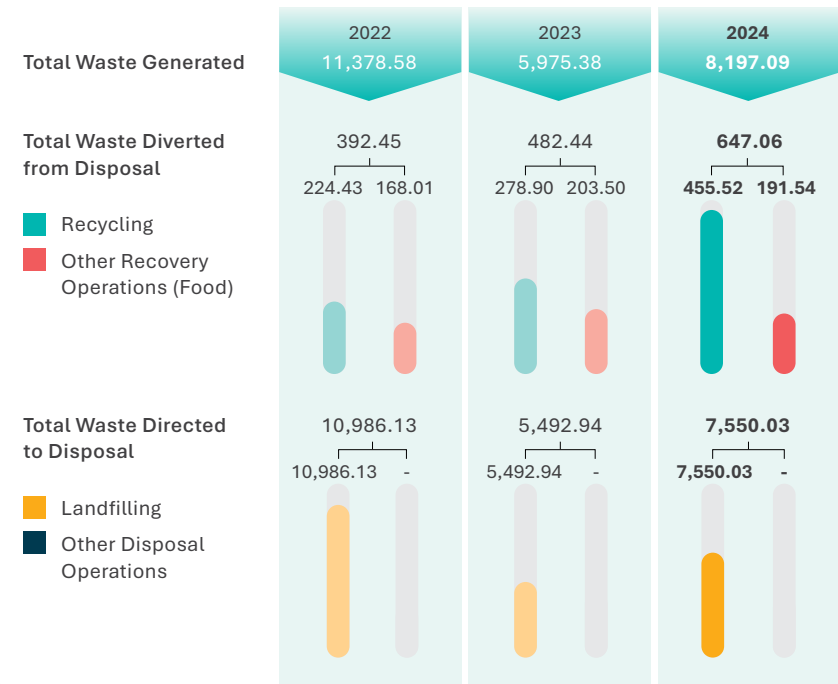
INITIATIVES / PROGRESS

In 2024, KPJ hospitals generated 10,354.82 tonnes of waste, a 22.78% reduction from the baseline year 2022, driven by enhanced segregation, optimised disposal, and recycling initiatives. This included 1,980.88 tonnes of clinical waste, 176.84 tonnes of scheduled waste, 455.52 tonnes of recycled waste, 191.54 tonnes of food waste and 7,550.03 tonnes general waste. Additionally, 647.06 tonnes were diverted through recycling and recovery efforts, with 19.13% of medical waste incinerated.

22.78%
waste reduction in 2024
from 2022 baseline

Waste Type	Non-Hazardous Waste	» 8,197.09 tonnes
	Hazardous Waste	» 2,157.73 tonnes

Non-hazardous Waste (tonnes)

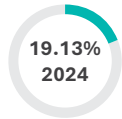
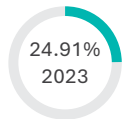


Hazardous Waste (tonnes)



Clinical Waste Intensity

Clinical waste (%)



Total area of KPJ hospitals and companies in m²*



Clinical waste per gross floor area (kg/m²)



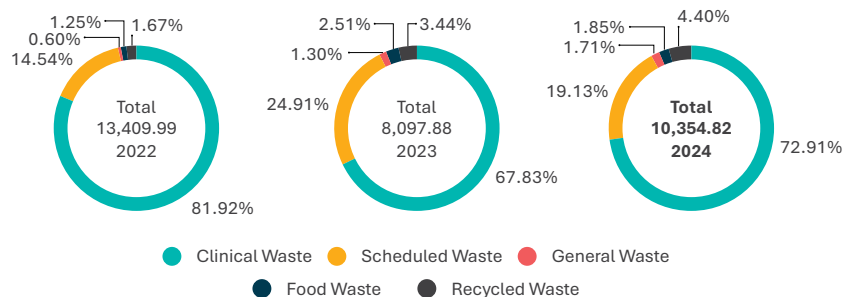
Clinical waste per patient (kg/patient)



* Data for 2022 and 2023 is based on figures from 44 sites (29 hospitals and 15 subsidiaries). Data for 2024 is based on 42 sites (29 hospitals and 13 subsidiaries), reflecting the closure of two subsidiaries in 2024 – Fabricare Laundry Sdn Bhd and KPJ Kuantan Care & Wellness Centre

Waste Composition

Total Waste (tonnes)



Expanding Recycling & Circular Economy Practices

Across our hospital network, various departments actively engage in waste recycling initiatives, contributing to a more sustainable environment.

Key efforts include:



- Generating revenue by selling unused materials, such as medical plastics and packaging, to licensed recycling companies for repurposing, and expanding the sale of used cooking oil for biofuel conversion, reducing waste while creating additional value.
- Partnering with local municipalities and regulatory agencies to implement food composting initiatives, aiming to reduce organic waste sent to landfills. Through this initiative, food waste from hospital cafeterias is composted and repurposed into organic fertilisers, which are then used to nourish plants in public parks and green spaces.
- Establishing dedicated recycling stations across facilities for plastic, paper and e-waste, including installation of KLEAN reverse vending machine.
- Conducting hospital-wide campaigns to educate staff and patients on proper waste segregation techniques, reducing contamination in recycling streams.

By enhancing recycling infrastructure, improving staff awareness, and fostering strategic partnerships, KPJ is actively working towards a higher recycling rate of 4.3%, reducing environmental impact and supporting national sustainability goals.

Protecting Our Environment

Strengthening Waste Segregation & Compliance

KPJ has implemented a comprehensive waste segregation system across all hospitals, ensuring proper classification and disposal of various waste categories, including general waste, recyclables, scheduled waste, and hazardous waste. To strengthen compliance with national regulations, KPJ has enhanced sharps disposal procedures, equipping hospitals with dedicated sharps containers to minimise risks associated with medical waste. The disposal of these materials is managed through licensed waste contractors, ensuring strict adherence to the Department of Environment (DOE) guidelines and the Environmental Quality Act 1974.

Dedicated Disposal Systems	Sharps Waste Disposal Systems
Specialised bins for hazardous waste, pharmaceuticals, and e-Waste ensure safe and compliant disposal.	Placing them in puncture-proof containers, which are then collected by licensed waste management companies for treatment through methods like autoclaving or incineration.
Medication Disposal Programmes	Collaboration with DOE-certified waste disposal partners
Secure collection bins for expired and unused medications to prevent environmental contamination, in collaboration with Cenviro.	Ensuring strict compliance with hazardous waste disposal guidelines while optimising treatment and incineration efficiency.

KPJ collaborates closely with Cenviro, a leading environmental solutions provider, to enhance the segregation, transportation, and disposal of scheduled waste in compliance with DOE standards. Recognised by the Malaysia Book of Records as the first hospital group in the country to implement a structured clinical waste segregation programme, KPJ leads the way in sustainable healthcare practices. Launched in collaboration with Cenviro Sdn Bhd and supported by the Department of Environment (DOE), the initiative focuses on the segregation of SW404 (contaminated plastics) and SW409 (pharmaceutical waste). Key targeted items include drip solution bottles, medication cups, and other single-use plastic materials, contributing to safer waste management and reducing the environmental footprint of clinical operation. This partnership supports KPJ's commitment to responsible waste governance, ensuring that all hazardous and scheduled waste – such as clinical, pharmaceutical, and chemical waste – is treated and disposed of in a safe, sustainable manner.

In 2024, despite an overall increase in clinical waste generation from baseline 2022 due to higher hospital occupancy, facility expansions, and an increase in licensed beds, KPJ successfully diverted 647.06 tonnes of waste from disposal through recycling and recovery initiatives. Of this, 455.52 tonnes of waste, including repurposed plastics, were recycled, while 191.54 tonnes of food waste were recovered through other recovery operations. Meanwhile, 7,550.03 tonnes of non-hazardous waste were directed to landfills. In managing hazardous waste, 2,157.73 tonnes were disposed of through incineration without energy recovery, ensuring compliance with hazardous waste regulations. KPJ continues to strengthen its partnerships with DOE-certified waste disposal providers, optimising waste treatment and disposal processes to enhance environmental sustainability.



Driving Paperless & Digital Transformation

KPJ has accelerated the transition to paperless operations by integrating various digital solutions that enhance efficiency while reducing environmental impact. For example, the implementation of the Hospital Information System (HIS) allows for the digitisation of patient medical records, eliminating the need for physical files and ensuring seamless access to medical histories across departments. In addition, e-billing and online payment systems have been adopted to minimise paper invoices, making transactions more efficient and convenient for patients.

Beyond administrative processes, KPJ has also introduced electronic prescription systems (e-prescriptions) to replace traditional handwritten prescriptions, reducing paper usage and the risk of errors. Furthermore, the integration of digital consent forms and online appointment scheduling has streamlined hospital operations, further decreasing reliance on printed documents. Patients can now conveniently book appointments online, reducing the need for manual paperwork and streamlining administrative processes.

Sustainable Disposal & Community Initiatives



To further promote sustainable waste disposal, KPJ has conducted awareness campaigns and staff training programmes on waste minimisation and segregation, fostering a culture of sustainability across its hospital network. As part of its corporate social responsibility (CSR) efforts, KPJ has also organised beach cleanup initiatives and environmental conservation programmes, reinforcing its commitment to community-driven sustainability. Additionally, KPJ has partnered with licensed e-waste recyclers to ensure the safe and responsible disposal of outdated electronic medical equipment, preventing harmful substances from entering landfills and promoting circular economy practices.

GOING FORWARD

KPJ is committed to advancing excellence in waste management while maintaining full compliance with DOE regulations and the Environmental Quality Act 1974. Moving forward, KPJ plans to expand the Clinical Waste Segregation Programme across all hospitals, integrate digital waste tracking systems, and implement structured and interactive recycling programmes. KPJ also aims to promote upcycling initiatives, enhance staff and community awareness on sustainable practices, and drive digitalisation to minimise paper usage. Additionally, KPJ is exploring innovative waste reduction strategies and strengthening partnerships with green technology providers to further its sustainability goals.

Protecting Our Environment

Water Management

Efficient resource management is crucial in reducing KPJ's environmental footprint. Given the 24-hour nature of hospital operations, water consumption is significantly higher than in non-essential businesses. As such, KPJ prioritises responsible water management by implementing conservation initiatives, rainwater harvesting, and awareness programmes to promote sustainable practices among employees. In alignment with the Environmental Quality Act 1974 and international standards such as ISO 14001:2015 Environmental Management Systems, KPJ ensures full compliance with regulatory requirements while striving to improve water efficiency across its operations.

OUR APPROACH

Water is an essential resource in healthcare operations, supporting sterilisation, cleaning, cooling, and patient care. In alignment with SDG 6: Clean Water and Sanitation, KPJ is committed to optimising water consumption and enhancing efficiency through sustainable water management practices. KPJ adheres to strict wastewater management protocols, complying with the Environmental Quality Act 1974 and the Water Services Industry Act 2006. Hospital engineers closely monitor effluent discharge to ensure continuous compliance with regulatory requirements and internal water quality standards.



Discharge limits are determined based on facility location, environmental conditions, and sector-specific benchmarks to prevent contamination of local ecosystems. In 2024, KPJ recorded a total water discharge of 90,694 m³/hour at Johor Specialist Hospital and KPJ Perdana Specialist Hospital.

By implementing advanced water treatment technologies and monitoring systems, KPJ minimises the environmental impact of its operations while maintaining compliance with national and international regulations.

To further strengthen compliance and reduce environmental impact, KPJ is implementing an ongoing programme to enhance the monitoring of water discharges from its identified sewage treatment plants (STPs). This initiative includes upgrading monitoring infrastructure through improved control panels with flowmeter for more accurate data tracking, as well as the deployment of advanced water treatment technologies such as anoxic tanks, grit and grease chambers, distribution chambers, and chlorination chambers. These efforts reflect KPJ's commitment to minimising its environmental footprint while aligning with both national and international environmental regulations.

KPJ does not operate in areas with water stress and does not share natural water resources with local communities. KPJ sources its water supply from local water companies, ensuring stable and reliable access while maintaining responsible water consumption practices.

INITIATIVES / PROGRESS

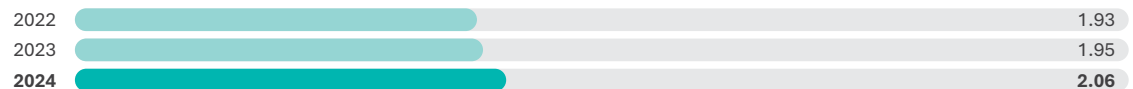
Water Withdrawal (m³)



Gross Floor Area (m²)



Water Withdrawal per gross floor area (m³/m²)



Number of Patients



Number of Employees



Water Withdrawal per Patient and Employee



KPJ recorded an increase in water consumption in 2024, driven by the expansion of bed capacity across its hospitals. Despite this, KPJ is implementing targeted water conservation measures and enhancing water management practices to optimise usage and minimise environmental impact. Initiatives such as water recycling, rainwater harvesting and employee awareness programmes support efforts to improve resource efficiency while maintaining operational sustainability across hospital facilities. In 2024, KPJ recorded a total water discharge of 90,694 mg/l for Johor Specialist Hospital and KPJ Perdana Specialist Hospital.

Protecting Our Environment



■ Rainwater Harvesting

Efficient resource management is crucial in reducing KPJ's environmental footprint. Given the 24-hour nature of hospital operations, water consumption is significantly higher than in non-essential businesses. As such, KPJ prioritises responsible water management by implementing conservation initiatives, rainwater harvesting, and awareness programmes to promote sustainable practices among employees. In 2024, KPJ recorded a total rainwater harvesting volume of 1,045.83 m³ for Ampang Puteri Specialist Hospital, Damansara Specialist Hospital 2 and KPJ Kajang Specialist Hospital, reinforcing its commitment to water conservation. In alignment with the Environmental Quality Act 1974 and international standards such as ISO 14001:2015 Environmental Management Systems, KPJ ensures full compliance with regulatory requirements while striving to improve water efficiency across its operations.

■ Advancing Water Efficiency in Healthcare Facilities

In line with its commitment to sustainable water management, KPJ has implemented multiple water-efficient fixtures across its hospitals to ensure optimal water use without compromising hygiene or operational efficiency. These fixtures are designed to control water flow and reduce wastage at high-use touchpoints, contributing to overall conservation efforts.

For instance, Johor Specialist Hospital has installed sensor taps at the surau to minimise unnecessary water usage while maintaining cleanliness for worshippers. Additionally, hospitals such as KPJ Seremban Specialist Hospital, KPJ Penang Specialist Hospital, and KPJ Kluang Specialist Hospital have adopted timed-flow taps in various departments. These taps automatically stop after a set duration, reducing excessive water use during daily routines.

By incorporating such water-efficient technologies, KPJ hospitals continue to reduce water wastage, promote responsible consumption, and uphold high hygiene standards across their facilities.

GOING FORWARD

KPJ remains committed to enhancing water conservation efforts and fostering continuous awareness across its operations. The focus will be on reducing water consumption, optimising efficiency, and integrating innovative solutions to minimise environmental impact. This includes expanding the use of water-efficient technologies such as low-flow faucets, sensor-based taps, and advanced filtration systems, as well as enhancing rainwater harvesting infrastructure through real-time monitoring.

As part of its long-term sustainability strategy, KPJ plans to engage with the local water authorities, to implement a Comprehensive Water Management Programme. This initiative will include a water audit across all KPJ facilities to identify inefficiencies and areas of wastage. The programme will be carried out in four key phases:



Initial Assessment

Collecting data on current water consumption and costs.



Installation of Monitoring Systems

Deploying smart meters and sensors.



Data Analysis

Identifying trends, inefficiencies, and potential savings.



Optimisation Plan

Recommending and implementing water-saving measures.

To further enhance water efficiency, KPJ will explore and implement potential water optimisation measures, including:

- ▶ On-site water reclamation
- ▶ Leak detection and repair
- ▶ Installation of low-flow fixtures
- ▶ Expansion of rainwater harvesting systems
- ▶ Optimisation of cooling tower efficiency and operation
- ▶ Behavioural awareness and staff training

KPJ will further strengthen its engagement with water management authorities and industry experts to explore and implement sustainable solutions for water conservation, efficient usage, and advanced wastewater treatment across its facilities. In addition, continuous awareness programmes will be promoted among staff, patients, and visitors to encourage responsible water consumption. To support these efforts, KPJ will improve water tracking and reporting mechanisms, ensuring data-driven decision-making for continuous improvement. By embedding these initiatives into its long-term sustainability strategy, KPJ aims to set new benchmarks for water efficiency in the healthcare sector while maintaining full compliance with environmental regulations and best practices.



In April 2024, KPJ, in collaboration with mStar, took a significant step in its ongoing commitment to community care by bringing essential healthcare services to one of the most vulnerable populations in Kuala Lumpur: the homeless.

The “Jalinan Kasih Prihatin” programme, held during the holy month of Ramadan, saw KPJ’s Waqaf An-Nur Mobile Clinic roll into the streets of Chow Kit, an area known for its high concentration of people facing homelessness. The mobile clinic, fully equipped to provide medical care, offered free health check-ups and treatment, helping those who often find themselves excluded from traditional healthcare channels.

Over the course of the day, this initiative was supported by a team of 46 volunteers, including doctors, nurses, and hospital staff, all of whom offered their time and expertise to ensure that no one was left behind.

This is just one of the many ways KPJ continues to build a legacy of compassion, ensuring that care doesn’t stop at the hospital doors, but instead reaches out into the very heart of the community. It builds upon a history of community outreach programmes designed to serve Malaysia’s underserved and vulnerable populations. KPJ believes that healthcare is a right, not a privilege, and through initiatives like this, we aim to break down barriers and provide essential services to everyone – regardless of their status.





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Uplifting Our Patients and Communities

Service Quality and Safety

Capital



Related SDGs



Activities

- Strengthening medication safety
- Enhancing patient feedback mechanisms
- Clinical governance implementation
- Transparent pricing initiatives

Outputs

- Improved medication safety standards
- Real-time patient feedback integration
- Strengthened clinical governance
- Clearer healthcare pricing information

Value Created

- Increased patient trust
- Enhanced patient safety and care quality
- Data-driven service improvements
- Compliance with healthcare regulations

Ensuring patient safety remains paramount, particularly in medication management, where enhanced pharmacist oversight and stricter safety protocols are crucial in reducing preventable errors and maintaining high standards of care. Digital platforms for patient feedback are also evolving, integrating AI-driven analytics to identify service gaps and improve patient satisfaction in real time. Meanwhile, clinical governance frameworks are adapting to emerging risks, such as antimicrobial resistance and AI-driven diagnostics, requiring updated safety protocols. Our framework underpins our clinical governance efforts, supported by Malaysian Society for Quality in Health ("MSQH") and Joint Commission International ("JCI") accreditation standards, while aligning with the UN Sustainable Development Goals.

Aligning patient welfare with sustainability, KPJ introduced strategic initiatives to reduce waste, optimise resources and enhance operational efficiency, these initiatives include circular practices, inventory streamlining and technology-driven solutions help us address patient needs effectively and responsibly.

From January to December 2024, our Customer Satisfaction Index consistently exceeded 94 for services and facilities, staff care and inpatient treatment, while doctors' care surpassed 95. These figures reflect the positive experiences reported in patient feedback, emphasising fair and secure healthcare delivery.



>94

Customer Satisfaction Index
for services and facilities, staff
care and inpatient treatment

>95

Customer Satisfaction
Index for doctors' care

OUR APPROACH

At KPJ Healthcare Berhad, ensuring service quality and patient safety is at the core of our healthcare delivery. Our approach focuses on three key areas:



Clinical Governance and Risk Management

Strengthening patient safety through structured policies, monitoring systems, and governance frameworks.

Guided by the Group Medical Advisory & Clinical Governance Committee (GMACGC), we ensure:

- Compliance with healthcare regulations
- Enhanced clinical performance through audits and training
- Introduction of new services to improve patient care

To uphold the highest standards of patient safety, KPJ has implemented key Standard Operating Procedures (SOPs), including:

- KPJ Safety and Health Guideline
- Bomb Threat (Code Black) Protocol
- Laser Safety Measures
- Fire Detection & Suppression System



Medication Safety

Enhancing prescription accuracy, medication management, and pharmacist-led patient counselling.

Our pharmacists play a critical role in medication safety through:

- Prescription filling and quality control to reduce errors
- Patient counselling educating patients on correct medication use
- Specialised compounding services, including chemotherapy dispensing

In alignment with the Malaysian Patient Safety Goals (MPSG) 2.0, tracking hospital performance through Key Performance Indicators (KPIs) tracking and annual submissions to the Malaysian Patient Safety Council

Our risk management strategies mitigate:

- Look Alike Sound Alike (LASA) medication risks
- High Alert Medication (HAM) safety measures
- * KPJ undertakes stringent prescription drugs monitoring; as well as adherence to the Poisons Act 1952, reinforcing regulatory compliance and patient safety measures



Service Transparency and Patient Engagement

Providing clear healthcare pricing, leveraging digital tools, and ensuring patient feedback informs service improvements.

KPJ promotes transparency and accessibility in healthcare services by:

- Aligning with Medicine Advertisements Board (MAB) guidelines to ensure clear disclosure of treatment fees.
- Enhancing patient access to service information via online platforms and hospital touchpoints.
- Strengthening feedback channels to continuously improve patient experience

Uplifting Our Patients and Communities

INITIATIVES / PROGRESS

Enhancing Transparency in Healthcare Pricing

At KPJ, prioritising patient needs is a cornerstone of our approach. In 2024, we continued to enhance transparency around healthcare costs, aligning with guidelines set by the Medicine Advertisements Board (MAB) that require public disclosure of fees and charges. This effort ensures patients can make informed decisions about their care, reflecting our focus on patient-centric sustainability.

Building on our existing practices, we introduced updates to the KPJ CARES mobile app, where users can now access appointment bookings, electronic guarantee letter (GL) applications, medical and billing records, and a range of wellness resources. These digital improvements, along with standardised package pricing on our website and social media channels, give patients clear and timely information on treatment costs.



Online Standardised Package Price

KPJ's official website provides transparent pricing for packages and services, enabling patients to make informed healthcare decisions.



Public Announcements

KPJ regularly hosts community outreach programmes to inform patients about healthcare costs and service availability, raising awareness within the community.



Searchable Online Tools (Ongoing project: Bill Estimator)

KPJ online tools enable patients to input details and receive accurate cost estimates for hospital bills, enhancing informed financial decision-making and promoting proactive spending adjustments.



Government or Regulatory Requirements

KPJ adheres to Medicine Advertisements Board regulations in all advertisements for packages and services in media channels, ensuring transparency in price and discounts.



Community Engagement

KPJ maintains patient-centric communication with local communities and health tourists, ensuring they stay informed about services and package costs.



Feedback Mechanisms

We have implemented multi-channel feedback mechanisms for patients to enhance communication and accessibility, allowing them to provide feedback anytime and anywhere, with timely and reliable responses.



Mobile Applications (Ongoing project under Digitalised Transformation)

We have enhanced mobile applications for easy access to pricing information, focusing on online appointments and essential information, to enhance the patient journey with a seamless and holistic experience.



Strengthening Clinical Risk Management

KPJ continues to reinforce patient safety by conducting regular training and awareness programmes to ensure staff remain up to date with safety protocols and best practices. Through cross-audits and monitoring, we identify potential safety gaps and implement corrective actions to improve clinical performance. Additionally, we enhance incident reporting and learning through the Ministry of Health Malaysia's Incidents Reporting and Learning System 2.0.

KPJ maintains stringent policies in managing medications that can potentially contribute to medication errors, such as Look Alike, Sound Alike (LASA) medication and High Alert Medication (HAM). KPJ also complies to regulations and standard operating procedures for checking and counter-checking.

Certification, Accreditation, and Standards

KPJ upholds internationally recognised quality assurance and accreditation frameworks, reinforcing our commitment to patient safety and service excellence. Our hospitals are accredited by multiple accreditation bodies, including Malaysian Society for Quality in Health (MSQH) and Joint Commission International (JCI), where our network of hospitals undergo regular audits and surveillance surveys, ensuring continuous compliance and quality improvement. By integrating clinical governance, digital transformation, and transparency initiatives, KPJ continues to lead in delivering safe, high-quality, and patient-centric care.



GOING FORWARD

KPJ is committed to elevating patient care by advancing service quality and safety through innovation and patient-centric solutions. Looking ahead to 2025 and beyond, we aim to strengthen our digital healthcare ecosystem by enhancing the KPJ CARES app with more personalised features, expanding the use of AI-driven clinical decision support systems, and integrating real-time data analytics for improved patient outcomes. We plan to further align with global best practices, ensuring continuous compliance with MSQH and JCI standards, while deepening our commitment to medication safety. To foster trust and transparency, we will introduce more interactive platforms for patient feedback and strengthen community health initiatives.

Uplifting Our Patients and Communities

Community Outreach

Capital



Related SDGs



Activities

- Public health awareness
- Community healthcare education
- Health equity partnerships
- Digital patient engagement
- Volunteer medical outreach

Outputs

- Improved healthcare literacy
- Expanded healthcare access
- Stronger stakeholder collaboration
- Increased digital health adoption
- Greater community trust

Value Created

- Empowered, informed communities
- Better access to healthcare services
- Strengthened patient relationships
- Data-driven health improvements
- Support for public health goals



■ The newest mobile clinic, Klinik Wakaf An-Nur (KWAN) in Pahang, launched in January 2024.

The healthcare sector is prioritising preventive care, digital health, and community partnerships to enhance accessibility and engagement. Telemedicine and mobile health continue to bridge gaps in underserved areas, while collaborations with NGOs and governments are expanding to improve public health outcomes. Community trust and education remain vital for long-term healthcare impact.

At KPJ, we believe that access to quality healthcare is a fundamental right, not a privilege. As a leading healthcare provider, we are committed to addressing healthcare disparities by ensuring that underserved communities receive the medical attention they need. Through a combination of philanthropic initiatives, structured CSR programmes, and dedicated community outreach efforts, we actively contribute to the well-being of society. By leveraging our network of hospitals, healthcare professionals, and academic institutions, we continuously expand our impact, fostering healthier communities and reinforcing our role as a responsible and inclusive healthcare provider.

OUR APPROACH

KPJ's philanthropic efforts are exemplified by the KWAN clinics, which deliver vital healthcare services to underserved communities. These initiatives not only improve community health but also reinforce KPJ's reputation as an inclusive and responsible healthcare provider, driving sustainable social and environmental impact.

Beyond philanthropy, KPJ implements structured CSR programmes aimed at promoting health awareness, preventive care, and wellness education among diverse communities. These initiatives strengthen public health resilience and reflect KPJ's commitment to long-term societal well-being.

INITIATIVES / PROGRESS

Our commitment to community healthcare is reflected in a range of outreach programmes, including free health screenings, mobile healthcare services and health education campaigns delivered through Klinik Waqaf An-Nur (KWAN). These initiatives have significantly improved access to medical services for underserved communities, strengthening our relationships with key stakeholders such as religious organisations and local communities. By expanding healthcare access, we reinforce our role as a trusted provider while upholding the right to health and promoting greater equity. Beyond the direct impact on public health, these efforts enhance our corporate reputation, demonstrating our dedication to social responsibility and fostering stakeholder loyalty through long-term partnerships.

We aim to broaden our outreach by expanding mobile healthcare services, particularly in rural and hard-to-reach areas. Strengthening collaboration with government bodies, NGOs and local organisations will help close healthcare access gaps, while financial sustainability efforts will focus on diversifying funding sources through strategic partnerships and donations. Programme effectiveness will be continuously monitored and evaluated, allowing us to refine our approach and maximise impact.

As part of our long-term strategy, we are investing in employee training and community education to ensure staff are well-equipped to provide compassionate care while promoting health literacy. Empowering individuals with the knowledge to make informed health decisions aligns with our vision of an inclusive and accessible healthcare system for all.

RM14.9 million
total investment in community outreach programmes

Beyond KWAN, KPJ continues to drive meaningful social impact through a range of CSR initiatives tailored to community needs. This includes enhancing healthcare accessibility, social well-being, education, sports, and environmental sustainability.



Accessible Healthcare

Through KWAN, significant developments have been made to enhance healthcare accessibility, including:

► **Enhanced Dialysis Capacity**

To meet the growing demand for dialysis treatment, KPJ has expanded its dialysis services by introducing more dialysis chairs at selected facilities. This enhancement increases treatment capacity, reduces patient wait times, and ensures that individuals with chronic kidney conditions receive timely and high-quality care.

► **Additional Dialysis Shifts**

The introduction of a third dialysis shift allows more patients, particularly underserved communities, to receive life-saving treatment.

► **Expansion of Mobile Clinics**

A new mobile clinic has been launched in Pahang in collaboration with Waqaf An-Nur Corporation and Majlis Agama Islam Negeri Pahang and Waqaf Felda. This initiative brings essential healthcare services directly to remote and underserved areas, ensuring greater accessibility to medical care.

**TOTAL NO. OF
MOBILE CLINICS' PATIENTS**

2024 - 6,268

2023 - 6,672

2022 - 5,015

**TOTAL NO. OF
KWAN CLINICS' PATIENTS**

2024 - 55,222

2023 - 57,634

2022 - 53,925

These initiatives reflect KPJ's unwavering commitment to improving healthcare accessibility, particularly for underserved communities. Through continuous enhancements in dialysis services and the expansion of mobile and KWAN clinics, KPJ strives to bridge healthcare gaps and ensure that more patients receive the critical care they need. Moving forward, KPJ remains dedicated to expanding its reach and refining its services to provide equitable, high-quality healthcare for all.

Uplifting Our Patients and Communities



Corporate Social Responsibility (CSR) Programmes

In 2024, KPJ strengthened its CSR efforts, focusing on healthcare accessibility, community well-being, education, sports, and environmental sustainability:



■ A young beneficiary of the 'Gift of Smile' initiative receives care at Kuching Specialist Hospital.

Health & Social Well-Being

KPJ actively supports health screenings, medical aid, and donations to charitable organisations to ensure vulnerable groups, including asnaf communities, underprivileged families, and senior citizens, receive proper healthcare support. The 'Gift of Smile' initiative provides treatment for children with cleft palate, through a collaboration between Kuching Specialist Hospital, Hospital Umum Sarawak and Ronald McDonald House Charities (RMHC) Malaysia.



■ The Sustainability Team of KPJ Klang Specialist Hospital coming together for a beach cleanup at Pulau Ketam, Klang.

Environmental & Sustainability Efforts

KPJ integrates environmental responsibility into its CSR framework by supporting tree-planting initiatives, conservation programmes, and eco-awareness campaigns. KPJ hospitals also engage in waste reduction and upcycling programmes in collaboration with local communities, driving circular economy initiatives.

Education & Capacity Building

KPJ fosters health education and professional development by sponsoring postgraduate healthcare and medical specialist programmes, scholarships, and health-related educational initiatives. The company actively collaborates with universities and training institutions to support healthcare students, internships, and training programmes, ensuring the next generation of healthcare professionals is well-equipped to meet industry demands.

Cultural & Heritage Preservation

KPJ recognises the importance of cultural heritage and local traditions by sponsoring art exhibitions, cultural festivals, and heritage conservation efforts. These initiatives ensure that Malaysia's diverse cultural identity is celebrated and preserved for future generations.

Sports & Youth Development

Recognising the role of sports in promoting physical well-being and youth empowerment, KPJ invested in sponsorships, including supporting Johor Darul Ta'zim Football Club (JDTFC) and other local sporting events. These initiatives encourage healthy lifestyles, teamwork, and community engagement through sports.

GOING FORWARD

KPJ is advancing healthcare accessibility through strategic expansion, impactful partnerships, and community-driven initiatives. Mobile clinics and outreach programmes are being scaled to reach rural and underserved populations, promoting equitable access to essential healthcare services. Strengthened collaboration with government agencies, NGOs, and local stakeholders supports efforts to bridge healthcare disparities and deliver integrated, patient-centric care. Financial

sustainability is reinforced through diversified funding and strategic alliances, ensuring the long-term viability of quality healthcare delivery. KPJ is also committed to developing a future-ready workforce through targeted upskilling, while enhanced health education initiatives aim to elevate health literacy and empower communities. Through focused CSR efforts and a strong commitment to environmental stewardship, KPJ continues to create lasting, positive impact across the communities it serves.

Fostering Our People

Diversity, Inclusion and Human Rights

Capital



Related SDGs



Activities

- Promoting diversity and inclusion in the workplace
- Equal opportunity initiatives
- Non-discrimination policies
- Workplace training on inclusivity

Outputs

- Diverse and inclusive workforce
- Improved employee engagement
- Stronger workplace equity

Value Created

- Creative and innovative work environment
- Equal opportunities for all employees
- Stronger organisational culture



The healthcare industry is increasingly prioritising diversity and inclusion (D&I) to foster innovation, improve patient care, and create a supportive work environment. Research shows that diverse teams bring fresh perspectives that can drive creative solutions to healthcare challenges. For example, companies with more inclusive leadership are often better at meeting the needs of diverse patient populations, improving both employee morale and patient satisfaction. However, challenges remain, such as unequal opportunities for underrepresented groups, especially in leadership roles. By implementing policies focused on inclusivity and diversity, healthcare organisations are not only enhancing workforce engagement but also ensuring more equitable care, contributing to better health outcomes for all.

KPJ Healthcare Berhad integrates Diversity, Equity, and Inclusion (DEI) as a key component of our long-term workforce strategy, creating a workplace culture that upholds fairness, equal opportunity, and inclusivity. A diverse and equitable workforce enhances employee engagement, innovation, and overall organisational resilience. Beyond compliance with regulatory standards, DEI supports business sustainability by attracting and retaining top talent while strengthening KPJ's ability to serve a diverse patient base. Emphasising DEI also strengthens relationships with employees, stakeholders, and the broader community, positioning KPJ's as a responsible employer and healthcare provider.

In alignment with our DEI commitment, KPJ upholds labour and human rights as fundamental pillars of our ethical and operational framework. By fostering a fair, safe, and inclusive work environment, we ensure employee well-being, enhance productivity, and promote long-term business sustainability. Compliance with international human rights standards and national labour laws is integral to safeguarding employee rights, preventing discrimination, and promoting equitable employment practices. This adherence not only supports our DEI goals but also reinforces KPJ's commitment to creating a workplace where all employees are treated with dignity and respect, further strengthening our reputation as a responsible and inclusive employer.

Fostering Our People

OUR APPROACH



Diversity, Equity and Inclusion

In 2024, KPJ continued to promote inclusivity, fairness and equal treatment across all levels of the organisation, aligning to our Diversity, Equity, and Inclusion (DEI) Policy.



Fair Employment Practices

KPJ adheres to global labour standards, including the International Labour Organisation (ILO) Convention and Malaysia's Employment Act (Revised 2022), ensuring fair and ethical employment practices. The company's policies support non-discriminatory hiring, equal pay for equal work, and access to professional development for all employees.



Freedom of Association and Grievance Mechanisms

KPJ respects employees' rights to freedom of association and provides confidential grievance channels for reporting workplace concerns, harassment, or unethical practices. A zero-tolerance policy against discrimination and workplace harassment ensures employees feel secure and empowered to voice concerns without fear of retaliation.

INITIATIVES / PROGRESS

► Equal Opportunities

Ensuring career growth through a structured, bias-free recruitment and promotion process.

► DEI Training

Expanding training programmes to raise awareness of unconscious bias and foster inclusivity.

► Flexible Work Arrangements

Supporting employees at different life stages, including young parents, caregivers, and those transitioning into retirement.

► Employee Well-being

Providing access to mental health resources and wellness support.

Out of all the employees who utilised parental leave

99.1%
returned to work after parental leave

96.3%
retention rate for those who utilised parental leave

► Engagement Activities

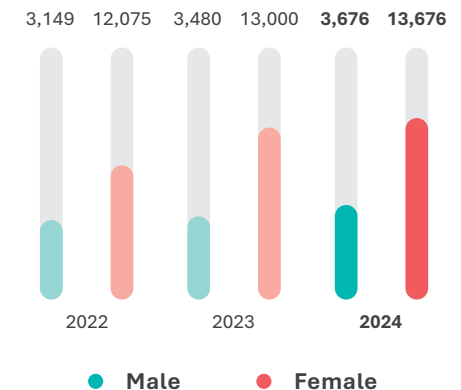
Promoting DEI through long-service recognition, cross-generational collaboration, and various initiatives that foster inclusivity and belonging

► **Zero-tolerance policy** for child labour, forced labour and excessive working hours, implementing measures to ensure workplace health and safety, non-discrimination and equal opportunities through KPJ's grievance mechanism

► Comprehensive Employee Benefits

- Our ongoing adoption of the Employment Act (Amendment) 2022 regarding parental leave is particularly beneficial for employees who are young parents, especially mothers. Paid parental leave was initially established to give new mothers time to adapt and recuperate after giving birth. We also provide new fathers paternity leave to enable them to play a supportive role in their family. In 2024, a total of 962 employees utilised parental leave, with 953 returning to work and 926 remaining with KPJ after 12 months.
- Life and disability insurance, healthcare coverage, and enhanced retirement contributions, align with or exceed industry standards.

Breakdown of employees by gender



2024	Male	Female	<30 years old	30 -50 years old	>50 years old	Chinese	Malay	Indian	Others	Less than 1 year	1-3 years	4-7 years	More than 7 years
Employee Category													
Senior management	26	18	0	18	26	4	34	3	3	15	16	1	12
Management	443	1,045	21	1,169	298	152	1,102	159	75	165	236	184	903
Non-Management	3,207	12,613	6,118	8,917	785	348	13,316	1058	1,098	2,095	4,434	2,949	6,342
Specialisation													
Consultants & Medical Officers	152	121	5	226	42	38	168	52	15	51	100	52	70
Medical Employees	1,190	8,443	3,870	5,344	419	281	7,879	762	711	1,341	2,646	1,737	3,909
All other Employees/Support Staff	2,334	5,112	2,264	4,534	648	185	6,405	406	450	883	1,940	1,345	3,278

2023	Male	Female	<30 years old	30 -50 years old	>50 years old	Chinese	Malay	Indian	Others	Less than 1 year	1-3 years	4-7 years	More than 7 years
Employee Category													
Senior management	11	8	0	8	11	2	14	1	2	7	3	0	9
Management	418	995	24	1,107	282	156	1,040	147	70	93	169	198	953
Non-Management	3,051	11,997	5,747	8,542	759	375	12,604	1,033	1,036	2,250	2,969	3,273	6,556
Specialisation													
Consultants & Medical Officers	145	111	8	207	41	34	160	50	12	29	84	165	78
Medical Employees	1,343	8,430	3,678	5,619	476	324	7,946	772	731	1,447	1,795	1,980	4,551
All other Employees/Support Staff	1,992	4,459	2,085	3,831	535	192	5,552	359	365	874	1,262	1,426	2,889

2022	Male	Female	<30 years old	30 -50 years old	>50 years old	Chinese	Malay	Indian	Others	Less than 1 year	1-3 years	4-7 years	More than 7 years
Employee Category													
Senior management	18	11	0	12	17	1	24	2	2	6	7	0	16
Management	1,658	7,711	3,051	5,848	470	425	7,635	695	614	1,292	1,572	2,368	4,137
Non-Management	1,547	4,607	2,319	3,328	507	109	5,145	460	440	1,029	1,113	1,158	2,854
Specialisation													
Consultants & Medical Officers	138	106	9	201	34	37	149	46	12	32	81	70	61
Medical Employees	898	7,274	2,977	4,801	394	305	6,571	687	609	1,180	1,349	1,877	3,766
All other Employees/Support Staff	2,187	4,949	2,384	4,186	566	193	6,084	424	435	1,115	1,262	1,579	3,180

Fostering Our People

GOING FORWARD

KPJ will continue strengthening Diversity, Equity, and Inclusion (DEI) initiatives by enhancing awareness, policy implementation, and workplace culture. Regular DEI training will be conducted for all employees, focusing on unconscious bias, inclusivity, and human rights. Structured, bias-free recruitment and promotion processes will ensure transparency and equal opportunities, while safe, confidential channels will be provided for employees to report discrimination or bias. In parallel, KPJ will expand its labour and human rights initiatives by promoting workplace rights awareness, strengthening occupational health and safety measures, and improving mental health support. These efforts align with KPJ's commitment to creating a fair, inclusive, and secure workplace, supporting employee well-being and long-term business sustainability.

Health and Safety

Ensuring a safe and healthy environment for employees, patients, and communities is fundamental to KPJ Healthcare Berhad's operations. Compliance with stringent healthcare regulations is essential for maintaining operational licences and upholding public confidence in service delivery. Our approach to occupational safety and health (OSH) aligns with key regulations, including the Occupational Safety and Health Act (OSHA) Amendment 2022, ISO 45001:2018, and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. These frameworks support workplace human rights and the provision of a secure working environment. Effective OSH management is crucial in preventing work-related injuries, illnesses, and fatalities. By embedding a safety-first culture, KPJ enhances workplace well-being, improves safety performance, and strengthens employee morale and productivity.

Building Resilience Through Environmental Safety and Health (ESH) Governance

Creating a safe and healthy workplace is a priority for KPJ. The company implements stringent occupational health and safety policies, risk assessments and workplace hazard mitigation measures.

Under the Occupational Safety and Health Act (OSHA), each KPJ hospital and subsidiary is required to establish an Occupational Safety and Health (OSH) Committee. This committee, consisting of a chairperson, secretary, and employer and employee representatives, reports to top management. After each quarterly meeting, the committee submits reports to KPJ headquarters, sharing updates on safety measures and ESH developments via email across KPJ. Incidents are reviewed in Risk Officer Meetings to identify improvements and update operational standards.

KPJ hospitals also have an Environmental Safety Service (ESS) Committee as part of KPJ's ESS Governance framework. Led by the top management, with support from Safety and Health Officers (SHOs), the ESS committee addresses OSH and environmental issues, ensuring hazard identification and risk control assessments. Additionally, the JCORP Security and Safety Committee includes KPJ headquarters representatives, discussing security and safety matters. To support our OSH strategy, SHO and Safety Officers (SO) at each hospital oversee the medical surveillance programme, including psychologists.

To foster accountability, KPJ has a comprehensive incident reporting system. Since 2014, we've used Q-radar, the web-based KPJ Online Incident Reporting System, for both clinical and non-clinical incidents. This system is used across all KPJ hospitals and subsidiaries for reporting requirements. Alongside Q-radar, the Incident Reporting Manual provides guidance on KPJ's Standard Operating Procedures (SOPs) for consistent reporting.



Building a Safety Culture Through OSH Training

At KPJ, all employees are required to stay up-to-date with the latest Occupational Safety and Health (OSH) practices. They undergo mandatory training in key OSH areas, including Hazard Identification, Risk Assessment and Control (HIRARC), Workplace Inspections (WPI), Root Cause Analysis, and Fishbone Accident Investigation.

KPJ hospitals accredited by the MSQH also participate in hospital accreditation survey visits. These visits offer external peer reviews, knowledge-sharing, and validation of current performance, fostering continuous improvement in healthcare safety standards. Key training topics include:

- Hazard Identification, Risk Assessment, and Risk Control (HIRARC)

■ Emergency Codes – Code Red, Code Yellow, Code Black

■ Ergonomics

■ High Risk Areas (i.e. operation theatre, Central Sterile Services Department (CSSD), kitchen, workshops and plant room)

■ Hazardous Materials and Chemicals

■ Emergency Response and Disaster

■ Basic Life Support (BLS)

Work-related injuries (for all employees)

	2022	2023	2024
Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0.00	0.00	0.00
High-consequence work-related injuries			
Number	0	0	20
Rate	0.00	0.00	4.03
Recordable work-related injuries			
Number	101	138	104
Rate	2.94	3.30	2.10
Main types of work-related injury	Slip, Trip, Fall (STF)	Slip, Trip, Fall (STF)	Slip, Trip, Fall (STF)
The number of hours worked	34,395,768	41,793,280	49,505,256

Work-related injuries (workers who are not employees but whose work and/or workplace is controlled by the organisation)

	2022	2023	2024
Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0	0	0
High-consequence work-related injuries			
Number	N/A	0	0
Rate	N/A	0	0
Recordable work-related injuries			
Number	N/A		
Rate	N/A		
Main types of work-related injury	N/A		
The number of hours worked	N/A	23,400 (average)	23,904 (average)
Lost time incident rate (LTIR)	N/A		

Fostering Our People

Work-Related Ill Health (employees)

	2022	2023	2024
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	11	0	5
Main types of work-related injury	Ergonomics	Ergonomics	Ergonomics

Work-Related Ill Health (non employees)

	2022	2023	2024
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Main types of work-related injury	Slip, Trip, Fall (STF)	Slip, Trip, Fall (STF)	Slip, Trip, Fall (STF)

	2022	2023	2024
Number of employees	15,224	16,480	17,352
The number of hours worked	34,395,768	41,793,280	49,505,256

GOING FORWARD

KPJ will enhance work environment safety through regular risk assessments and the use of technology for real-time monitoring and hazard detection. A culture of safety will be reinforced by encouraging proactive reporting and adhering to clear emergency protocols. Additionally, we will educate staff, consultants, patients and visitors, as well as contractors and vendors in safety practices to ensure a collective effort in maintaining a safe environment. By ensuring strict compliance with health and safety regulations, we will uphold high standards across all operations.



Employee Engagement and Development

Capital



Related SDGs



Activities

- Engaging employees in career progression and organisational goals
- Providing opportunities for skill development and leadership growth

Outputs

- Improved employee engagement
- Highly skilled workforce contributing to KPJ's objectives

Value Created

- Stronger organisational culture
- Enhanced employee satisfaction and morale
- Better alignment with KPJ's strategic goals



The healthcare industry is increasingly focused on employee engagement and development to enhance organisational performance and patient care. Continuous learning and skill development are central to keeping healthcare professionals up-to-date with evolving medical practices and technologies. Organisations are investing in structured training programmes, leadership development, and career progression opportunities to retain top talent and foster high levels of engagement. Additionally, the integration of digital tools for training and communication helps employees access resources efficiently, supporting their growth. By aligning employee development with organisational objectives, healthcare organisations ensure a skilled and motivated workforce, contributing to improved patient outcomes and operational excellence.

A skilled and motivated workforce is essential to delivering high-quality patient care. KPJ's approach to employee recruitment, training and retention is designed to cultivate a supportive and engaging work environment where individuals can develop their skills, progress in their careers and contribute meaningfully to the organisation. Investing in both professional and personal growth enhances job satisfaction, strengthens workplace morale and drives overall performance. Employee engagement plays a vital role in fostering productivity, innovation and operational excellence. A workplace culture where employees feel valued, heard and motivated directly influences long term commitment and proactive contributions to organisational goals. Employees who are well supported serve as ambassadors of KPJ's values, strengthening alignment with strategic objectives. Through structured training programmes, open communication channels and well-being initiatives, KPJ provides an environment where employees can thrive.

Fostering Our People



OUR APPROACH

KPJ's approach to employee engagement and development aligns with global and national regulations, including the Employment Act (Revised 2022) and international labour standards such as the International Labour Organisation (ILO) Convention. Additionally, compliance with the PHFSA Act 1998, Code of Medical Ethics (MMA), and Code of Professional Conduct (MMC) ensures a structured and ethical approach to employee management. Our Policy on Training and Development underscores the importance of continuous learning and professional growth, encouraging employees to maximise their potential through structured internal and external training opportunities. The Training and Development Policy mandates a minimum of 30 training hours per employee annually. Provisions related to training nominations and sponsorships for further studies are guided by separate procedures outside of this policy.

INITIATIVES / PROGRESS

KPJ has introduced multiple engagement and development programmes to foster communication, career progression, and organisational alignment:

▶ KPJ Group Town Hall & Mid-Year Town Hall

Held on 22 February 2024 and 24 July 2024, these events at Menara KPJ provided key updates and strengthened alignment across teams.

▶ Chin's Insights (Season 1)

A monthly 3-minute video series, offering employees insights into key initiatives, organisational milestones, and forward-looking strategies. This initiative, consisted of 12 episodes released via KPJ Buzz, Telegram, and email.

▶ 'Care with Leaders'

Informal engagement sessions designed to encourage open communication between employees and senior leadership.

▶ KPJ Buzz & KPJ Telegram

Internal digital platforms to facilitate seamless communication, engagement, and real-time updates across the organisation.

▶ HR4U

The largest on-ground HR activation initiative, improving accessibility to HR services and strengthening employee support.

▶ Shared Values Launch – C.A.R.E.

A structured approach to reinforcing organisational culture by nurturing a workforce that is Committed, Accountable, Respectful and Excellent.

Recognition and Awards

In 2024, KPJ received multiple accolades for its commitment to fostering an engaging and supportive workplace:



Graduates' Choice of Employer Award: Voted Champion in the Healthcare (Hospitals) category by university students.



HR Asia Best Companies to Work for in Asia 2024: employee-voted recognition.



SEEK People & Purpose Awards 2024: KPJ received the Platinum Award for Top Voted Employer in Healthcare and Pharmaceuticals, awarded by Jobstreet Malaysia by SEEK.



Culture Survey (December 2024): 94% of employees reported feeling engaged with KPJ's goals and culture.

These awards reflect KPJ's ongoing efforts to cultivate a positive work environment and invest in its employees' growth and well-being.

Fostering Our People

Employee Training and Development

Investing in workforce capability is integral to sustaining operational excellence and service quality at KPJ. A well-trained workforce enhances productivity, strengthens problem-solving abilities, and ensures adaptability in an evolving healthcare landscape. By fostering a culture of continuous learning, we equip employees with the expertise to meet dynamic industry demands and drive long-term organisational success.

OUR APPROACH

KPJ's Training and Development Policy provides a structured framework for skill enhancement and professional growth. This policy encompasses a systematic approach to assessing training needs, curating relevant development programmes, optimising resource allocation, and evaluating the impact of training initiatives. By aligning employee development with corporate objectives, we cultivate a highly skilled workforce that supports KPJ's long-term sustainability and growth.

In 2024, KPJ invested significantly in employee learning, with an average of 32 training hours per employee.

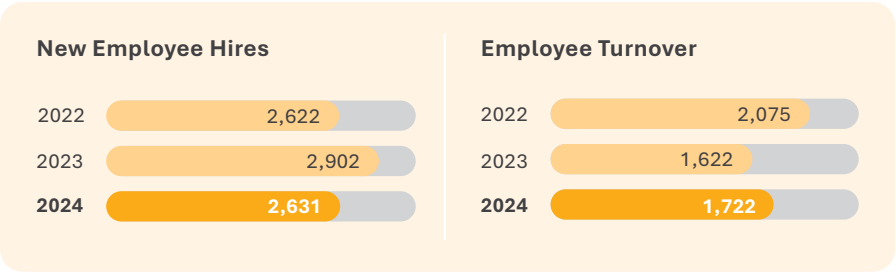


Some graduates of the Continuous Development Leadership Initiative for Managerial Breakthrough (C.L.I.M.B.) celebrated their achievements at the C.L.I.M.B. Graduation Ceremony, marking a key milestone in their leadership journey at KPJ Healthcare.

Hours of Training

By Employee Category	Total Training Hours	Average Training Hours
Top & Senior Management	241	5
Management	82,849	56
Executives	321,826	37
Non-Executives	152,000	22

By Gender	Headcount	Total Training Hours	Average Training Hours
Male	3,676	108,500	30
Female	13,676	448,416	33



Employees receiving Regular Performance and Career Development reviews

By Gender	Male	Female
Total No. of Employees	3,676	13,676
No. of Employees Who Received Performance and Career Development Reviews	3,279	12,343
Percentage of Employees Who Received Performance and Career Development Review	89%	90%

Strengthening the Healthcare Workforce

KPJ Healthcare University Sdn Bhd comprises KPJ Healthcare University, KPJ Healthcare College Johor Bahru and KPJ Healthcare College Penang. Collectively referred to as the KPJ Healthcare University Group (KPJU Group), it has been a key player in healthcare education since its establishment in 1991. In June 2023, KPJ Healthcare University (KPJU or the university) achieved full university status, reinforcing its position as a leading provider of medical education and healthcare training in Malaysia. With a strategic vision to integrate KPJU into the broader KPJ Group healthcare ecosystem, the university is dedicated to advancing education and research excellence through strong partnerships and a culture of innovation. The ultimate goal is to establish Malaysia's first globally recognised private Academic Health System, positioning KPJU as a critical driver in shaping the nation's future healthcare workforce.

Key achievements in 2024 include an increase in student enrolment, reflecting strong demand for KPJU Group's healthcare training programmes. The university and its colleges has also enhanced its curriculum to incorporate digital health, AI-assisted diagnostics, and patient-centred care, ensuring that graduates are well-prepared to navigate the evolving healthcare landscape. Additionally, the expansion of clinical training programmes has provided students with hands-on experience, further strengthening their competencies. KPJU Group's seamless integration with KPJ Hospitals not only enhances KPJ's talent pipeline but also ensures the long-term sustainability of Malaysia's private healthcare sector by fostering a new generation of highly skilled medical professionals.



KPJU Convocation Ceremony 2024, bringing together graduates from various programmes including Nursing, Medical Sciences, Healthcare Management, Pharmacy, Allied Health Sciences, and Business Administration.

Investments in Future Healthcare Professionals



KPJU Group functions as the educational arm of KPJ, offering a range of academic programmes designed to develop future healthcare professionals. A key focus is the scholarship initiative, which is open to all eligible students without a fixed limit on recipients. This approach ensures that underprivileged students have access to higher education and relevant skills for their professional growth. Scholarship recipients must meet minimum academic criteria, maintain acceptable examination results and remain free of disciplinary issues.

GOING FORWARD

KPJ prioritises a culture of continuous learning and improvement to adapt to the evolving healthcare landscape. These initiatives are integral to delivering high-quality healthcare in line with the latest standards and regulations, thereby contributing to the overall success and sustainability of our healthcare delivery system.

KPJU Group is focused on enhancing its campus to create a welcoming and sustainable learning environment, attracting both local and international students. The university and its colleges' infrastructure upgrades include improvements to student accommodation, sport's facilities, teaching and learning space, library and cafeteria, alongside energy-saving initiatives. These upgrades not only aim to support a growing student body but also contribute to the local economy by offering construction and service opportunities. The campus actively engages with the community, hosting various programmes that provide healthcare and educational resources, fostering local economic growth, and promoting sustainability.



Pioneering Healthcare Innovation: KPJ at MIH Megatrends 2024

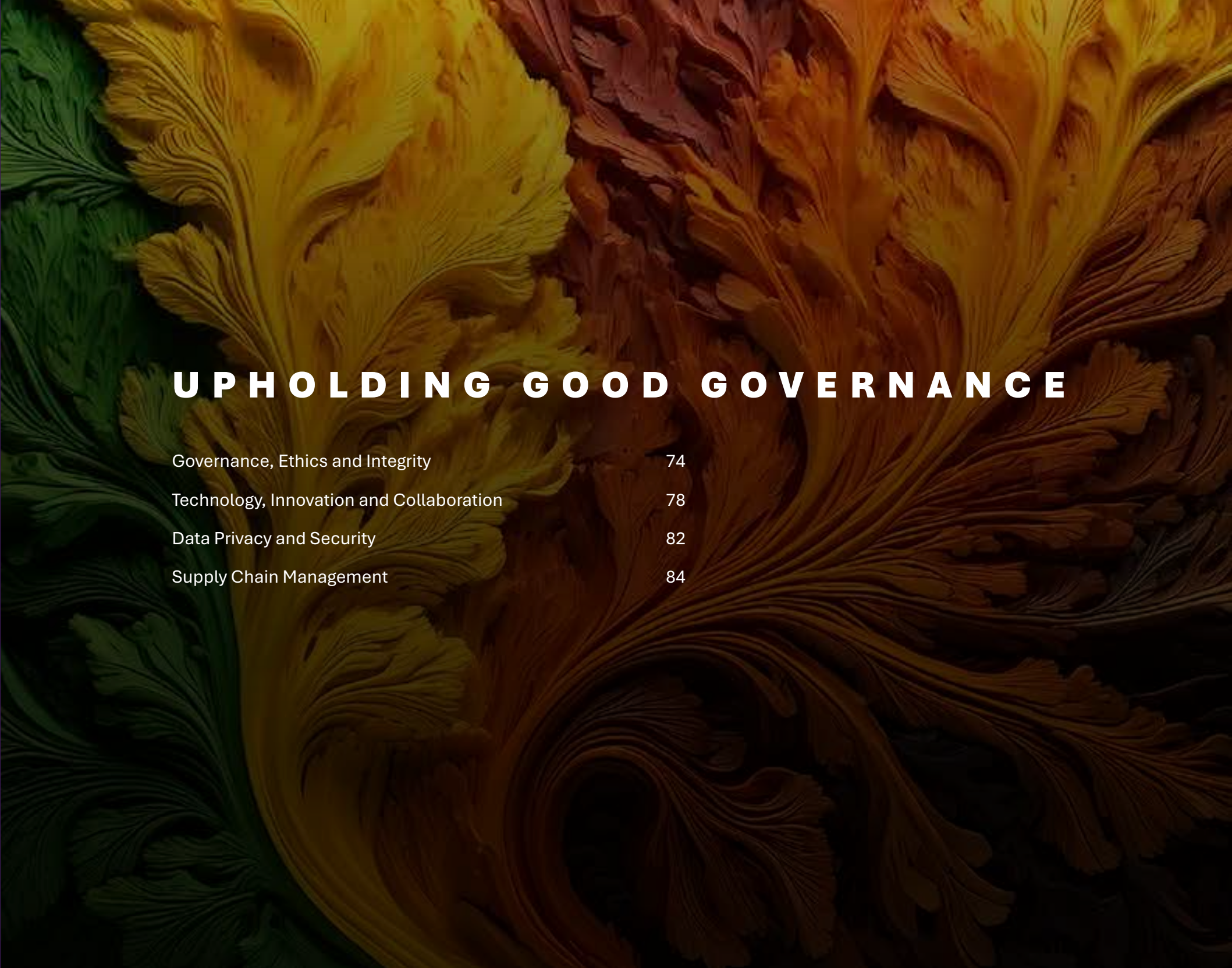
In October 2024, KPJ played a pivotal role at the Malaysia International Healthcare (MIH) Megatrends event, bringing together over 1,500 healthcare leaders, professionals, and policymakers to explore the future of predictive, preventive, and precision medicine.

As part of its ongoing efforts to revolutionise healthcare, KPJ highlighted its use of robotic-assisted surgeries, including minimally invasive cardiac procedures and total knee replacements. These advanced technologies are not only transforming treatment options but also improving patient outcomes by reducing recovery times and minimizing surgical risks. KPJ's investment in AI and robotics is a significant step towards creating an academic health system that combines clinical services, education, and research. This integration aims to raise the standard of care while prioritizing patient experience and value.

KPJ's involvement in MIH Megatrends 2024 also demonstrated KPJ's proactive approach to leveraging public-private partnerships in healthcare. By collaborating with industry leaders and policymakers, KPJ is contributing to Malaysia's position as a healthcare innovation hub in the ASEAN region, particularly as Malaysia assumes the chairmanship in 2025.

This event represents a key moment in KPJ's sustainability journey, aligning its healthcare innovations with broader global trends in technology and data. By investing in these transformative technologies, KPJ is not only improving patient care but also contributing to the sustainable development of the healthcare sector – ensuring that every advancement made supports the well-being of patients today and in the future.





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Upholding Good Governance

Governance, Ethics and Integrity

Capital



Related SDGs



Activities

- Strengthening corporate governance model
- Enhancing ethics and compliance programmes
- Conducting anti-corruption and integrity training
- Strengthening board and leadership oversight

Outputs

- Improved compliance and ethical business practices
- Increased transparency and accountability
- Strengthened regulatory adherence
- Enhanced stakeholder trust and confidence

Value Created

- Strengthened ethical culture and corporate integrity
- Increased investor and stakeholder confidence
- Enhanced regulatory compliance and governance standards
- Improved risk management and decision-making processes

As a leading healthcare provider, KPJ is committed to upholding the highest standards of governance, ethics, and integrity to maintain trust and credibility within the industry. Given the highly regulated nature of healthcare, ensuring compliance with governance frameworks and ethical business conduct is crucial. KPJ continuously reinforces its governance structure through strict adherence to corporate governance principles, implementation of anti-bribery and anti-corruption policies, and fostering a culture of ethical leadership. The Company also prioritises ethical training and provides employees with clear guidelines to prevent misconduct.

At KPJ, ethics and integrity are fundamental to maintaining trust, ensuring patient safety, and upholding high professional standards. Ethical conduct forms the foundation for regulatory compliance, quality healthcare delivery, and sustainable business practices. By embedding strong ethical principles across operations, KPJ strengthens its reputation as a responsible healthcare provider, fosters stakeholder confidence, and ensures operational resilience. Upholding ethical standards also mitigates risks related to corruption, legal non-compliance, and reputational damage, contributing to a more transparent and accountable healthcare system.

OUR APPROACH

KPJ's ethical governance is guided by national and international best practices, including:

- | | | |
|---|--|---|
| <p>▶ Malaysian Anti-Corruption Commission Act 2009 (Act 694)</p> | <p>▶ Whistleblowing Policy</p> | <p>▶ KPJ Anti-Bribery Management System (ABMS) ISO 37001:2016</p> |
| <p>▶ Main Market Listing Requirements (MMLR) of Bursa Malaysia</p> | <p>▶ Malaysian Code on Corporate Governance</p> | <p>▶ Guidelines On Adequate Procedures Pursuant to Subsection (5) of Section 17A Under the Malaysian Anti-Corruption Commission Act 2009</p> |

All new or significantly revised policies that have strategic or material impact require Board approval, while operational or management-level policies are approved at the appropriate management levels. Approved policies will then be circulated for compliance by all staff. Top management shall ensure that all policies are adhered to across the organisation. To effectively integrate policies into strategies, KPJ Healthcare ensures alignment between policy goals and KPJ's overall strategic objectives through the following mechanisms:

Approval by the Board/Board Committee for new or significantly revised policies

- The Board ensures policies are integrated into business operations.
- Decision-making processes are transparent and aligned with strategic goals.
- Regular assessments and updates to governance structures.

Internal Policy Governance

- Uploading policies to the KPJHB ISO Shared Folder.
- Regular compliance monitoring through effectiveness tracking and operational reviews.

External Policy Governance

- Publishing policies on KPJ's corporate website for transparency.

Central to our commitment to uphold the highest level of integrity is our Board of Directors, who hold the critical responsibility of fulfilling their fiduciary duties to stakeholders. The Board actively oversees the implementation of all frameworks, codes, policies, and guidelines to ensure their effective integration into business operations.

Furthermore, the Board rigorously monitors financial performance, emphasising robust risk management, a deep-rooted compliance culture, effective leadership, robust talent management, and the integration of sustainability into decision-making processes.

The Board is committed to fostering a culture of transparency and open communication with employees and key stakeholders, including clear and accurate reporting on ethical business practices, governance-related matters, and financial performance. KPJ's governance structure allows the Board to delegate decision-making authorities to KPJ's Senior Management while maintaining ultimate control and continuous oversight.

KPJ's policies and guidelines include but not limited to:

- Anti-bribery Management System (ABMS) Policy
- Whistleblowing Policy
- Occupational Safety and Health (OSH) Policy
- Fit & Proper Policy
- Sustainability Policy
- Diversity, Equity and Inclusion (DEI) Policy
- Policy on Work Ethics & Code of Conduct
- KPJ Employee Handbook



For more information about KPJ's policies and guidelines, please refer to our Corporate Governance [here](#).



KPJ committed to prevention of corruption through collaboration with Malaysian Anti-Corruption Commission (MACC)

Upholding Good Governance

INITIATIVES / PROGRESS

Integrity in Governance

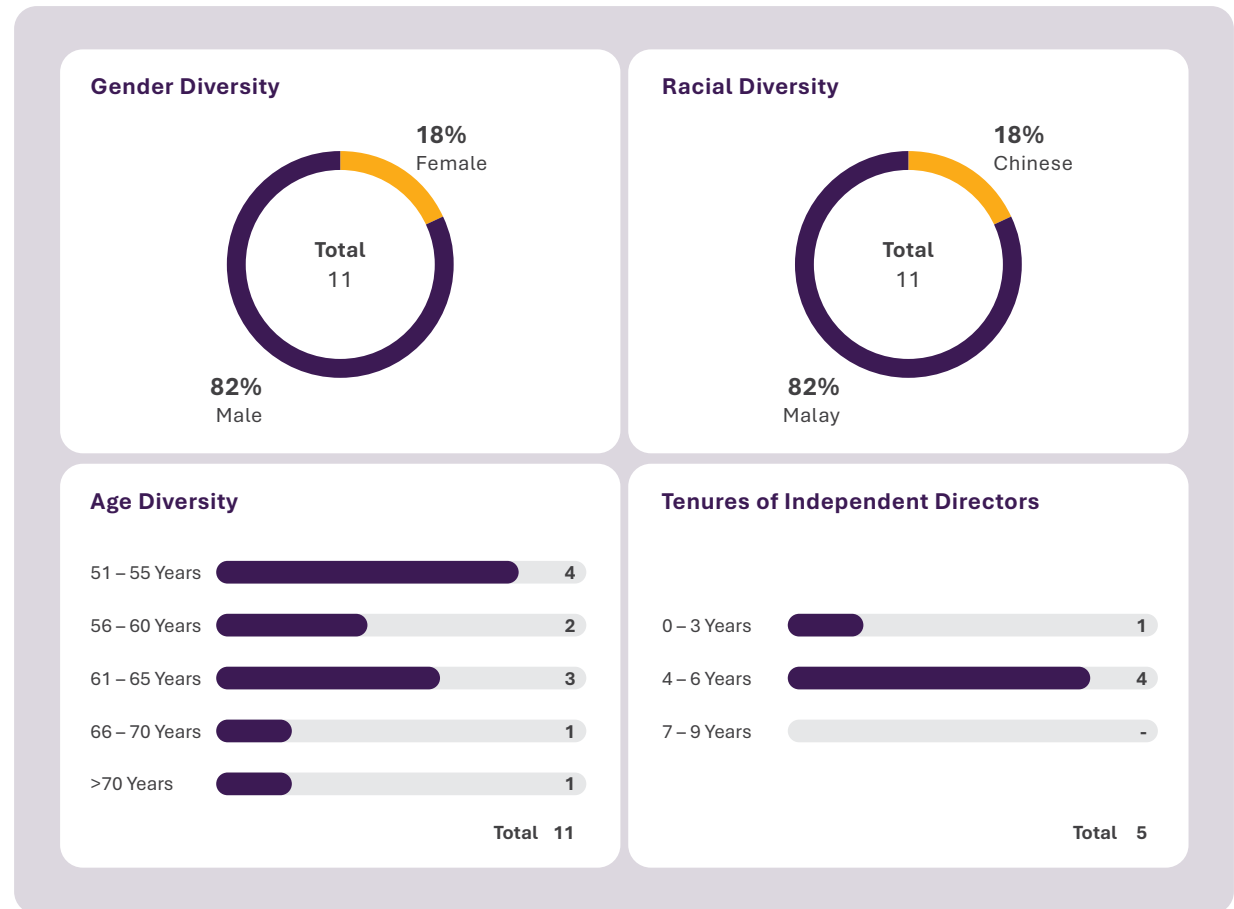
The Board emphasises the importance of embedding integrity and ethics across the organisation. In 2022, the Board of Directors formulated and approved a Fit and Proper Policy for selecting candidates for Directors' appointments, conducting annual evaluations, and recommending Directors for re-election at the Annual General Meeting. This ensures that Directors possess the necessary character, experience, integrity, competence, and independence (for Independent Directors) to fulfill their responsibilities effectively.

Board Composition and Diversity

As of 31 December 2024, KPJ's Board comprises eleven (11) Directors; one (1) Non-Independent Non-Executive Chairman, five (5) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors, and one (1) President and Managing Director. The Independent Non-Executive Directors represent 45.5% of the Board. The Board has complied with Paragraph 15.02 of the MMLR, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

Since 2017, KPJ has implemented a nine (9)-year Directorship tenure as stipulated in paragraph 4.5.1 of the Board Charter, which states that "The tenure of an independent director shall not exceed a cumulative term of nine (9) years." As of 31 December 2024, none of KPJ's Independent Directors had served a cumulative term of nine (9) years on the Board.

The Board is further guided by KPJ's Diversity, Equity, and Inclusion Policy, established on 1 November 2023. This policy applies to all Board members, Senior Management, and employees regardless of their level, including individuals under contract, secondment, apprenticeship, attachment, or any other category working under the supervision of KPJ, whether compensated or not. The principles outlined in this policy promote inclusivity and appropriate conduct throughout KPJ's operations.



Details of the Board members' qualification, expertise and experience are available in the Board profile section under "Board of Directors" in the Integrated Annual Report 2024.

■ A Dedicated Integrity Unit (IU)

A dedicated Integrity Unit (IU) spearheads KPJ's efforts to institutionalise integrity and uphold governance standards. Established with Board approval in February 2020, the IU oversees compliance with Section 17A of the MACC Act 2009, manages anti-bribery compliance, and coordinates integrity and whistleblowing initiatives.

In 2024, KPJ implemented the following:

- ▶ Training: Regular anti-bribery and anti-corruption sessions for employees, vendors, and stakeholders.
- ▶ Compliance Monitoring: On-site subsidiary validations, internal audits, and external ABMS assessments (ISO 37001:2016).
- ▶ Communication: Integrity updates via KPJ Buzz, SharePoint, Telegram, and corporate emails.
- ▶ Corruption-Free Pledge: Ikrar Bebas Rasuah (IBR) Programme, an initiative implemented by the Malaysian Anti-Corruption Commission (MACC), a series of IBR sessions were held with MACC as a witness.

■ Whistleblowing Channel

KPJ's Whistleblowing Policy (WBP) has been in place since 2013 and continues to be reviewed periodically to ensure its effectiveness. The policy was last revised in 2022 to align with the ABMS Policy and JCorp's updated Whistleblowing Policy. The Whistleblowing Committee (WBC) was established in March 2023. It is chaired by the Senior Independent Non-Executive Director (SINED), with members comprising Independent Non-Executive Directors (INED) from the Risk, Sustainability, and Governance Committee. The WBC is responsible for reviewing cases and ensuring compliance with the whistleblowing policy.

98%

of employees completed
Anti-Corruption training

100%

operations assessed for
corruption related risks

ZERO

incidents of
corruption in 2024

KPJ's comprehensive Whistleblowing Policy (WBP) reflects our unyielding commitment to upholding the highest standards of governance, ethics, and integrity in all business dealings. It is also subject to an annual review to ensure continuous improvement in strengthening the Anti-Bribery Management System (ABMS).

Any employee or individual who discovers or reasonably suspects any wrongdoing or improper conduct must immediately report it through the following dedicated whistleblowing channel:



Whistleblowing E-Mail

integrity@kpjhealth.com.my
(This email can only be accessed by the Chairman of the Whistleblowing Committee)



In writing to

Chairman of Whistleblowing Committee
KPJ Healthcare Berhad
Integrity Unit
Level 15, Menara KPJ, No 238,
Jalan Tun Razak,
50400 Kuala Lumpur
(Mark Strictly Confidential &
To be Opened by Addressee Only)

GOING FORWARD

KPJ will expand its integrity training programmes by integrating digital learning platforms and leadership driven workshops. Strengthening governance structures remains a priority, with periodic audits, external validations, and enhanced compliance mechanisms ensuring accountability. Whistleblowing mechanisms will be optimised to encourage ethical reporting without fear of retaliation. By advancing these initiatives, KPJ upholds its ethical foundation, ensuring that integrity remains central to long-term sustainability and responsible business practices.

Upholding Good Governance

Technology, Innovation and Collaboration

Capital



Related SDGs



Activities

- Driving digital transformation and AI adoption
- Strengthening healthcare technology partnerships
- Enhancing research and innovation efforts

Outputs

- Improved patient care and operational efficiency
- Increased adoption of emerging healthcare technologies
- Strengthened industry collaboration and knowledge-sharing

Value Created

- Accelerated healthcare innovation
- Enhanced patient outcomes and service delivery

As a leading healthcare provider, KPJ is committed to leveraging technology, innovation, and collaboration to enhance patient care and operational efficiency. The evolving healthcare landscape demands continuous advancements in digital solutions, AI-driven diagnostics, and data integration to improve service delivery. KPJ actively invests in research, technology-driven healthcare models, and strategic partnerships to drive medical innovation. At the same time, the company prioritises data privacy and security, ensuring compliance with regulatory standards while fostering a digital-first approach. By embracing technological advancements and collaborative efforts, KPJ aims to set new benchmarks in healthcare excellence.

KPJ is committed to leveraging cutting-edge technology to enhance healthcare services, operational efficiency, and patient outcomes. As the organisation progresses towards a fully integrated digital healthcare ecosystem, the adoption of Artificial Intelligence (AI), the Internet of Things (IoT), Cloud Computing, Robotic Process Automation (RPA), and Big Data is vital for optimising healthcare delivery. These technologies streamline operations, enhance patient experience, and ensure data-driven decision-making.

OUR APPROACH

KPJ's digital transformation is anchored in structured policies and frameworks to enhance efficiency, security, and patient care. The KPJ Digital Transformation Roadmap (2021-2024) outlines strategic technology adoption and the integration of digital healthcare services. The Cloud Computing Strategy supports scalable and secure cloud-based systems, enabling real-time data access and operational agility across facilities. Complementing this, the Health Information System (HIS) leverages cloud capabilities to integrate and manage patient data efficiently, improving coordination and service delivery while strengthening data security and accessibility.



The KPJNET SD-WAN Exchange Ceremony took place during Malaysia International Healthcare (MIH Megatrends) 2024, marking our strategic collaboration with TM One to enhance digital connectivity across KPJ's healthcare facilities nationwide.

This partnership focuses on upgrading KPJNET with advanced SD-WAN Internet Services, aiming to bolster network performance, scalability, and security. The enhanced digital infrastructure is expected to support KPJ's initiatives in telemedicine, digital health platforms, and AI-driven diagnostics, aligning with TM's Digital Powerhouse 2030 aspirations.

INITIATIVES / PROGRESS

KPJ continues to implement digital initiatives to drive transformation, improve hospital connectivity, enhance cybersecurity, and optimise patient experiences:

Network Security

KPJNET SDWAN & Firewall Extension to strengthen hospital connectivity and cybersecurity.



Cloud Integration

KPJ Cloud Modernisation Assessment to streamline cloud adoption and ensure scalability.



IT Infrastructure

Tech Refresh & IT upgrades to enhance agility and responsiveness in healthcare operations.



Device Management

Device as a Service (DaaS) for efficient resource allocation and operational efficiency.



Real-time Analytics

Digital Dashboard for Clinical Quality & Census to support data-driven decision-making.



Upholding Good Governance

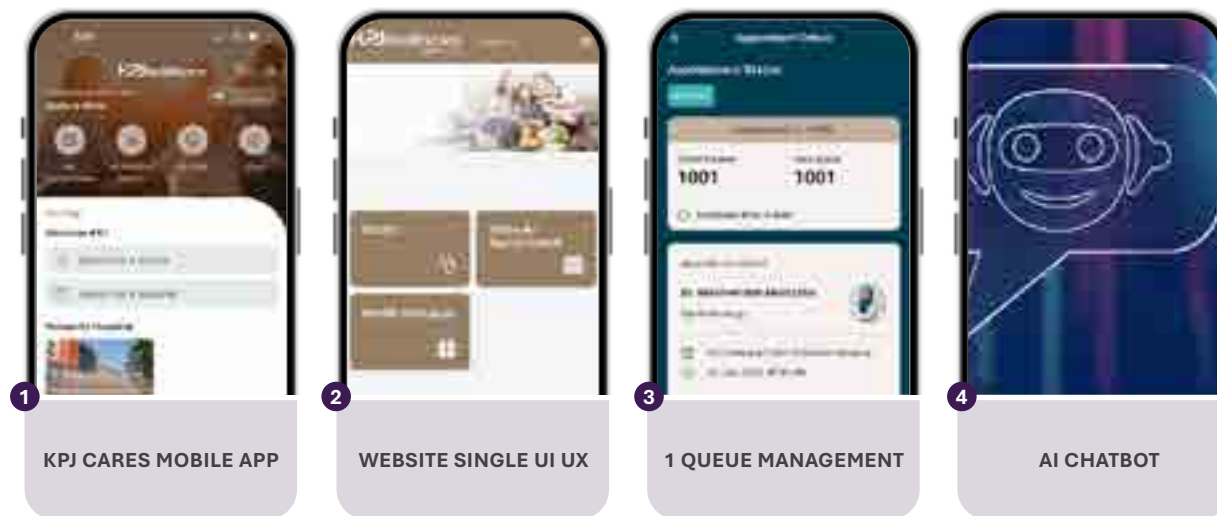
Smart Hospital Initiatives

As part of KPJ's digital transformation, Smart Hospital Initiatives are being implemented to enhance patient care, streamline hospital operations, and improve overall efficiency. These initiatives leverage cutting-edge technologies such as 5G connectivity, AI-driven monitoring, and automation to create a seamless and data-driven healthcare environment. From real-time patient monitoring to intelligent automation, these advancements ensure improved safety, efficiency, and patient experience across KPJ hospitals.



Customer Experience Projects

KPJ is advancing its digital capabilities to provide a seamless and user-friendly experience for patients. The Customer Experience Projects 2024 focus on improving accessibility, convenience, and engagement through an integrated digital ecosystem. KPJ Cares Mobile App serves as a central platform for patients to manage appointments, access medical records, and interact with healthcare services efficiently. Complementing this, enhancements to the website's UI/UX, queue management system, and the introduction of AI-driven support tools are aimed at improving service delivery and operational efficiency across KPJ hospitals.



These digital advancements are set to significantly enhance the patient experience by reducing waiting times, improving access to healthcare information, and streamlining service interactions. KPJ Cares Mobile App empowers patients with greater control over their healthcare journey, enabling seamless appointment scheduling and real-time updates. The revamped website ensures a more intuitive navigation experience, making it easier to access essential medical services and information. The Queue Management System optimises patient flow, minimizing congestion and enhancing operational efficiency across hospitals. Meanwhile, AI-driven support tools, such as the chatbot, will provide instant assistance, improving response times and ensuring patients receive timely guidance. Collectively, these initiatives foster a more personalised, efficient, and accessible healthcare experience, reinforcing KPJ's commitment to patient-centric digital transformation.

GOING FORWARD

KPJ will strengthen IT infrastructure through continuous investments in network security, cloud computing, and digital solutions. Staff training programmes will be expanded to upskill employees and maximise the benefits of new technologies. A robust change management framework will ensure seamless digital transitions. KPJ will expand innovation partnerships by collaborating with technology leaders to enhance digital healthcare solutions. Additionally, data security and compliance measures will align with evolving industry regulations to ensure a secure and resilient digital healthcare ecosystem.

Upholding Good Governance

Data Privacy and Security

Capital



Related SDGs



Activities

- Strengthening data governance and cybersecurity
- Ensuring compliance with data protection regulations
- Implementing secure digital infrastructure

Outputs

- Enhanced patient data security
- Strengthened cyber resilience
- Increased trust in digital healthcare

Value Created

- Greater patient confidence
- Improved regulatory compliance
- Secure and efficient digital transformation

As the healthcare industry undergoes rapid digital transformation, the need for robust data privacy and security measures has never been more critical. The rise of electronic health records, telemedicine, AI-driven diagnostics, and interconnected healthcare systems has increased vulnerabilities to cyber threats, making data protection a top priority. Regulatory requirements, such as Malaysia's Personal Data Protection Act (PDPA) and global cybersecurity frameworks, continue to evolve, necessitating proactive compliance and risk management strategies. At the same time, advancements in cloud security, blockchain technology, and AI-driven threat detection are enhancing data integrity and resilience. As healthcare providers integrate more digital solutions, maintaining patient trust through stringent cybersecurity measures and transparent data governance remains essential to delivering safe, efficient, and technology-driven healthcare services.

As a leading healthcare provider, KPJ manages vast amounts of sensitive patient data, making data privacy and security a fundamental priority. Ensuring the confidentiality, integrity, and availability of healthcare data is essential for maintaining patient trust, complying with regulatory requirements, and ensuring operational resilience. The increasing prevalence of cyber threats, data breaches, and unauthorised access presents significant risks to both patients and the organisation. Failure to safeguard health information can result in reputational damage, legal implications, and disruptions to patient care. To mitigate these risks, KPJ is committed to strengthening its data governance framework, implementing industry-leading cybersecurity measures, and continuously enhancing data protection policies to uphold the highest ethical standards in healthcare.

OUR APPROACH

KPJ is committed to safeguarding patient data confidentiality through a comprehensive data security framework that aligns with national regulations and industry best practices. The implementation of the User Access Matrix (UAM) within the KPJ Clinical Information System 2 (KPJ CIS 2) and Hospital Information Technology System 2 (HITS 2) enhances security measures, ensuring that patient information is accessed only by authorised personnel. This initiative aligns with the Ministry of Health's (MOH) User Access Policy (UA Policy) and regulatory guidelines, reinforcing compliance while prioritising patient privacy.

To further strengthen data protection, KPJ has established standardised design and implementation guidelines for healthcare IT systems, ensuring robust security controls across all digital platforms.

Our User Access Management (UAM) solution enhances confidentiality, in line with key regulatory frameworks, including:

- The Medical Act 1971 and Malaysian Medical Council (MMC) Ethical Guidelines
- MOH Circulars and Guidelines, including the Management of Patient Records in Hospitals and Medical Institutions (2010) and ICT Security Policy (2010)
- Personal Data Protection Act (PDPA) 2010

KPJ also adopts a multi-layered approach to cybersecurity, integrating:

- Privileged Access Management (PAM): Restricts access based on user roles.
- Multi-Factor Authentication (MFA): Strengthens authentication for critical IT systems.
- Managed Detection and Response (MDR): Provides real-time cyber threat monitoring.
- Cloud Security Enhancements: Ensures secure storage and protection of patient data.



ZERO complaints concerning breaches of customer privacy and losses of customer data

Through these initiatives, KPJ continues to prioritise data security, ensure compliance with regulatory standards, and protect patient information from emerging cyber threats, reinforcing its position as a trusted and secure healthcare provider.

INITIATIVES & PROGRESS

In 2024, KPJ has advanced its cybersecurity infrastructure through strategic initiatives:

Deployment of Next-Generation Firewalls

Enhanced network segmentation and security across all hospitals.

ISO 27001:2022 Certification

Achieved SIRIM certification, demonstrating compliance with global information security standards.

Development of Cybersecurity Playbooks

Collaborated with Google Mandiant to create Ransomware and Data Breach Playbooks, improving incident response.

Phishing Assessment (February 2024)

Strengthened employee awareness and resilience against cyber threats.

24/7 Security Operations Center (SOC)

Utilising advanced tools like Splunk and Trend Micro Antivirus for real-time threat detection and response.

Incident Response Retainer (IRR)

Ensures rapid and effective mitigation of cybersecurity incidents.

Cybersecurity Insurance

Secured coverage with Beazley Cybersecurity Insurance, providing financial protection against cyber risks.

GOING FORWARD

KPJ is strengthening data security by updating policies, enhancing threat detection, and expanding staff cybersecurity training. Faster response mechanisms will be developed to contain breaches, ensuring minimal disruption and data integrity. Compliance with global and local data privacy laws will remain a priority, adapting governance frameworks to evolving regulations. Investments in advanced security technologies, including AI-driven threat monitoring and encryption, will reinforce system resilience. These measures will safeguard patient data, uphold regulatory standards, and ensure secure healthcare services.

Upholding Good Governance

Supply Chain Management

Capital



Related SDGs



Activities

- Implementing centralised e-Procurement systems
- Integrating ESG criteria in supplier registration
- Strengthening supplier communication on sustainability

Outputs

- Enhanced procurement efficiency and transparency
- Improved supplier accountability on ESG compliance
- Streamlined procurement of high-modality medical equipment

Value Created

- Cost-optimised and ethical sourcing
- Strengthened supplier engagement in sustainability
- More resilient and responsible supply chain

The healthcare industry is undergoing a transformation in supply chain management, driven by the need for greater efficiency, transparency, and sustainability. Organisations are increasingly adopting centralised digital procurement systems to streamline sourcing, enhance cost efficiency, and improve vendor accountability. ESG considerations are becoming a core focus, with regulatory bodies and stakeholders advocating for ethical sourcing, responsible resource management, and supplier sustainability compliance. In response, companies are integrating AI-driven procurement analytics, blockchain for supply chain traceability, and digital platforms for real-time supplier performance monitoring. As global supply chains face disruptions from economic shifts and environmental challenges, the industry is prioritising resilient, sustainable, and data-driven procurement strategies to future-proof healthcare operations.

Effective supply chain management ensures the availability of high-quality medical products, reduces costs, minimises waste, and maintains patient safety. Ethical procurement, transparency, and regulatory compliance are essential to maintaining operational efficiency and increasing stakeholder trust. By collaborating with medical device manufacturers and suppliers, we promote fair negotiations, address procurement challenges, and secure affordable, high-quality medical supplies. Our commitment to sustainability extends across the value chain, ensuring suppliers operate responsibly while minimising environmental and social risks.



KPJ communicates its ESG agenda during the Supplier Onboarding Programme, fostering collaboration with supply chain partners and alignment on sustainability goals.

OUR APPROACH

KPJ's Supplier Code of Conduct sets clear ethical standards, reinforcing compliance with labour rights, environmental protection, and anti-corruption regulations. This framework ensures suppliers align with KPJ's values, supporting ethical business practices while mitigating risks related to non-compliance and unethical conduct.



For more details on KPJ's Supplier Code of Conduct, please refer [here](#).

INITIATIVES / PROGRESS

We have optimised supplier registration through SAP Ariba, improving efficiency and fairness in the tendering process. Vendors and suppliers undergo a performance assessment during the tender process to ensure adherence to ethical and sustainability requirements. Environmental protection policies are also prioritised, encouraging suppliers to adopt responsible resource usage, waste reduction, pollution prevention, and biodiversity conservation. Additionally, we have empanelled project consultants and procured 110 high-modality medical equipment to streamline procurement while maintaining cost optimisation. In line with our sustainability agenda, all active supplier received our Supplier Code of Conduct and sustainability communications in early 2024.

99.26%
Spending on local suppliers in 2024

100%
suppliers completed the ESG-integrated questionnaire in 2024, enabling targeted sustainability improvements

GOING FORWARD

KPJ is committed to advancing a green supplier ecosystem by integrating sustainability principles into procurement processes and supplier engagements. Moving forward, the company will enhance its commitment to green purchasing, prioritising environmentally friendly products and services across its supply chain. Efforts will also focus on sustainable packaging solutions, particularly in pharmacy and medical supply chains, to minimise waste and reduce environmental impact. To strengthen accountability, ESG awareness initiatives for critical suppliers will be expanded, ensuring alignment with ethical sourcing, resource efficiency, and carbon reduction goals. Through these initiatives, KPJ aims to drive responsible procurement, foster supplier sustainability, and build a resilient, future-ready supply chain.

Independent Assurance Statement



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by KPJ Healthcare Berhad (hereafter referred to as KPJ Healthcare) to perform an independent verification and provide assurance of the KPJ Healthcare Sustainability Report 2024. The main objective of the verification process is to provide assurance to KPJ Healthcare and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International pertains to selected sustainable performance information (subject matter) within the assurance scope which is included in KPJ Healthcare Sustainability Report 2024.

The management of KPJ Healthcare was responsible for the preparation of the Sustainability Report. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of KPJ Healthcare's Sustainability Report, and the Integrated Annual Report 2024.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance process involves verification of selected subject matter as listed below, as well as the BURSA Performance Data. The results of this verification process have been systematically tabulated in Appendix 1 and the Report to Management, with further details provided therein.

Subject matter	Page no. (as in the Sustainability Report)
Energy Consumption	38 – 42
Water Management	48 – 50
Diversity, Inclusions and Human Rights	61 – 63
Employee Engagement and Development	67 – 70
Governance, Ethics and Integrity	74 – 77
Supply Chain Management	84 – 85

The verification was carried out by SIRIM QAS International in April 2025, with the following methodologies:

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

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in KPJ Healthcare Sustainability Report and Integrated Annual Report 2024.
- As part of this assurance engagement, the verification team visited KPJ Healthcare's corporate office at Menara KPJ, Jalan Tun Razak. However, the verification process did not include physical inspections of any of KPJ Healthcare's buildings, and hospitals.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of KPJ Healthcare relating to the accuracy of some of the information contained in the report. In response to the findings raised, the Sustainability Report was subsequently reviewed and revised by KPJ Healthcare. It is confirmed that the changes that have been incorporated into the final version of the report have satisfactorily addressed all issues related to the selected subject matters. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that KPJ Healthcare has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in KPJ Healthcare Sustainability Report 2024 is fairly stated;
- The level of disclosure of the selected sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriamoorthy	:	Team Member
3)	Mr. Azhar Mustapha	:	Team Member

Statement Prepared by:

Statement Approved by:

AERNIDA BINTI ABDUL KADIR

Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 28 April 2025

AMINUDIN BIN ABD AZIZ

Acting Senior General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 28 April 2025

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantee the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (28 April 2025).

Independent Assurance Statement

Appendix 1		
BURSA Performance Indicator		
Indicator	2024	
Workplace Environment: A Diverse and Inclusive Workplace		
Employee Breakdown by Gender (Full-time Employees)		
Male		3,676
Female		13,676
Total		17,352
Employee Breakdown by Gender and Management Categories		
Senior Management - Male		26
Senior Management - Female		18
Management - Male		443
Management - Female		1,045
Non-management - Male		3,207
Non-management - Female		12,613
Employee Breakdown by Age and Management Categories		
Senior Management - <30		0
Senior Management - 30-50		18
Senior Management - >50		26
Management - <30		21
Management - 30-50		1,169
Management - >50		298
Non-management - <30		6,118
Non-management - 30-50		8,917
Non-management - >50		785
Employee Breakdown by Ethnicity and Management Categories		
Senior Management - Malay/Bumiputera		34
Senior Management - Chinese		4
Senior Management - Indian		3
Senior Management - Other		3
Management - Malay/Bumiputera		1,102
Management - Chinese		152
Management - Indian		159
Management - Other		75
Non-management - Malay/Bumiputera		13,316
Non-management - Chinese		348
Non-management - Indian		1,058
Non-management - Other		1,098
Employees Returning to Work in the Reporting Period After Parental Leave Ended, by Gender		
Total Number		953
Male		112
Female		841
Percentage		
Male		12%
Female		88%
Total Number of New Employee Hires		
By Gender		
Male		587
Female		2,044
By Age		
<30		1,876
30-50		714
>50		41
Total Number of Employee Turnover		
By Gender		
Male		384
Female		1,338
By Age		
<30		806
30-50		787
>50		129
Learning and Development		
Total Training Hours		556,916
Total Training Hours - By Gender		
Male		108,500
Female		448,416
Average Training Hours - By Gender		
Male		30
Female		33
Total Training Hours By Employee Category		
Senior Management		241
Management		82,849
Executive		321,826
Non-Executive		152,000
Average Training Hours By Employee Category		
Senior Management		5
Management		56
Executive		37
Non-Executive		22
Environmental Footprint: Energy		
Total electricity consumption (kWh)		204,587,620.44
Environmental Footprint: Water		
Total Water Consumption (m3)		1,935,111
Anti-Fraud, Bribery and Corruption		
Percentage of employees who have received training on anti-corruption by employee category		98%
Percentage of operations assessed for corruption-related risks		100%
Confirmed incidents of corruption and action taken		0
Supply Chain Management		
Proportion of spending on local suppliers		99.26%
Board Diversity		
By Gender		
Total Number		11
Male		9
Female		2
Percentage		
Male		82%
Female		18%

Indicator		2024
By Age		
Total Number		11
46-50		0
51-55		4
56-60		2
61-65		3
66-70		1
71 and above		1
Percentage		
46-50		0%
51-55		36%
56-60		18%
61-65		27%
66-70		9%
71 and above		9%
By Ethnicity		
Total Number		11
Malay/Bumiputera		9
Chinese		2
Indian		0
Others		0
Percentage		
Malay/Bumiputera		82%
Chinese		18%
Indian		0%
Others		0%
By Nationality		
Total Number		
Malaysian		11
Non-Malaysian		0
Percentage		
Malaysian		100%
Non-Malaysian		0%

Appendix 2	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN-SUBSTANTIATED
The topics and subject matters covered in this assessment are tabulated below:				
Energy Consumption				
↳ Petrol and LPG data				
Water Management				
↳ Water data				
Diversity, Inclusions and Human Rights				
Employee Engagement and Development				
Governance, Ethics and Integrity				
Supply Chain Management				

Note 1:
This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (28 April 2025).

Note 2:
The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3:
Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in the Report to Management.
HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.
MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data has been based on secondary data, where the data origin is not accessible by the verifiers during the conduct of the assessment.
LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.
UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

Performance Data

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Number of employees attended Anti-Bribery Management System (ABMS) Awareness Training	Percentage	-	98.00	98.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	2,319,000.00	14,939.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	815	61,490
Bursa (Diversity)				

Notes:

1. The 2022 data is indicated as "-" as the relevant information was not yet entered into the Bursa ESG Reporting Platform during the reporting period.

Internal assurance

External assurance

No assurance

(*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
30 Senior Management Under	Percentage	-	No Data Provided	0.00
Between 30-50	Percentage	-	No Data Provided	40.91
50 Senior Management Above	Percentage	-	No Data Provided	59.09
Management Under 30	Percentage	-	No Data Provided	1.41
Management Between 30-50	Percentage	-	No Data Provided	78.56
Management Above 50	Percentage	-	No Data Provided	20.03
Non-Management Under 30	Percentage	-	No Data Provided	38.67
Non-Management Between 30-50	Percentage	-	No Data Provided	56.37
Non-Management Above 50	Percentage	-	No Data Provided	4.96
Gender Group by Employee Category				
Senior Management Male	Percentage	-	No Data Provided	59.09
Senior Management Female	Percentage	-	No Data Provided	40.91

Notes:

1. The 2022 data is indicated as "-" as the relevant information was not yet entered into the Bursa ESG Reporting Platform during the reporting period.
2. The 2023 column is marked as "No Data Provided" because a different categorisation of employees was applied, namely:
 - Senior Management: C-suites and Heads of Departments
 - Management: Managers excluding C-suites and Heads of Departments
 - Non-Management: Senior Executives to Non-Executives



For detailed employee data for 2022 and 2023, please refer to page 63 of this Sustainability Report.

Performance Data

Indicator	Measurement Unit	2022	2023	2024
Management Male	Percentage	-	No Data Provided	29.77
Management Female	Percentage	-	No Data Provided	70.23
Non-Management Male	Percentage	-	No Data Provided	20.27
Non-Management Female	Percentage	-	No Data Provided	79.73
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	-	82.00	82.00
Female	Percentage	-	18.00	18.00
Under 30	Percentage	-	0.00	0.00
Between 30-50	Percentage	-	18.00	0.00
Above 50	Percentage	-	82.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	-	22.29	23.35
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	-	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.00	0.42
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	11,284	17,352
Bursa (Labour practices and standards)				

Notes:

1. The 2022 data is indicated as "-" as the relevant information was not yet entered into the Bursa ESG Reporting Platform during the reporting period.
2. The 2023 column is marked as "No Data Provided" because a different categorisation of employees was applied, namely:
 - Senior Management: C-suites and Heads of Departments
 - Management: Managers excluding C-suites and Heads of Departments
 - Non-Management: Senior Executives to Non-Executives



For detailed employee data for 2022 and 2023, please refer to page 63 of this Sustainability Report.

Internal assurance

External assurance

No assurance

(*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C6(a) Total hours of training by employee category				
Top & Senior Management	Hours	-	No Data Provided	241
Management	Hours	-	58,108	82,849
Executives	Hours	-	No Data Provided	321,826
Non-Executives	Hours	-	No Data Provided	152,000
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	1.12	3.00
Bursa C6(c) Total number of employee turnover by employee category				
Number of employees turnover	Number	-	1,622	1,722
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	100.00	99.26
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0

Notes:

1. The 2022 data is indicated as "-" as the relevant information was not yet entered into the Bursa ESG Reporting Platform during the reporting period.
2. The 2023 column is marked as "No Data Provided" because a different categorisation of employees was applied, namely:
 - Senior Management: C-suites and Heads of Departments
 - Management: Managers excluding C-suites and Heads of Departments
 - Non-Management: Senior Executives to Non-Executives



For detailed employee data for 2022 and 2023, please refer to page 63 of this Sustainability Report.

Internal assurance

External assurance

No assurance

(*)Restated

Performance Data

Indicator	Measurement Unit	2022	2023	2024
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	-	1,847.190000	1,935.111300

Notes:

1. The 2022 data is indicated as "-" as the relevant information was not yet entered into the Bursa ESG Reporting Platform during the reporting period.

GRI, SASB Standards Content Index

This comprehensive index is discloses the requirements of the Global Reporting Initiatives (GRI) Standards and the Sustainability Accounting Standards Board (SASB).

Statement of Use : KPJ Healthcare Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

RI 1 Used : GRI 1: Foundation 2021

Applicable GRI Sector Standard : Not Applicable

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 2: General Disclosures 2021	The organization and its reporting practices				
	2-1	Organizational details		2	About This Report
	2-2	Entities included in the organization's sustainability reporting		2	About This Report - Reporting Scope and Boundaries
	2-3	Reporting period, frequency and contact point		2	About This Report - Reporting Scope and Boundaries
	2-4	Restatements of information		2	About This Report - Reporting Scope and Boundaries
	2-5	External assurance		3	About This Report - Accuracy and Assurance
	Activities and workers				
	2-6	Activities, value chain and other business relationships	HC-DY-000. A Number of (1) facilities and (2) beds, by type HC-DR-000. A Number of pharmacy locations HC-DY-000. B Number of (1) inpatient admissions and (2) outpatient visits	Refer to IAR2024 Page 24 - 25	
	2-7	Employees		62	Diversity, Inclusion and Human Rights - Initiatives/Progress
	2-8	Workers who are not employees		62	Diversity, Inclusion and Human Rights - Initiatives/Progress
	Governance				
	2-9	Governance structure and composition		18	Sustainability Governance
	2-10	Nomination and selection of the highest governance body		18	Sustainability Governance
	2-11	Chair of the highest governance body		18	Sustainability Governance
	2-12	Role of the highest governance body in overseeing the management of impacts		18	Sustainability Governance

GRI, SASB Standards Content Index

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 2: General Disclosures 2021	Governance				
	2-14	Role of the highest governance body in sustainability reporting		25	Determining Materiality
	2-15	Conflicts of Interest		Refer to IAR2024 Page 166	
	2-16	Communication of critical concerns		77	Governance, Ethics and Integrity - Initiatives/Progress
	2-17	Collective knowledge of the higher governance body		Refer to IAR2024 Page 136	
	2-18	Evaluation of the performance of the highest governance body		Refer to CG Report	
	2-19	Remuneration policies		Refer to CG Report	
	2-20	Process to determine remuneration		Refer to CG Report	
	Strategy, policies and practices				
	2-22	Statement on sustainable development strategy		16	Our Sustainability Mindset
	2-23	Policy commitments		10	Joint Leadership Statement
	2-24	Embedding policy commitments		10	Joint Leadership Statement
	2-25	Processes to remediate negative impacts			
	2-26	Mechanisms for seeking advice and raising concerns		77	Governance, Ethics and Integrity - Initiatives/Progress
	2-27	Compliance with laws and regulations	Fraud & Unnecessary Procedures: HC-DY-510a.1 Total amount of monetary losses as a result of legal proceedings associated with Medicare and Medicaid fraud under the False Claims Act		
	2-28	Membership associations			
	Stakeholder engagement				
	2-29	Approach to stakeholder engagement		21	Stakeholder Management
	2-30	Collective bargaining agreements			
GRI 3: Material Topics 2021	3-1	Process to determine material topics		25	Determining Materiality
	3-2	List of Material Topics		26	Determining Materiality
	3-3	Management of material topics			

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Climate Change Impacts on Human Health & Infrastructure: HC-DY-450a.1 Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change	59	Community Outreach - Initiatives/Progress
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Impacts on Human Health & Infrastructure: HC-DY-450a.1 Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change Climate Change Impacts on Human Health & Infrastructure: HC-DY-450a.2 Percentage of health care facilities that comply with the Centers for Medicare and Medicaid Services (CMS) Emergency Preparedness Rule	39 - 41	Climate Change Resilience - Initiatives/Progress
	201-3	Defined benefit plan obligations and other retirement plans		62	Diversity, Inclusion and Human Rights - Initiatives/Progress
	201-4	Financial assistance received from government		8	Sustainability Sukuk Wakalah Programme
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported		39, 59, 81	
	203-2	Significant indirect economic impacts		54	Service Quality and Safety
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers		85	Supply Chain Management - Initiatives/Progress
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		77	Governance, Ethics and Integrity - Initiatives/Progress
	205-2	Communication and training about anti-corruption policies and procedures		77	Governance, Ethics and Integrity - Initiatives/Progress
	205-3	Confirmed incidents of corruption and actions taken		77	Governance, Ethics and Integrity - Initiatives/Progress

GRI, SASB Standards Content Index

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			
GRI 207: Tax 2019	207-1	Approach to tax			Financial Statement
	207-2	Tax governance, control, and risk management			Financial Statement
	207-3	Stakeholder engagement and management of concerns related to tax			Financial Statement
	207-4	Country-by-country reporting			Financial Statement
GRI 301: Materials 2016	301-1	Materials used by weight or volume			
	301-2	Recycled input materials used			
	301-3	Reclaimed products and their packaging materials			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management: HC-DY-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	38	Climate Change Resilience - Initiatives/Progress
GRI 302: Energy 2016	302-3	Energy intensity		38	Climate Change Resilience - Initiatives/Progress
	302-4	Reduction of energy consumption		38	Climate Change Resilience - Initiatives/Progress
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource		49	Resource and Waste Management - Water Management - Our Approach
	303-2	Management of water discharge-related impacts		48 - 51	Resource and Waste Management - Water Management
	303-3	Water withdrawal		49	Resource and Waste Management - Initiatives/Progress
	303-4	Water discharge		49	Resource and Waste Management - Initiatives/Progress
	303-5	Water consumption			

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions		36	Climate Change Resilience - Initiatives/Progress
	305-2	Energy indirect (Scope 2) GHG emissions		36	Climate Change Resilience - Initiatives/Progress
	305-3	Other indirect (Scope 3) GHG emissions		36	Climate Change Resilience - Initiatives/Progress
	305-4	GHG emissions intensity		36 - 37	Climate Change Resilience - Initiatives/Progress
	305-5	Reduction of GHG emissions		36 - 37	Climate Change Resilience - Initiatives/Progress
GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)			
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management: HC-DY-150a.1 Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled		
	306-2	Management of significant waste-related impacts		43 - 47	Resource and Waste Management
	306-3	Waste generated	Waste Management: HC-DY-150a.2 Total amount of: (1) hazardous and (2) non-hazardous pharmaceutical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	44	Resource and Waste Management - Initiatives/Progress
	306-4	Waste diverted from disposal	Waste Management: HC-DY-150a.1. Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	44	Resource and Waste Management - Initiatives/Progress
	306-5	Waste directed to disposal	Waste Management: HC-DY-150a.1. Total amount of medical waste, percentage (a) incinerated, (b) recycled or treated, and (c) landfilled	44	Resource and Waste Management - Initiatives/Progress

GRI, SASB Standards Content Index

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		85	Supply Chain Management - Initiatives/Progress
	308-2	Negative environmental impacts in the supply chain and actions taken		84 - 85	Supply Chain Management
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	"Employee Recruitment, Development & Retention: HC-DY-330a.1 (1) Voluntary and (2) involuntary turnover rate for: (a) physicians, (b) non-physician health care practitioners, and (c) all other employees"	70	Employee Engagement and Development - Initiatives/Progress
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		62	Diversity, Inclusion and Human Rights - Initiatives/Progress
	401-3	Parental leave		62	Diversity, Inclusion and Human Rights - Initiatives/Progress
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		65 - 66	Diversity, Inclusion and Human Rights - Initiatives/Progress
	403-2	Hazard identification, risk assessment, and incident investigation	Climate Change Impacts on Human Health & Infrastructure: HC-DY-450a.1 – Description of policies and practices to address: (1) the physical risks due to an increased frequency and intensity of extreme weather events and (2) changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change	65	Health and Safety - Building a Safety Culture Through OSH Training
	403-3	Occupational health services		65	Diversity, Inclusion and Human Rights - Initiatives/Progress
	403-4	Worker participation, consultation, and communication on occupational health and safety		65	Diversity, Inclusion and Human Rights - Initiatives/Progress
	403-5	Worker training on occupational health and safety		65	Diversity, Inclusion and Human Rights - Initiatives/Progress
	403-6	Promotion of worker health		65	Diversity, Inclusion and Human Rights - Initiatives/Progress
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			

GRI Standard	Disclosure Number	Disclosure Title	SASB	Page Number	Reference
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system		64	Health and Safety - Building Resilience Through Environmental Safety and Health (ESH) Governance
	403-9	Work-related injuries	Employee Health & Safety: HC-DY-320a.1 (1) Total recordable incident rate (TRIR) and (2) days away, restricted, or transferred (DART) rate	64	
	403-10	Work-related ill health	Employee Health & Safety: HC-DY-320a.1 (1) Total recordable incident rate (TRIR) and (2) days away, restricted, or transferred (DART) rate	66	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		85	Supply Chain Management - Initiatives/Progress
	414-2	Negative social impacts in the supply chain and actions taken			
GRI 415: Public Policy 2016	415-1	Political contributions			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories		55	Service Quality and Safety - Our Approach
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