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BASIS OF THIS REPORT

At KPJ Healthcare Berhad, sustainability is about building a healthcare system that delivers consistently high-quality care today, while strengthening our ability to serve future generations. Guided by our commitment to **One System. One Purpose. One Standard.**, we integrate sustainability into how we operate across our connected health system.

This Sustainability Report outlines how KPJ Healthcare Berhad and its group of companies and subsidiaries (“KPJ”) is embedding sustainability considerations into our clinical and operational practices, supported by strong governance. It highlights the sustainability risks and opportunities most relevant to our business, our progress against key priorities and the initiatives that support clinical excellence and the advancement of education and research across the Group.

OUR REPORTING SUITE

The report complements KPJ’s Integrated Annual Report 2025 and forms part of our broader reporting suite. Together, these reports provide stakeholders with a holistic view of how sustainability supports long-term value creation and strengthens healthcare delivery across the Group.

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

REPORTING SCOPE AND BOUNDARIES

This report sets out KPJ’s sustainability performance for the financial year **1 January 2025 to 31 December 2025**, covering our operations in Malaysia, unless otherwise stated.

Comparative information is included to help stakeholders understand our progress and challenges across sustainability areas that are material to the Group. Any significant changes or restatements from previous years are highlighted where relevant.

Sustainability targets, key performance indicators (“KPIs”) and strategic objectives reflect the KPJ Green Healthcare Sustainability Framework. Unless indicated otherwise, the sustainability data disclosed in this report were drawn from 43 sites, comprising 30 hospitals and 13 subsidiaries within KPJ’s operational boundaries, including Kedah Medical Center (“KMC”).

REPORTING GUIDELINES, STANDARDS AND FRAMEWORKS

KPJ’s sustainability reporting is structured in line with Malaysia’s National Sustainability Reporting Framework (“NSRF”), which integrates the International Sustainability Standards Board (“ISSB”) International Financial Reporting Standards (“IFRS”) S1 and S2 Disclosures into local reporting requirements.

For FY2025, KPJ is adopting the NSRF through a climate-first transition approach, prioritising disclosures aligned with IFRS S2 Climate-related Disclosures while progressively enhancing broader IFRS S1 sustainability-related disclosures over the transition period. Selected IFRS S1-aligned information on governance, strategy, risk management, metrics and targets is included to demonstrate readiness and support decision-useful reporting.

Under this approach, our Sustainability Report provides a comprehensive view of sustainability-related risks, opportunities, governance and performance across material ESG areas relevant to the Group.

This report has also been prepared with reference to:

Local Requirements

- Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”)
- Bursa Malaysia Sustainability Reporting Guide
- Malaysian Code on Corporate Governance (“MCCG”)

International Frameworks

- Global Reporting Initiative (“GRI”) Standards, to offer a comprehensive view of economic, environmental and social performance.
- Sustainability Accounting Standards Board (“SASB”) standards for the healthcare sector, to guide metrics that are relevant to the industry and useful for decision making.
- United Nations Sustainable Development Goals (“UN SDGs”), to align KPJ’s sustainability priorities with global development objectives.

Climate and Environmental References

- Greenhouse Gas (“GHG”) Protocol for emissions measurement and reporting

KPJ is also a constituent of the FTSE4Good Index by Bursa Malaysia and has been included since 2016, which monitors the Environmental, Social and Governance (“ESG”) performance of companies.

EXTERNAL ASSURANCE

Selected sustainability information in this report has been subject to limited independent assurance by SIRIM QAS. A summary of the assurance findings will be disclosed on page 196 of this report.

BOARD RESPONSIBILITY STATEMENT

We maintain robust governance processes and internal controls to support the accuracy and integrity of the information presented in this report. Sustainability data is managed across the Group under the oversight of the KPJ Group Management Committee (“KGMC”), with quarterly updates provided to the Risk, Sustainability and Governance Committee (“RSGC”).

FEEDBACK

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



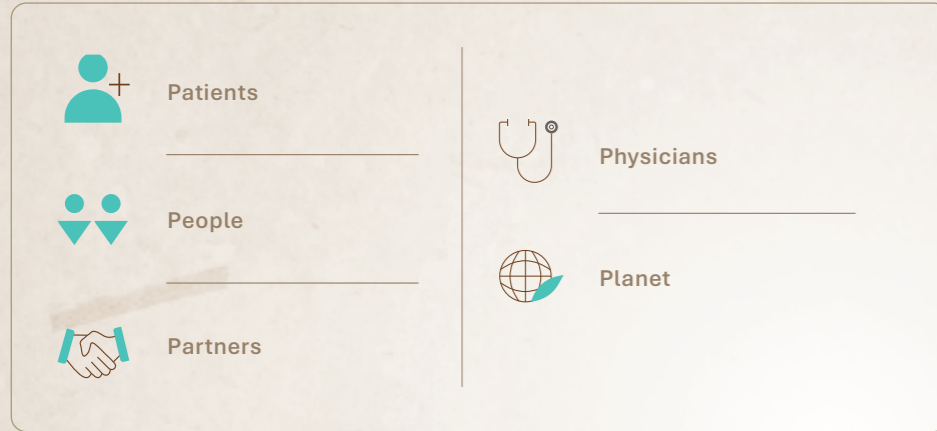
Scan here to access our Sustainability Performance Data

NAVIGATION

We use icons throughout this report to guide readers to related information.

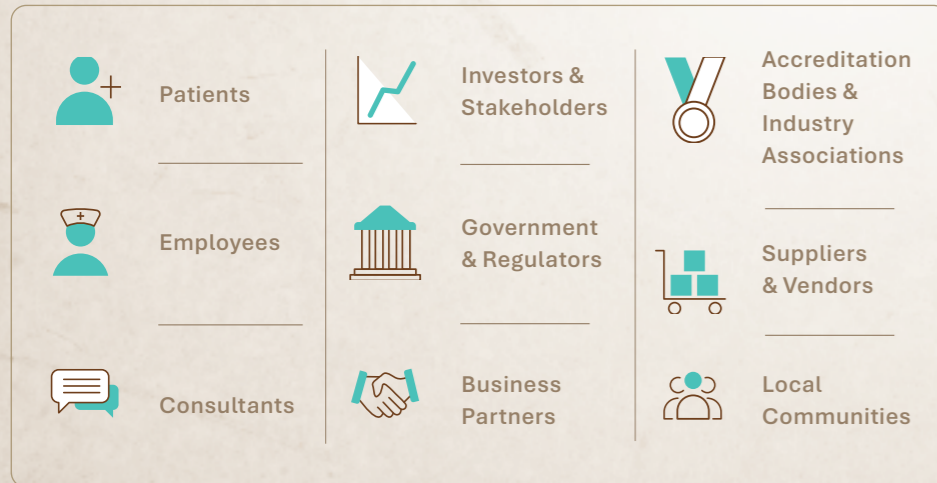
Five strategic pillars

Core focus areas that guide our strategy and decision-making.



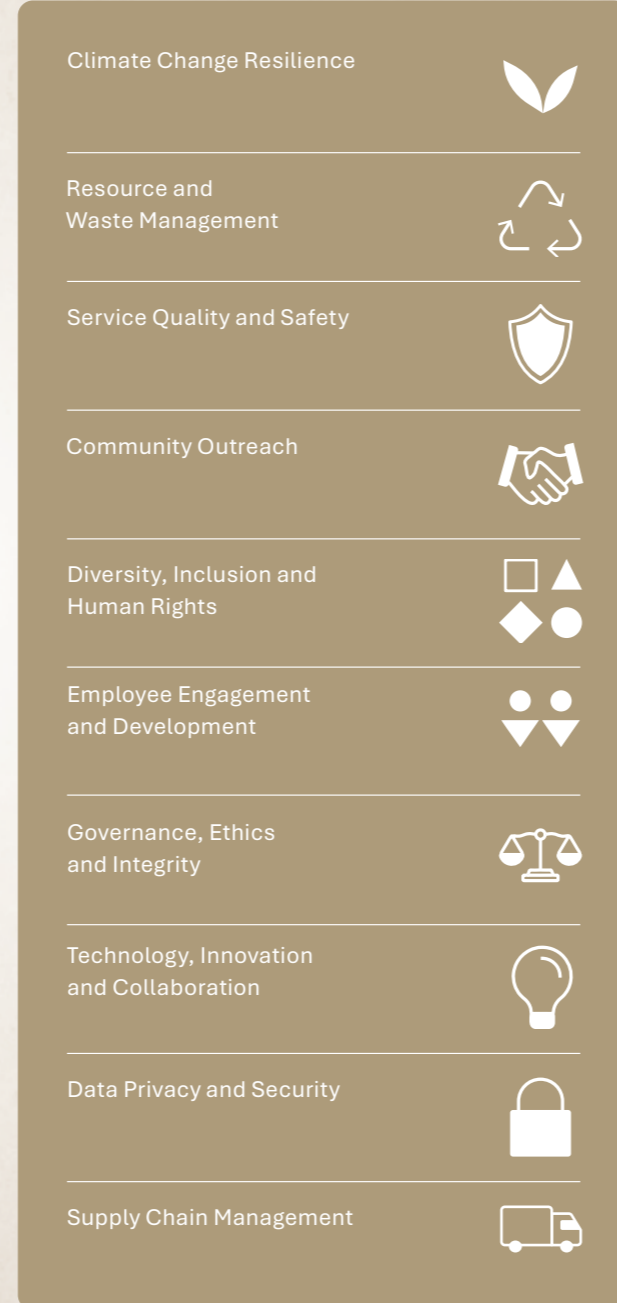
Key Stakeholders

Stakeholder groups whose perspectives inform our decisions.



Material matters

Topics identified as most significant based on our impacts on the economy, environment and people.



1 Sustainability Highlights of 2025



SUSTAINABILITY HIGHLIGHTS OF 2025

Protecting our Environment



Achieved **19.46%**
total reduction in absolute GHG emissions across the Group (against 2024 baseline)

10.07%
renewable energy utilisation from rooftop solar generation and Green Electricity Tariff ("GET")

Accumulated **7** green-certified hospitals

15.3%
reduction in total waste generated per patient (against 2024)



Uplifting Our Patients and Communities



Achieved **95.6%**
Customer Satisfaction Index (for all hospitals groupwide)

93.3%
score in Annual Clinical Surveys, indicating high standards of clinical care

Rolled out more than **10** new features on the KPJ Cares Mobile App for greater convenience for patients

RM14.7 million
invested in corporate responsibility programmes



Fostering Our People



91%
employees affirm a strong workplace culture via the Employee Culture Survey

RM14.1 million
invested in learning and development

Delivered an average of **39** training hours per employee

Zero discrimination cases reported



Upholding Good Governance



Zero
whistleblowing cases reported

Zero
material cybersecurity incidents reported

Implemented KPJ Philips Enterprise Picture Archiving and Communication System ("PACS") for imaging data across **13** hospitals

99.73% spending on local suppliers



2

About KPJ



Our Purpose and Journey
Our Strategic Partners
Awards and Recognition

About KPJ

OUR PURPOSE AND JOURNEY

19 **Laying the Foundation of Inclusive Healthcare**
98 Launched *Klinik Waqaf An-Nur* (“KWAN”) to provide affordable healthcare to B40 communities and other underserved groups.

20 **Shelter of Hope**
10 Established Malaysia’s first hospital-based baby hatch at Ipoh Specialist Hospital to safeguard abandoned infants and support mothers in crisis.



20 **KPJ’s Inaugural Inclusion in the FTSE4Good Index**
16 Included as a constituent of the FTSE4Good Bursa Malaysia Index, recognising strong ESG performance and governance practices.

20 **Commitment to Action on Sustainability**
18

- Published KPJ’s inaugural Sustainability Report aligned to the Economic, Environmental and Social pillars.
- Implemented a zero single use plastic policy across operations.

20 **Digital Transformation and Pandemic Response**
21

- Implemented the first phase of the Hospital Information System at pilot hospitals to support digital transformation.
- Supported the national COVID-19 response through testing and vaccination at hospitals, mega vaccine centres and KWAN clinics.



20 **Powering the Future of Green Healthcare**
24

- Accelerated the Green Healthcare agenda through renewable energy, energy efficiency, sustainable design and responsible procurement.
- Launched the Group Sustainability Policy to institutionalise KPJ’s sustainability commitments
- Joined the United Nations Global Compact (UNGC), becoming Malaysia’s first public-listed healthcare provider to do so.

20 **Strengthening Governance for Long-Term Impact**
22

- Launched the Sustainability Sukuk Framework to support healthcare access and capacity expansion, awarded a Gold rating by Malaysian Rating Corporation Berhad (“MARC”) Ratings.
- Secured Board endorsement of the KPJ Sustainability Framework, establishing a structured, group-wide approach to sustainability governance.

20 **Driving System-Wide Sustainability Across the KPJ Health System**
25

- Positioned KPJ as a sustainability leader in Malaysian healthcare by integrating climate action, social impact and inclusive healthcare initiatives across the network.
- Launched the Green Healthcare Sustainability Framework.
- Expanded solar energy adoption through Phase 2 of the Supply Agreement for Renewable Energy (SARE).
- Developed *Buku Poket Kesihatan Bahasa Isyarat Malaysia* with the Malaysian Federation of the Deaf.
- Strengthened climate disclosure readiness under NSRF, enhancing sustainability governance, data integrity and board oversight.

OUR STRATEGIC PARTNERS

KPJ works with a selected group of strategic partners who share our commitment to building a more sustainable healthcare system.

These partnerships recognise that delivering high quality, future ready care requires collaboration beyond our own hospitals and operations.

Through these relationships, we strengthen our sustainability journey by advancing decarbonisation, improving how resources are managed and supporting the development of greener infrastructure across our connected health system.



Gentari Sdn Bhd
EV solutions integration and green mobility



Green Building Index (“GBI”)
Green certification and environmentally responsible hospital infrastructure



Tenaga Nasional Berhad & GSPARX Sdn Bhd
Green Electricity Tariff (“GET”) provider, and renewable energy integration and advisory



Sustainable Energy Development Authority (“SEDA”)
Energy efficiency and renewable energy adoption through SEDA Grant & Green Pass



UN Global Compact Network Malaysia & Brunei (“UNGCMYB”)
SDG-aligned sustainability commitments



Malaysian Federation of the Deaf (“MFD”)
Inclusive healthcare communication and accessibility for the hearing-impaired community



Cenviro Sdn Bhd
Responsible clinical waste management and sustainable disposal methods



Malaysian Carbon Reduction and Environmental Sustainability Tool (“MyCREST”)
Carbon-reduction benchmarks and green building certification



SUSTAINABILITY ADVOCACY & THOUGHT LEADERSHIP

As a leading private healthcare provider, we recognise that advancing sustainable healthcare requires collaboration across the broader healthcare ecosystem. While the Group continues to strengthen sustainability practices within our own operations, we also engage with industry partners, regulators and stakeholders to contribute to discussions on responsible healthcare and the future of sustainable healthcare delivery. We engage with our stakeholders through relevant platforms and dialogue exchange to share insights from healthcare operations while learning from broader industry perspectives.

Sustainability Accelerator Programme (SAP) by Bursa Malaysia



REGULATORY BODIES

We understand the importance of staying informed of evolving sustainability expectations. KPJ engages with regulatory bodies to support national sustainability priorities and developments within the healthcare sector. In 2025, KPJ participated in several engagements with regulatory institutions and sustainability platforms, including discussions with the Securities Commission Malaysia and a participation in Bursa Malaysia's sustainability initiatives.

Corporate Financial Reporting Conference 2025 by Malaysian Institute of Accountants



COLLABORATIONS ACROSS THE HEALTHCARE ECOSYSTEM



United Nations Global Compact Leaders Summit 2025 in New York

The Group contributes to broader industry dialogue through participation in regional and international platforms focused on sustainable healthcare and responsible business practices. At these engagements, we exchange perspectives with healthcare organisations, sustainability practitioners and policymakers while keeping pace with developments shaping the future of healthcare.

In 2025, KPJ strengthened its sustainability advocacy through participation in regional and international conferences and forums, sharing healthcare perspectives while learning from broader industry developments. To support meaningful industry conversations, these engagements addressed several key sustainability themes:

- Advancing Sustainable Healthcare System**
 KPJ shares insights on integrating sustainability into healthcare delivery and infrastructure. Discussions focus on building more resilient, resource-efficient and patient-centred healthcare systems.
- Strengthening Sustainability Reporting and ESG Governance**
 KPJ contributes to conversations on improving ESG disclosures and governance practices. This includes sharing experiences in aligning reporting with evolving standards and regulatory expectations.
- Accelerating Renewable Energy and Climate Action**
 KPJ highlights opportunities to support low-carbon transitions within healthcare operations. Engagements focus on renewable energy adoption and improving environmental performance across facilities.
- Promoting Sustainable Development and Global Collaboration**
 KPJ participates in platforms that bring together stakeholders to advance the Sustainable Development Goals. These engagements support cross-sector collaboration and collective action on sustainability challenges.
- Mentorship and Knowledge Sharing**
 KPJ engages with students, professionals and industry platforms to share insights on sustainability and healthcare practices. These sessions support learning, knowledge exchange and the development of future talent within the healthcare ecosystem.

PUBLIC AWARENESS AND OUTREACH

Beyond national platforms, we also engage directly with communities through outreach programmes that promote preventive healthcare and health literacy. In 2025, KPJ hospitals organised community-based initiatives aimed at improving access to basic health information and encouraging healthier lifestyles. Many of these efforts were carried out in collaboration with community organisations, educational institutions and local partners.

- Malaysia International Healthcare (“MIH”) Megatrends 2025**
 A public platform where KPJ highlighted sustainable healthcare, renewable energy and inclusive care. The event also amplified these discussions through media coverage and online engagements.
- Launch of the Malaysia Sign Language Health Pocket Guide**
 Developed with the Malaysian Federation of the Deaf to improve communication with deaf patients. The initiative also raises awareness on accessibility and inclusive healthcare practices.
- Innovation outreach (KRAFT Challenge 2025)**
 An innovation challenge that received over 200 submissions from students and professionals. It encourages solutions that advance healthcare through technology and sustainability.

KRAFT Challenge 2025



Malaysia International Healthcare (“MIH”) Megatrends 2025



INTERNAL ADVOCACY AND CULTURE

We actively promote sustainability awareness and leadership within our organisation. The Group encourages employees across our hospitals and subsidiaries to participate in sustainability efforts while strengthening organisational alignment with national sustainability goals. Through these collective efforts, we embed sustainability into our daily operations, embraced by our diverse employee groups.

- Capacity Building and Knowledge Development**
 KPJ builds internal capabilities through initiatives such as the SusTrain Series via the UN Global Compact Academy. These programmes support continuous learning on sustainability and responsible business practices.
- Staff Engagement in Global Sustainability Platforms**
 Employees participate in programmes such as Young Executives Sustainability Summit (“YESS”) and Forward Faster under UNGC. This provides exposure to global sustainability discussions and best practices.
- Celebrating Sustainability Leadership**
 KPJ recognises sustainability efforts through initiatives such as Sustainability Awards 2025. These platforms bring employees together to share progress and encourage continued engagement.

Forward Faster Programme by UNGCMYB



Sustainability Awards 2025



AWARDS AND RECOGNITION

KPJ Healthcare Berhad

- 10th Sustainability & CSR Malaysia Awards 2025
 - Long-Standing Excellence in Sustainability Award – Company of the Year
 - ESG Champion Award – Healthcare Group of the Year
- The Star ESG Positive Impact Awards 2025
 - Gold – Good Health & Wellbeing (Large Companies)
 - Silver – Renewable Energy (Large Companies)
 - Silver – Transformation (Large Companies)
- Asia ESG Positive Impact Awards 2025
 - Silver – Good Health & Wellbeing (Large Companies)
- SEEK People & Purpose Awards 2025
 - Platinum - Top Voted Employer in Healthcare & Pharmaceutical
- HR Asia Best Companies to Work for in Asia – Business Media International
 - Best Company to Work for in Asia
 - Most Caring Company
- Graduate’s Choice of Employer – Talentbank
 - Champion – Hospital Category 2026
 - Five (5) Consecutive Years as Champion
- Malaysia International HR Awards (“MIHRM”) 2025
 - Gold – Employer of Choice
 - Gold – HR Leader Award
 - Best Presentation Award
- Anugerah Integriti, Governans dan Antirasuah (“AIGA”) 2025
 - Silver (Private Sector)
- Customer Success Day 2025 by SAP Ariba
 - Procurement Rising Star Award



KPJ Klang Specialist Hospital

- Ministry of Natural Resources and Environmental Sustainability (“NRES”)
 - Diamond Recognition for the Low Carbon City Challenge
- The Star ESG Positive Impact Awards 2025
 - Silver – Talent Management (Large Companies)

Johor Specialist Hospital

- Healthcare Asia Awards 2025
 - ESG Programme of the Year

Damansara Specialist Hospital 2

- GlobalHealth Asia Pacific Awards 2025
 - Smart Hospital of the Year in Asia-Pacific

Ampang Puteri Specialist Hospital

- Ministry of Natural Resources and Environmental Sustainability (“NRES”)
 - Diamond Recognition for the Low Carbon City Challenge
- National Energy Award by Ministry of Energy Transition and Water Transformation
 - Gold Award

KPJ Sentosa KL Specialist Hospital

- Top Employer Awards 2025 by Jobstore
 - Best Workplace Award
 - Top Employer Award
- MIHRM 2025
 - Silver – Employer of Choice

KPJ Selangor Specialist Hospital

- 24th Hospital Management Asia (“HMA”) Awards 2025
 - Excellence Award – Most Sustainable Hospital

3 Joint Leadership Message



JOINT LEADERSHIP MESSAGE

Dear Valued Stakeholders,

Every day, individuals and families place their trust in KPJ at moments that matter most. In today's environment, that trust is shaped not only by clinical outcomes, but by how we take care of people and the planet.

TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR

Non-Independent Non-Executive Chairman (left)

CHIN KEAT CHYUAN

President and Managing Director (right)



For KPJ, sustainability is how we uphold that trust, by ensuring that responsibility, resilience and long-term value creation remain embedded in the way we deliver care.

As a healthcare group serving communities across Malaysia, our responsibility extends beyond individual episodes of care. It includes contributing to a healthcare system that remains accessible, reliable and prepared for the challenges ahead, from workforce pressures to climate-related risks and rising patient expectations. This requires us to pursue growth and performance with discipline, while remaining mindful of the wider impact of our decisions on patients, employees, partners and society at large.

A System Designed for Sustainable Care

In healthcare, the decisions we make affect a wide network of stakeholders. Their expectations, in turn, shape how we operate and the standards we must uphold. Recognising this interdependence reinforces our responsibility to pursue performance while ensuring that care remains responsible, resilient and sustainable.

This conviction shapes the KPJ Health System, guided by our brand promise, “We Heal. We Teach. We Discover.” By integrating clinical services, education and research into one connected ecosystem, we strengthen knowledge sharing, develop future healthcare professionals and continuously improve patient care.

We stand guided by our Five Ps — Patients, Physicians, People, Partners and Planet — which reflect the groups most connected to our ability to create value. In 2025, we formalised our Green Healthcare Sustainability Framework, reinforcing our commitment to advancing human and planetary health through four pillars: Protecting Our Environment, Uplifting Our Patients and Communities, Fostering Our People and Upholding Good Governance.

The consistency of our approach was recognised in 2025 when KPJ was named Company of the Year for Long Standing Excellence in Sustainability and ESG Champion (Healthcare Group of the Year) at the 10th Sustainability & CSR Malaysia Awards, among others. These recognitions affirm our continued progress in integrating sustainability priorities into how we deliver care and create long-term value.

Protecting Our Environment

Climate change is increasingly recognised as one of the greatest threats to human health. Heat stress, vector-borne diseases, respiratory conditions and extreme weather events disproportionately affect vulnerable populations. At the same time, modern healthcare delivery is resource intensive. This creates a clear responsibility for KPJ to protect human health while reducing our environmental impact and strengthening the resilience of our facilities.

Our commitment to Net Zero by 2050 defines our long-term climate direction, guided by our ESG Roadmap to Net Zero. This roadmap strengthens disaster preparedness and accelerates investment in renewable energy and energy efficiency across our hospitals. To translate this ambition into clear, near-term action, we introduced our SusATTAINability 30-by-30 targets. By 2030, we aim to reduce total absolute greenhouse gas emissions by 30%, transition 30% of our energy consumption to renewable sources and achieve green certification across all of our hospitals. As of 2025, we have achieved a 19.46% reduction in GHG emissions across 43 facilities, marking strong progress towards the interim pathway target of 30% and reached 10.07% renewable energy penetration across the Group. We are also enhancing our environmental performance and infrastructure durability. To date, seven KPJ hospitals have achieved green building certification, with additional facilities progressing towards 2030.

This progress was recognised when KPJ Group received a Silver award for Renewable Energy at The Star ESG Positive Impact Awards. Environmental risk must also be understood at a strategic level. This year, we conducted our first qualitative climate-related scenario analysis in line with our initial adoption of the IFRS Sustainability Disclosure Standards. While modelling maturity will keep evolving, the exercise reflects our integration of climate considerations into strategic and risk deliberations at Board and management levels. Furthermore, waste management remains an important aspect for us, so while we continue meeting all clinical waste expectations, we are also working towards managing our waste more responsibly and increasing resource recovery across our hospitals. Throughout 2025, 600.75 tonnes of waste were diverted from disposal, including 383.93 tonnes of non-hazardous waste recycled, supporting our continued progress to reduce landfill and strengthen segregation practices Group-wide. By treating waste as a resource, we are not only reducing our environmental footprint but also enhancing the efficiency of our hospital infrastructure.

Importantly, our environmental responsibility extends across the broader healthcare ecosystem. We recognise that our impact is multiplied by the partners we choose; therefore, the high standards we set for ourselves are mirrored in the expectations we place upon our contractors, suppliers and partners. By integrating environmental criteria into our procurement and development projects, we ensure that sustainability is reinforced at every link of the supply chain.

By weaving climate considerations into how we manage our facilities and consume resources, we are building a healthcare system that is not only safe and reliable but fundamentally sustainable. We are dedicated to guaranteeing the care we provide today does not come at the cost of the environment for future generations.

Uplifting Our Patients and Communities

Healthcare is built on trust. Patients rely on doctors, nurses and healthcare institutions to act in their best interests, often at moments of vulnerability. Maintaining that trust requires not only clinical competence, but also professional integrity, sound judgement and clear communication with patients and their families. As our hospital network grows, consistency depends not only on clinical skill but on systems that identify and address risks early. In 2025, we strengthened our Group-wide safety architecture through the Towards Zero Harm campaign, focusing on higher-risk areas such as safe surgery, infection prevention and medication safety. These efforts contributed to a reduction in surgery-related sentinel events from seven to four cases in 2025, while maintaining an inpatient fall rate of 0.25 per 1,000 patient days, well below national benchmarks.

We continue to enhance the patient journey through digital tools and service redesign that streamline appointments, reduce waiting times and strengthen continuity of care. This year, we reached a total of 156,000 registered members on KPJ Cares Mobile App and recorded >95% in the Customer Satisfaction Index for services and facilities, staff care and inpatient treatment, marking sustained progress in delivering consistent, patient-centred care. Behind the scenes, the rollout of our Computerised Asset & Facilities Management System (“CAFMS”) across all 30 hospitals has strengthened proactive maintenance and real-time oversight of critical assets. Technology, in this context, enhances coordination and convenience while preserving the human connection between clinician and patient. Our responsibility extends beyond those who walk into our hospitals.

Through our network of hospitals across multiple states, KPJ contributes additional capacity within Malaysia’s healthcare system, particularly when public facilities are stretched. Our Waqaf An-Nur initiative extends primary healthcare services to underserved communities. In 2025, we served over 55,000 patients through *Klinik Wakaf An-Nur* (“KWAN”) clinics and mobile outreach initiatives, supporting earlier detection and reducing barriers to care. Our efforts in strengthening clinical quality, expanding access and improving patient experience were acknowledged with a Gold award for Good Health & Well-being at The Star ESG Positive Impact Awards and a Silver award at the Asia ESG Positive Impact Awards. By bridging the gap between private capability and public need, we continue to build a more inclusive healthcare ecosystem that delivers “Care for Life” to every segment of society.

Fostering Our People

Healthcare runs on people, nurses who notice changes before machines do, doctors whose judgement is shaped by experience, and teams who keep care safe and seamless. We attract individuals who treat healthcare as a calling, even as they face growing pressures from rising competition, cross-border recruitment and increasing talent costs. This is why leadership must stay close to the ground, listening to our people to ensure they can perform and grow. We build capability from within through KPJ Healthcare University (“KPJU”), where we enrolled 3,560 students in 2025. Beyond technical skill, we prioritise the moral development of our staff, ensuring we embed good service within our professional excellence and human integrity to support our patient needs.

We are equally conscious that excellence must never come at the expense of wellbeing. The demands of healthcare are intense, which is why we reinforce regulatory safeguards with regular leadership dialogue and our twice-yearly People Happiness Survey. In 2025, our Employee Engagement Index (“EEI”) stood at 91%, mirroring our duty to our employees’ needs. A fulfilled workforce is the primary driver of patient safety and the assurance of a responsible provider. By nurturing our staff’s morale and mental health, we ensure they remain resilient and engaged in their mission to provide compassionate care.

Ultimately, Team KPJ is united by a shared purpose to strengthen the human foundation that makes care possible. This ecosystem is a partnership; as we strive to be a transparent and accountable leader, we seek the continued trust and loyalty of our patients and stakeholders. Your support allows us to reinvest in the people and community programmes that sustain a healthier ecosystem.

Upholding Good Governance

Across all aspects of ESG, governance remains the most critical foundation. Integrity, internal controls and ethical conduct ensure that organisations pursue growth responsibly and maintain the confidence of stakeholders. Without this foundation, achievements in environmental or social areas cannot be sustained.

For KPJ, governance is not simply one pillar within ESG. It is the foundation that gives credibility to everything else. Environmental and social progress can only be sustained when supported by strong internal controls, ethical conduct and a culture of integrity embedded throughout the organisation. We anchor this discipline through clear ESG governance and risk integration. In 2025, KPJ strengthened oversight through an ISSB Steering Committee, supported by the management and working teams to guide IFRS Sustainability Disclosure readiness and reporting sign-off.

Integrity remains the baseline for everything that follows. In 2025, 99% of our employees completed integrity training, reinforced by Integrity Ambassadors who translate policy into daily operations. For our stakeholders, this translates into a culture of accountability; while one instance of regulatory non-compliance was identified, our swift corrective actions and enhanced standard operating procedures across all hospitals demonstrated our commitment to learning and transparency. This dedication was externally validated by the Anugerah Perak (Silver Award) at the *Anugerah Integriti, Governans dan Antirasuah (“AIGA”) 2025*, signalling to our committees and partners that KPJ remains a benchmark for ethical conduct in the private sector.

As care becomes more digital, protecting sensitive data is part of protecting patients. KPJ’s core digital systems remain certified under ISO/IEC 27001. In 2025, we strengthened cyber defence through a 24/7 Security Operations Centre (“SOC”) powered by Microsoft Sentinel, alongside controls such as Privileged Access Management (“PAM”) and modernised endpoint protection. We view service continuity as a patient safety issue, not just an IT concern; by upgrading our disaster recovery and uptime capabilities, we ensure that clinical care remains seamless and uninterrupted, even in the face of digital threats.

Governance also sits upstream, in the supply chain that supports clinical care while creating its own footprint. In 2025, 881 suppliers completed ESG assessments, and 100% of new vendors were screened against environmental and social criteria aligned with ISO 20400 principles. By integrating sustainability into our tender specifications for hospital development and expansion, we provide our contractors with clear expectations on ethics and quality from day one. This systematic approach creates a protection circle around our brand, ensuring that every partner in the KPJ ecosystem contributes to the trust our stakeholders place in us.

OUTLOOK


Malaysia’s ageing population, the rising burden of non-communicable diseases and sustained medical inflation will test both the affordability and system capacity for healthcare. We recognise that these are not short-term cycles but long-term realities. Our response is therefore anchored in building institutional strength rather than reacting tactically. The continued advancement of the KPJ Health System remains central to this strategy. Workforce resilience will be equally critical, as we continue to invest in our academic ecosystem to build capability from within, reinforcing a model where we heal, we teach and we discover as an integrated cycle.

At the same time, technological change will continue to reshape healthcare. Emerging tools such as artificial intelligence will create opportunities to improve efficiency, decision-making and service delivery. However, we must remain clear that technology should support clinicians, not replace the empathy, judgement and human touch that define quality care. As these technologies evolve, strong governance will be essential to ensure they are applied responsibly.

We will also remain engaged with policymakers, insurers and industry bodies to contribute constructively to solutions on healthcare affordability, recognising that long-term trust depends on transparency and system-level collaboration.

Sustainability will continue to be embedded, not peripheral. We will deepen execution of our Net Zero pathway, strengthen climate risk integration, advance green procurement and enhance governance around digital innovation and cybersecurity. KPJ will carry on building a healthcare system that endures financially, socially and environmentally resilient.

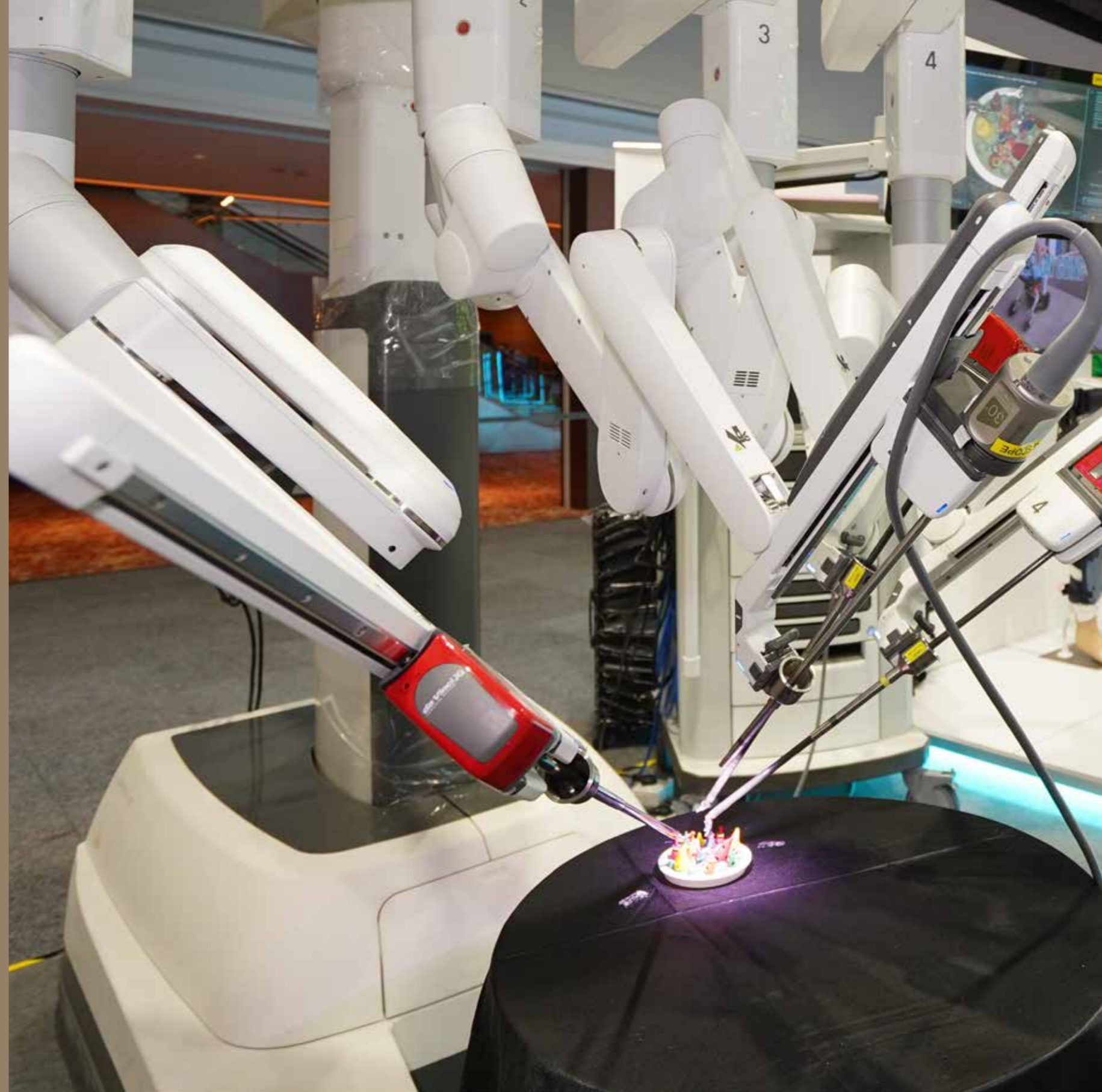
4 Sustainability Fundamentals



KPJ Health System
Our Sustainability Framework and Roadmap
Stakeholder Engagement and Materiality
Governance
Risk Management

KPJ HEALTH
SYSTEM

Sustainability Fundamentals



KPJ HEALTH SYSTEM

SUSTAINABILITY WITHIN THE KPJ HEALTH SYSTEM

Through this system, we believe that healthcare delivery extends beyond treatment. It encompasses knowledge creation, talent development and innovation, enabling us to respond to evolving health, environmental and societal challenges. We strive to deliver healthcare that is not only clinically effective, but also environmentally responsible, equitable and future-ready.

Our sustainability approach is part and parcel of the KPJ Health System (“KPJHS”), a holistic model that brings together clinical excellence, education and research.



1 Practice

Sustainability is reflected in how we deliver our healthcare services. We continue to strengthen our delivery of healthcare services that support patient wellbeing and environmental stewardship.

Focus areas:

- Equitable healthcare access
- Patient safety & quality
- Low-carbon healthcare operations
- Responsible clinical waste management
- Sustainable hospital infrastructure

2 Education

Education shapes the future of sustainable healthcare. We incorporate sustainability considerations into our educational programmes to equip our healthcare professionals with the knowledge and awareness of emerging challenges.

Focus areas:

- Sustainability awareness in healthcare education
- Training future doctors & nurses
- Carbon literacy / green healthcare awareness
- Knowledge transfer

3 Research and Innovation

Research is the backbone of innovation and advancement of healthcare practices. We strive to develop evidence-based solutions that improve clinical outcomes and healthcare efficiency.

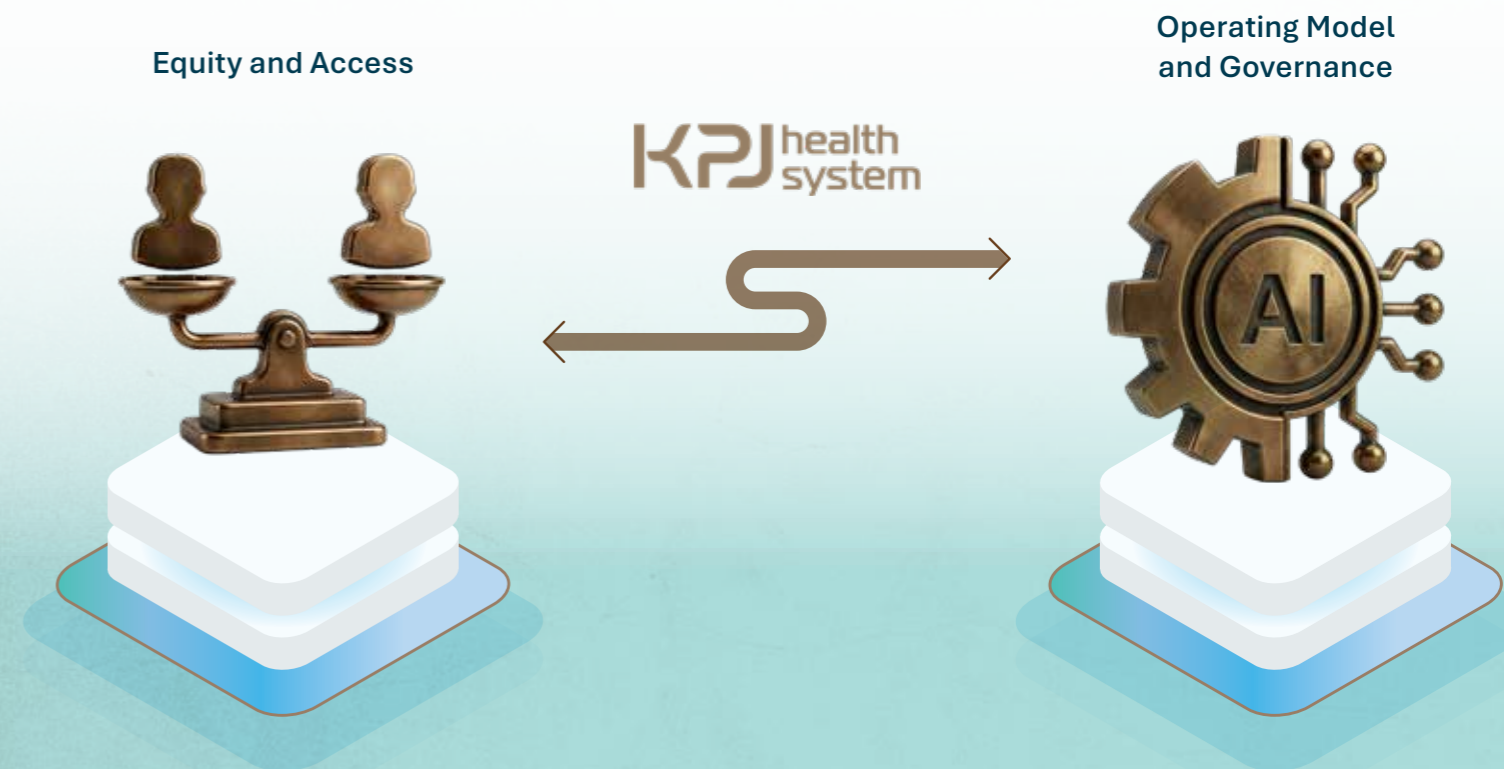
Focus areas:

- Clinical innovation
- Medical research
- Future healthcare solutions
- Improving healthcare outcomes

EQUITY AND ACCESS IN FUTURE HEALTHCARE

As healthcare continues to evolve through advances in genomics, AI and value-based care, ensuring equitable access to these innovations becomes increasingly important.

At KPJ, we remain steadfast in ensuring that emerging healthcare technologies and innovations benefit a broad and diverse patient population. Leveraging the KPJHS, we seek to ensure that advancements in healthcare remain accessible, inclusive and responsive to societal needs.



SUSTAINABILITY FRAMEWORK AND ROADMAP

Sustainability Fundamentals

Sustainability Fundamentals

SUSTAINABILITY FRAMEWORK AND ROADMAP

GREEN HEALTHCARE SUSTAINABILITY FRAMEWORK

At KPJ, sustainability begins with a simple responsibility: to care for people in ways that remain safe, trusted and available over time.

As healthcare systems face rising clinical complexity, environmental pressures and workforce constraints, delivering care needs to be integrated into how resources are used, how people are supported and how trust is governed.

The Green Healthcare Sustainability Framework provides a shared structure to translate this responsibility into action across the KPJ Health System ("KPJHS"). Anchored in KPJ's purpose of Advancing Human and Planetary Health, the Framework recognises that patient care, social well-being, environmental stewardship and good governance are deeply interconnected. It guides how KPJ integrates environment, social and governance ("ESG") considerations into strategy, operations and decision-making, ensuring that care delivery today does not compromise the ability to care for future generations.



GREEN HEALTHCARE SUSTAINABILITY FRAMEWORK

Advancing human and planetary health by delivering, responsible, innovative and climate-resilient healthcare

SUSTAINABILITY VISION
To be a leader in green healthcare by delivering innovative and environmentally friendly responsible care that ensures a sustainable future for our patients, staff and communities.

SUSTAINABILITY PILLARS	Protecting Our Environment	Uplifting Our Patients & Communities	Fostering Our People	Upholding Good Governance
SUSTAINABILITY THEMES	<ul style="list-style-type: none"> Transition to Renewable Energy Obtaining Green Certification Advancing Circular Economy 	<ul style="list-style-type: none"> Diverse and Inclusive Workforce Patient-centred Care ("KPJHS") Community Engagement 	<ul style="list-style-type: none"> Enhanced ESG Disclosure Ethical Practices and Compliance Sustainable Procurement 	
RELATED SDGS				
TARGETS	<ul style="list-style-type: none"> Reduce 30% of total absolute GHG emissions by 2030 Transition to 30% renewable energy by 2030 Attain fully green certified hospitals by 2030 	<ul style="list-style-type: none"> Integrated, human-centred and digitally enabled patient experience 	<ul style="list-style-type: none"> Achieve an Employee Engagement Index of >85% Achieve 100% succession coverage for all identified critical roles 	<ul style="list-style-type: none"> Achieve Group-wide adoption of AI-driven healthcare technologies Achieve zero patient data security incidents Strengthen supply chain management practices through enhanced profiling and structured engagement

From Strategy to Action

The Framework translates KPJ's sustainability commitments into practical action by linking each pillar to clear sustainability themes, material focus areas and targeted initiatives. It guides how priorities are set, how resources are allocated and how performance is tracked, ensuring that sustainability risks and opportunities are addressed systematically and embedded into day-to-day decision-making rather than managed in isolation.

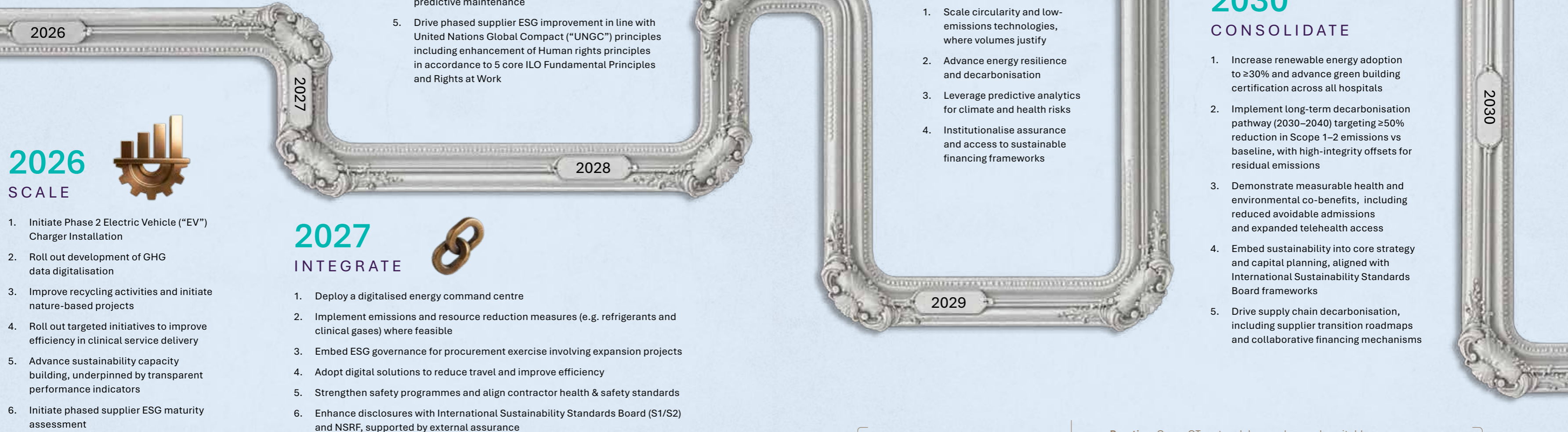
Execution is supported through Group-level coordination, clear ownership across subsidiaries and integration into operational planning, policies and performance monitoring. Designed to be adaptive, the Framework enables KPJ to respond to evolving regulatory expectations, climate and social risks and stakeholder needs, while remaining aligned with the Group's long-term strategy and its responsibility to patients, people and communities.



5-YEAR SUSTAINABILITY ROADMAP

Building on the Framework, KPJ's 5-Year Sustainability Roadmap translates long-term responsibility into practical, phased action across the KPJHS. The roadmap outlines how sustainability is systematically integrated into KPJHS, guiding decision-making and execution across hospitals and shared services, from infrastructure planning and procurement to workforce development and governance practices

This enables consistent implementation, progressive capability-building and measurable performance improvement over time. As initiatives mature, this approach supports more resilient healthcare operations, better patient and community outcomes and sustained value creation for stakeholders who depend on KPJ's healthcare services.



2026 SCALE



1. Initiate Phase 2 Electric Vehicle ("EV") Charger Installation
2. Roll out development of GHG data digitalisation
3. Improve recycling activities and initiate nature-based projects
4. Roll out targeted initiatives to improve efficiency in clinical service delivery
5. Advance sustainability capacity building, underpinned by transparent performance indicators
6. Initiate phased supplier ESG maturity assessment

2027 INTEGRATE



1. Deploy a digitalised energy command centre
2. Implement emissions and resource reduction measures (e.g. refrigerants and clinical gases) where feasible
3. Embed ESG governance for procurement exercise involving expansion projects
4. Adopt digital solutions to reduce travel and improve efficiency
5. Strengthen safety programmes and align contractor health & safety standards
6. Enhance disclosures with International Sustainability Standards Board (S1/S2) and NSRF, supported by external assurance

2028 OPTIMISE



1. Enhance chiller optimisation programmes
2. Expand water reuse initiatives to improve water intensity levels
3. Digitalise waste management using Internet of Things ("IoT"), where applicable
4. Scale up digital healthcare solutions with AI functionality for analytics and predictive maintenance
5. Drive phased supplier ESG improvement in line with United Nations Global Compact ("UNGC") principles including enhancement of Human rights principles in accordance to 5 core ILO Fundamental Principles and Rights at Work



2029 EXTEND

1. Scale circularity and low-emissions technologies, where volumes justify
2. Advance energy resilience and decarbonisation
3. Leverage predictive analytics for climate and health risks
4. Institutionalise assurance and access to sustainable financing frameworks



2030 CONSOLIDATE

1. Increase renewable energy adoption to ≥30% and advance green building certification across all hospitals
2. Implement long-term decarbonisation pathway (2030–2040) targeting ≥50% reduction in Scope 1–2 emissions vs baseline, with high-integrity offsets for residual emissions
3. Demonstrate measurable health and environmental co-benefits, including reduced avoidable admissions and expanded telehealth access
4. Embed sustainability into core strategy and capital planning, aligned with International Sustainability Standards Board frameworks
5. Drive supply chain decarbonisation, including supplier transition roadmaps and collaborative financing mechanisms



- **Practice:** Green OT protocol, low-carbon and equitable care.
- **Education:** ESG-integrated learning and leadership development.
- **Research and Innovation:** Evidence-based ESG data and innovation for sustainable health outcomes.

From Insight to Execution

PHASE 1

2023 – 2024

PHASE 2

2025 – 2027

We are here

PHASE 3

2028 – 2030

PHASE 4

2031 – 2050

Laying the Foundation

Scaling for Impact

Integration

Long Term Vision

- Established GHG baseline and verification approach
- Strengthened ESG governance and internal capabilities
- Initiated energy optimisation and renewable energy adoption
- Introduced early sustainability initiatives across operations

- Expand renewable energy and energy efficiency initiatives
- Strengthen waste, water and circular economy practices
- Enhance sustainability data, monitoring and reporting systems
- Deepen social impact and stakeholder engagement programmes
- Improve ESG ratings, disclosures and governance practices

- Integrate sustainability into core business and operations
- Advance renewable energy, green buildings and low-carbon solutions
- Strengthen climate resilience and supply chain engagement
- Leverage data, technology and innovation to improve ESG performance

- Decarbonise operations towards net zero emissions
- Strengthen climate resilience across the healthcare network
- Advance responsible procurement and value chain sustainability
- Enhance assurance, transparency and long-term stakeholder trust

Net Zero Emissions By 2050

COMMITMENT TO NET ZERO

For healthcare providers, climate action is fundamentally about safeguarding people. Climate change is already affecting health outcomes through heat stress, poor air quality, extreme weather and disruptions to care delivery, while rising energy costs and infrastructure risks place added pressure on healthcare systems. For KPJ, reducing environmental impact goes beyond emissions, it is about ensuring access to care, maintaining safe environments and protecting the communities we serve.

In 2025, we completed the foundational phase of our Net Zero journey, strengthening the systems, governance and capabilities needed for a credible transition. Aligned with Malaysia's National Energy Transition Roadmap ("NETR") and the Group's Net Zero ambition, this pathway is supported by clear interim targets to 2050, providing a structured basis to scale impact while reinforcing patient trust and long-term system resilience.



Reduce 30% of Total Absolute GHG Emissions BY 2030



Fully Green Certified Hospitals BY 2030



Transition to 30% Renewable Energy BY 2030

Scope 1 + 2 and high-impact Scope 3 categories



STAKEHOLDER ENGAGEMENT AND MATERIALITY

Sustainability Fundamentals

Sustainability Fundamentals

STAKEHOLDER ENGAGEMENT AND MATERIALITY

STAKEHOLDER ENGAGEMENT

Our patient-centred mission is reflected not just in the care we provide, but in how we engage the people and organisations connected to our hospitals.

Whether we are listening to patients to improve their experience, working with regulators to uphold healthcare standards, or collaborating with partners on shared solutions, stakeholder engagement helps us make better decisions that strengthen trust and responsiveness across our network. These interactions influence how we prioritise improvements, refine clinical practices and extend access to care, so that we can deliver safe, effective and meaningful healthcare that aligns with the expectations of those we serve.





Patients

Places their trust in KPJ at critical moments in their lives. Meeting their needs safely, affordably and with dignity shapes our approach to care delivery, service improvement and long-term healthcare capability.

What Matters to Patients

- Cost of healthcare services
- Quality of care and services standards
- World-class facilities and technology

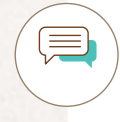


Employees

Plays a critical role in delivering safe, high-quality care across KPJ. Supporting their wellbeing, development and engagement enables consistent clinical standards, service reliability and long-term organisational capability.

What Matters to Employees

- Career progression and skills development
- Health, safety and respect for human rights
- Fair and competitive remuneration and benefits



Consultants

Brings deep clinical expertise and professional judgement to patient care at KPJ. Their decisions, standards of practice and collaboration with care teams shape patient outcomes and the quality of care delivered across our hospitals.

What Matters to Consultants

- Clinical quality, patient safety and professional standards
- Access to appropriate facilities, equipment and clinical support
- A safe, supportive and professionally rewarding practice environment



Investors and Shareholders

Provides the capital and long-term support that enable KPJ to grow, invest in clinical capability and strengthen our healthcare network. Their confidence in our strategy and governance supports sustainable value creation over time.

What Matters to Investors and Shareholders

- Sustainable returns and long-term value growth
- Strong governance and effective risk management
- Clear, transparent and decision-useful information



Government and Regulators

Defines the legal, policy and oversight frameworks for Malaysia's healthcare system. Constructive engagement supports lawful operations, system stability and continued licence to operate.

What Matters to Government and Regulators

- Regulatory compliance and licensing requirements
- Ethical, fair and responsible business conduct
- Continuity of essential healthcare services during disruptions



Business Partners

Supports the delivery, accessibility and sustainability of our services across the healthcare value chain. Strong and trusted partnerships help ensure service continuity, commercial resilience and shared growth.

What Matters to Business Partners

- Reliable delivery of high-quality healthcare services at competitive and transparent pricing
- Stable, fair and commercially viable contractual arrangements
- Strong brand reputation, credibility and public trust



Accreditation Bodies and Industry Associations

Sets recognised benchmarks for quality, safety and professional practice in healthcare. Engaging with these institutions helps KPJ maintain consistent standards of care, meet regulatory and industry expectations, and strengthen public confidence in private healthcare services.

What Matters to Accreditation Bodies and Industry Associations

- Adherence to recognised accreditation and quality standards
- Alignment with national healthcare policies, regulatory requirements and industry expectations
- Contribution to the development of healthcare standards and public trust



Suppliers and Vendors

Supports the reliability, safety and efficiency of our operations. Strong supplier relationships help ensure continuity of care, consistent service quality and responsible sourcing across the Group.

What Matters to Suppliers and Vendors

- Clear, fair and transparent procurement and contracting processes
- Consistent application of quality, safety, regulatory and ethical requirements
- Predictable demand, timely communication and continuity of business relationships



Local Communities

KPJ operates within and alongside the communities we serve. Understanding local needs and contributing to community wellbeing strengthens trust, supports public health outcomes and reinforces our role as a responsible healthcare provider.

What Matters to Local Communities

- Community health access
- Improved community wellbeing, including health, safety and social outcomes
- Health awareness and preventive care knowledge

To learn more about how we engage with our key stakeholders and the value created from these engagements, please refer to our Integrated Annual Report 2025, pages xx to xx.

MATERIALITY

In healthcare, the decisions we make every day directly shape the experiences, safety and trust of the people who rely on us.

Because our work touches lives so closely, it is important for us to stay focused on the issues that truly matter. Our materiality process helps us do exactly that. It guides us to the areas where our actions can make the most meaningful difference, both now and in the long run.

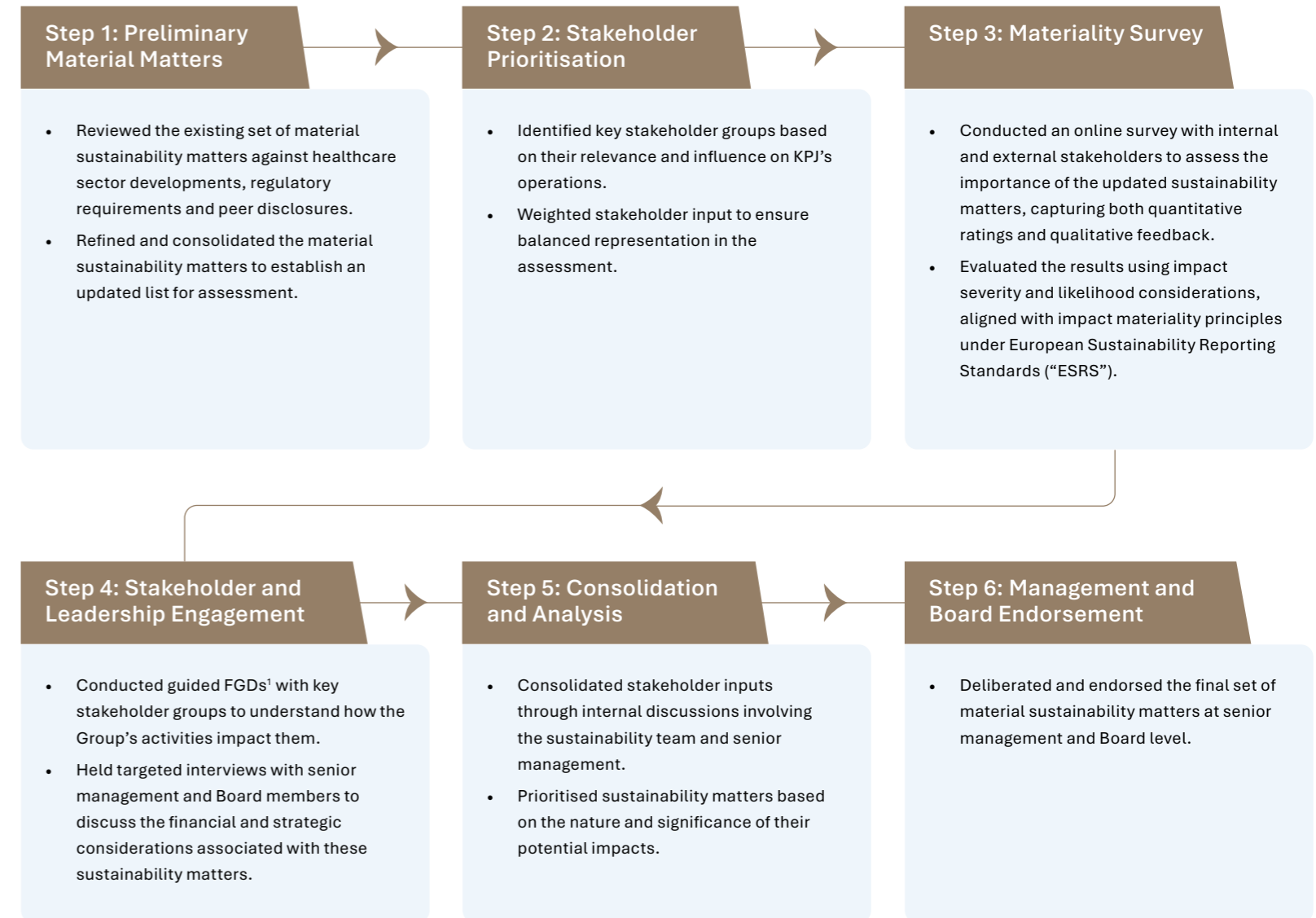
As expectations around sustainability and transparency continue to grow, we are taking deliberate steps to strengthen how we assess these priorities. We are progressively incorporating financial materiality considerations under the NSRF while retaining impact materiality insights from stakeholder engagement.



HOW WE DETERMINE OUR MATERIAL MATTERS

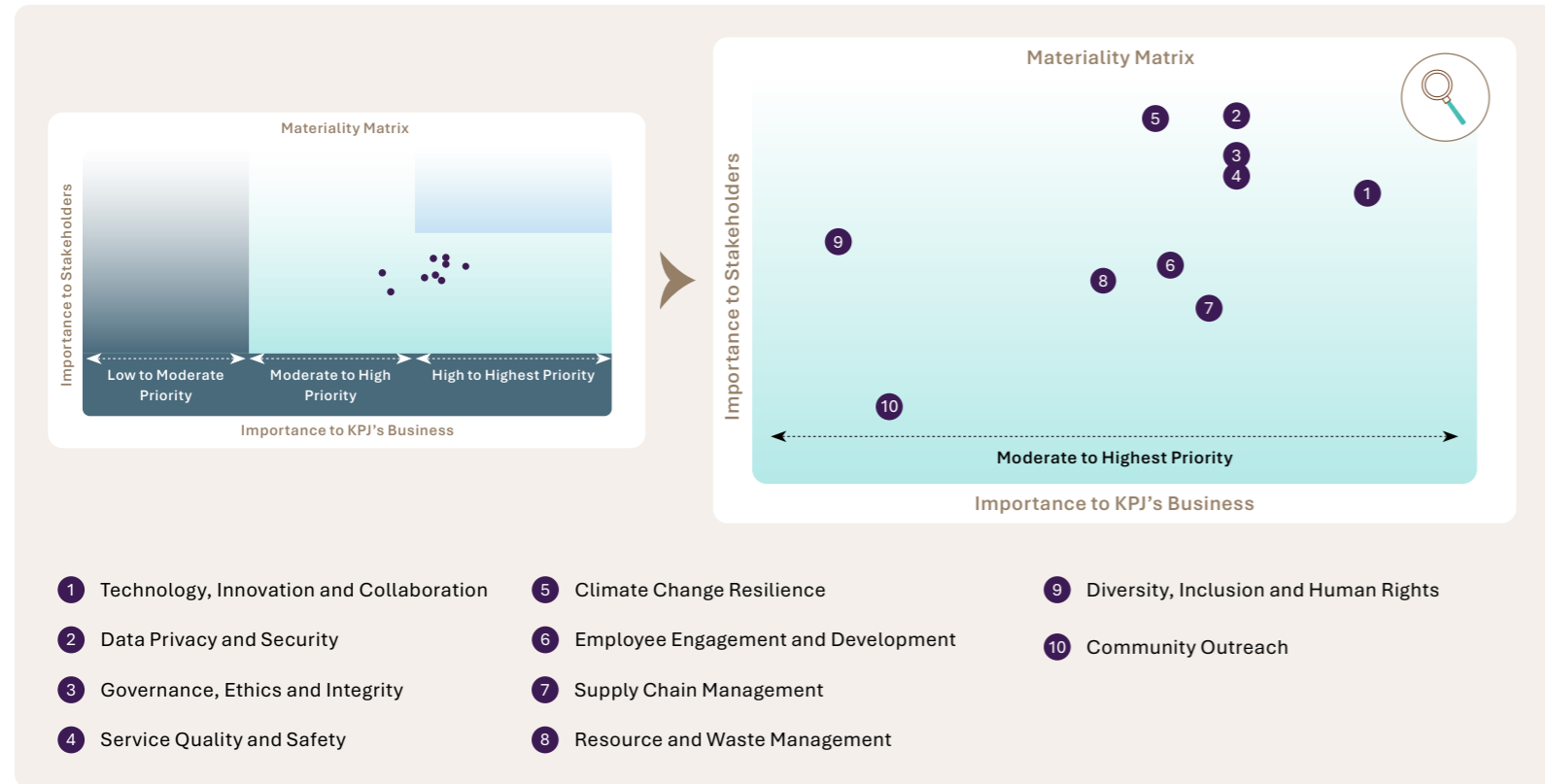
We prioritise sustainability issues by assessing how significantly they may affect patient outcomes, our workforce, our communities and the long-term resilience of our healthcare operations. In doing so, we also consider the views of our stakeholders and how these issues influence clinical quality, patient safety and trust.

In 2025, we strengthened our materiality process through broader and more structured stakeholder engagement. This included introducing focus group discussions (“FGDs”) and holding dedicated sessions with senior management and Board members. These engagements helped refine the identification of priority issues, ensuring closer alignment with our strategy, operating landscape and risk profile. They also enabled us to explore early financial materiality considerations, which will continue to be enhanced in future reporting cycles.



OUTCOMES OF THE MATERIALITY ASSESSMENT

Drawing on stakeholder and leadership inputs, we consolidated sustainability issues into a set of material sustainability matters for the current reporting period. We group these matters under environmental, social and governance (“ESG”) themes across our operations. Priority impact topics reflect areas where our sustainability impacts are most significant at this time. Other material sustainability matters reflect areas where we have impacts and responsibilities, but of lower relative significance in the current reporting period.



The materiality matrix reveals a highly concentrated and balanced profile for KPJ, with all 10 material matters clustered within the moderate to highest priority range, indicating a unified strategic focus. At the core of our operational performance and stakeholder trust are **Technology, Innovation and Collaboration, Data Privacy and Security, Governance, Ethics and Integrity, and Service Quality and Safety**, all of which occupy the upper-right quadrant as primary strategic drivers. While slightly lower in relative positioning, environmental and social topics, including **Climate Change Resilience, Resource and Waste Management, Employee Engagement and Development, and Diversity, Inclusion and Human Rights** remain firmly within the high-priority range and are recognised as integral to long-term sustainability. Ultimately, the matrix reflects a robust alignment between clinical excellence, digital capability and workforce sustainability, consistent with KPJ’s mandate as a modern, regulated healthcare provider.

OUR MATERIAL MATTERS

Stakeholders Impacted:

Protecting Our Environment

Risks

- Exposure to climate-related physical and transition impacts affecting operations and supply chains
- Evolving and increasingly stringent regulatory requirements
- Rising resource and energy costs affecting operational resilience

Mitigating Actions

- Integration of low-carbon operational strategies and transition planning
- Strengthened regulatory monitoring and proactive compliance management
- Optimisation of resource use and efficiency initiatives

Opportunities

- Cost efficiencies from improved energy and resource management
- Enhanced stakeholder confidence and regulatory credibility

Material Matters

Climate Change Resilience

Strengthening hospital infrastructure and operations to withstand climate-related risks while advancing sustainable healthcare practices.

Related UNSDGs

Total GHG Emissions – Post-Offset (tCO2e)

2024	124,769.03
2025	100,487.48

Resource and Waste Management

Optimising resource use by enhancing waste and water management practices to minimise environmental impact while ensuring regulatory compliance.

Related UNSDGs

Total Waste Directed to Disposal (tonnes)

2024	7,550.03
2025	7,026.59

To learn more about our efforts, please refer to page 76 to 109.

Uplifting Our Patients and Communities

Stakeholders Impacted:

Risks

- Exposure to service quality gaps, patient safety incidents and unequal access to healthcare services
- Risk of regulatory non-compliance and erosion of patient confidence arising from safety or service lapses
- Limited community outreach may constrain inclusive healthcare delivery and long-term stakeholder relationships

Mitigating Actions

- Strengthening clinical governance frameworks and oversight mechanisms
- Continuous enhancement of patient safety protocols, monitoring and quality assurance systems
- Expansion of community healthcare programmes and integration of digital healthcare solutions to improve access and service delivery

Opportunities

- Enhanced patient trust and brand reputation through consistent service excellence
- Stronger regulatory credibility and positioning as a healthcare quality leader
- Broader community reach, improved accessibility and reinforced role as a trusted healthcare partner

Material Matters

Service Quality and Safety

Upholding the highest standards of patient care and safety to enhance healthcare outcomes, strengthen patient experience and trust and ensure full regulatory compliance.

Related UNSDGs



Customer Satisfaction Index



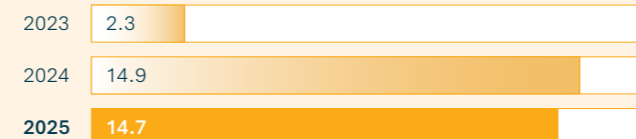
Community Outreach

Expanding access to healthcare and improving community wellbeing through targeted outreach and partnerships, with focus on low-income, underserved and persons with disabilities communities.

Related UNSDGs



Total Investment in Corporate Responsibility Programmes (RM million)



To learn more about our efforts, please refer to page 110 to 131.

Fostering Our People

Stakeholders Impacted:

Risks

- Risk of talent attrition and reduced employee morale arising from limited development pathways
- Regulatory and operational risks linked to inadequate health and safety practices

Mitigating Actions

- Enhancing structured training, leadership development and career progression programmes
- Implementation of robust occupational health and safety standards, monitoring and employee well-being initiatives

Opportunities

- Greater innovation and organisational resilience driven by a diverse and inclusive workforce
- Improved talent attraction, retention and succession sustainability
- Stronger workforce well-being, regulatory credibility and employer-of-choice positioning

Material Matters

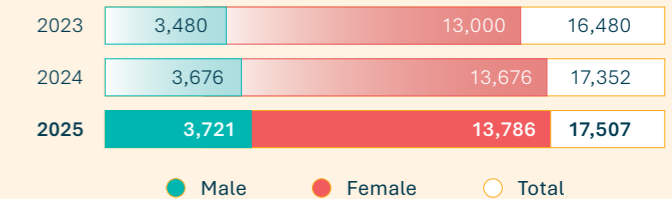
Diversity, Inclusion and Human Rights

Fostering an inclusive, equitable and safe workplace that values its people and upholds human rights through strong DEI practices, fair employment standards, anti-discrimination measures and a respectful working environment.

Related UNSDGs



Breakdown of Employees by Gender



Employee Engagement and Development

Empowering employees through continuous learning, leadership development and wellbeing support, including manageable workloads and work-life balance to enhance engagement, career growth and overall workforce performance.

Related UNSDGs



KPJ's Sustainability Trainings



To learn more about our efforts, please refer to page 132 to 149.

Upholding Good Governance

Stakeholders Impacted:



Risks

- Exposure to governance weaknesses and ethical breaches resulting in regulatory sanctions, reputational damage and financial loss
- Cybersecurity threats and data privacy breaches compromising patient information and operational continuity
- Supply chain vulnerabilities and inadequate ESG oversight leading to operational disruption and compliance risks

Mitigating Actions

- Strengthened corporate governance frameworks, Board oversight and enforcement of ethical standards
- Continuous enhancement of cybersecurity controls, digital safeguards and data protection protocols
- Strengthened supplier due diligence and end-to-end supply chain risk management

Opportunities

- Enhanced stakeholder confidence and long-term institutional trust
- Increased trust in digital platforms and protection of critical patient and corporate data

Material Matters

Governance, Ethics and Integrity

Ensuring strong corporate governance and ethical business conduct to uphold transparency, accountability and stakeholder trust across the KPJ and its value chain.

Related UNSDGs



Number of Corruption Incidents

ZERO corruption incidents from 2023 to 2025



Technology, Innovation and Collaboration

Leveraging digital transformation, robotics and AI to enhance patient care and hospital efficiency, supported by electronic medical records, digital patient services and strategic partnerships.

Related UNSDGs



100%

of hospitals implemented CAFMS and secure communications, enabling real-time, AI-enabled operations



Material Matters

Data Privacy and Security

Safeguarding patient and corporate data through strong cybersecurity controls, robust data governance and compliance with data protection laws.

Related UNSDGs



Maintained **ZERO** material cybersecurity incidents from 2023 to 2025



Supply Chain Management

Strengthening supplier governance and sustainability practices to ensure ethical sourcing and operational efficiency.

Related UNSDGs



100%

new suppliers have been assessed against ESG criteria since 2023



To learn more about our efforts, please refer to page 150 to 186.

Legend



• Protecting Our Environment

• Uplifting Our Patients and Communities
• Fostering Our People

• Upholding Good Governance

GOVERNANCE

Sustainability Fundamentals



Sustainability Fundamentals

GOVERNANCE

SUSTAINABILITY GOVERNANCE

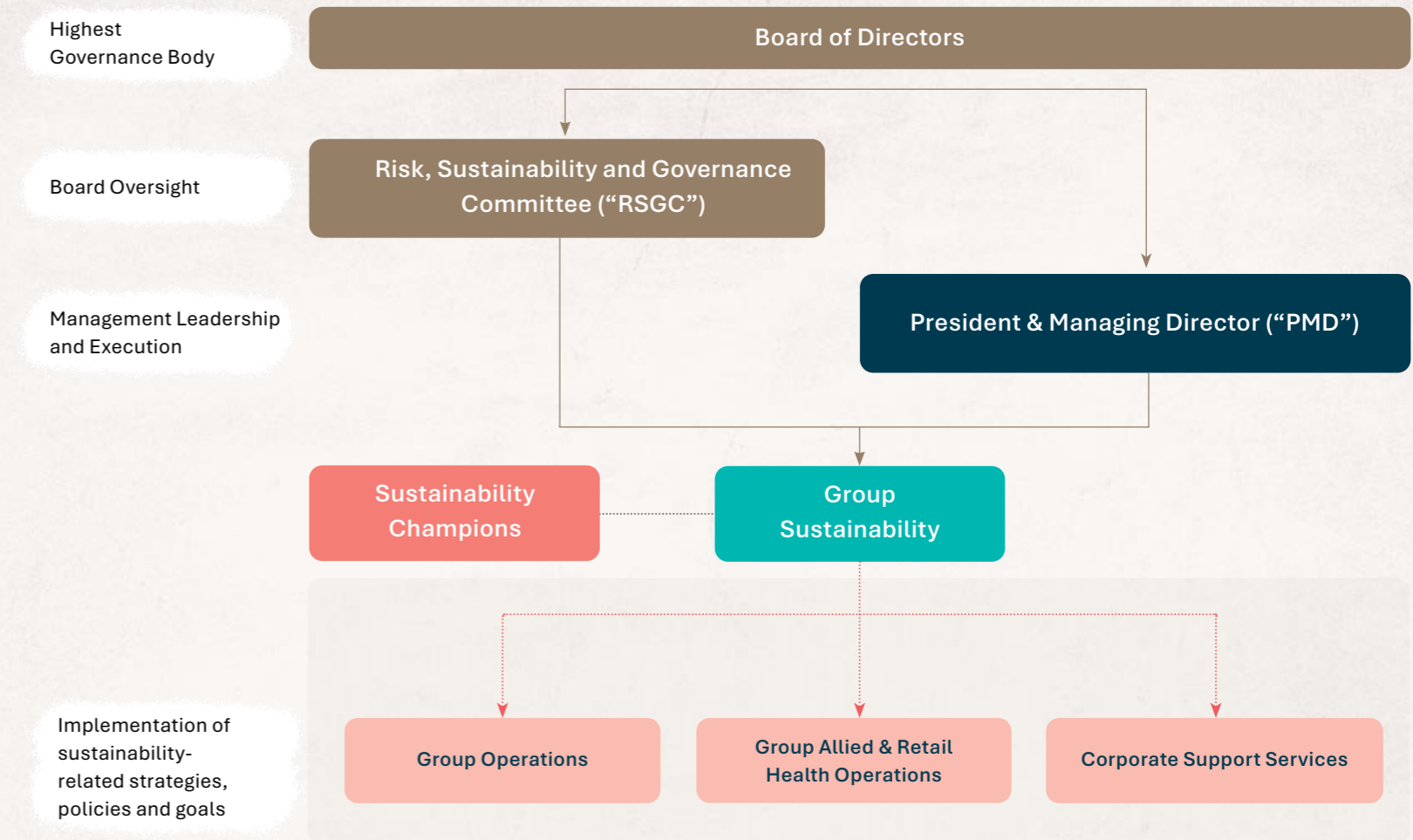
Strong sustainability governance ensures that environmental, social and governance (“ESG”) considerations are embedded in decision-making, risk management and long-term value creation across the Group.

Since 2023, KPJ’s sustainability governance structure has supported the Group’s sustainability strategy and long-term objectives through defined oversight, clear accountability and structured management processes.

The Board of Directors (“the Board”) provides overall oversight of sustainability matters and is supported by the Risk, Sustainability and Governance Committee (“RSGC”), which focuses on integrating sustainability and climate considerations into operations, strategy, risk management and performance monitoring.

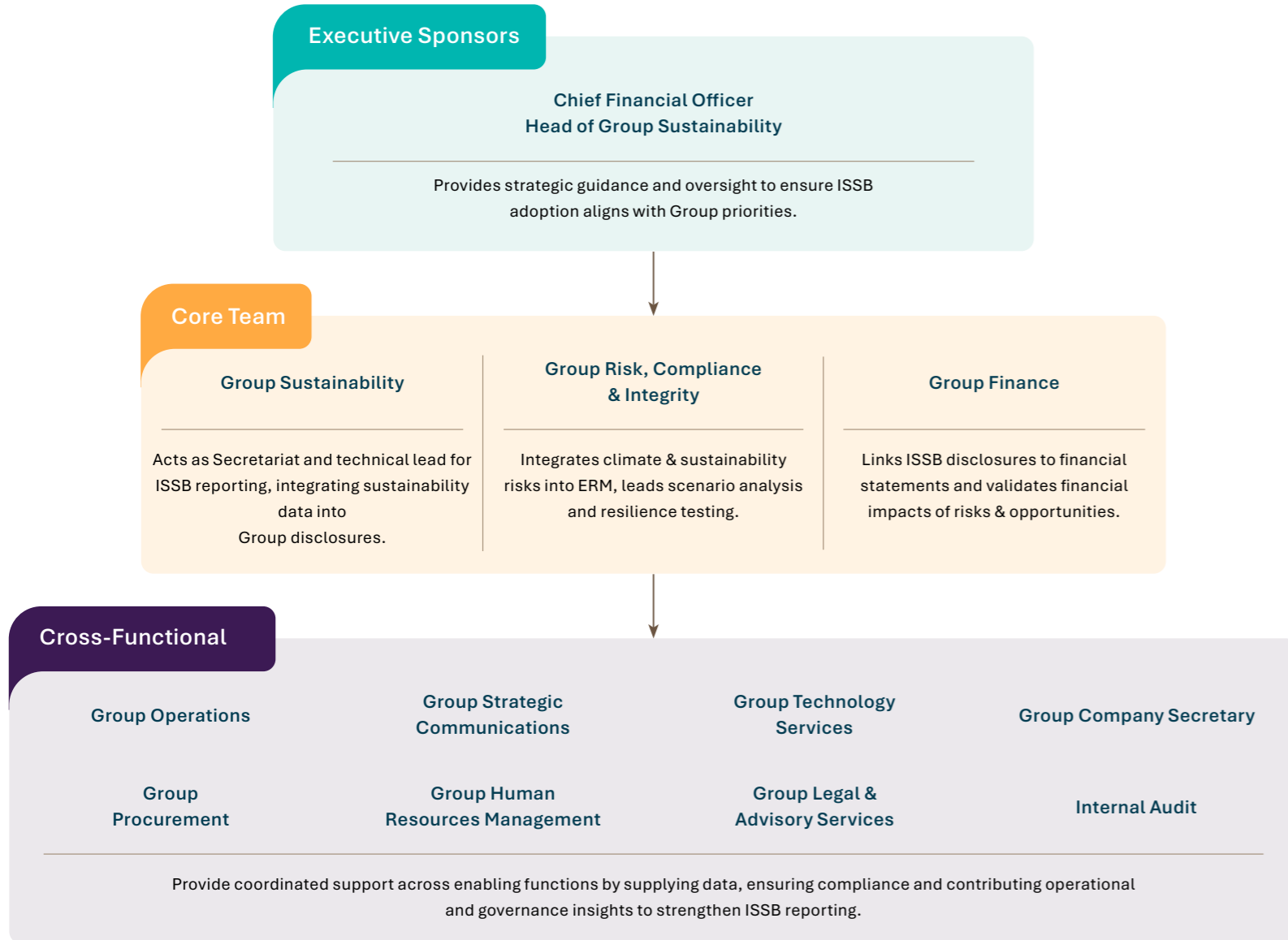


KPJ’s Sustainability Governance Structure



To support the alignment to IFRS standards and requirements, KPJ has established an ISSB Reporting Steering Committee, co-led by the Chief Financial Officer and Head of Group Sustainability. The Committee comprises cross-functional representatives from key Group functions and provides oversight of the coordination, validation and governance of sustainability and climate-related disclosures, ensuring alignment with enterprise risk management, financial reporting and strategic decision-making. This reflects KPJ’s strong efforts to strengthen the quality, consistency and decision-usefulness of sustainability and climate-related disclosures.

KPJ's ISSB Reporting Steering Committee



ROLES AND RESPONSIBILITIES

Board & Committees	Roles
Board of Directors ("the Board")	<ul style="list-style-type: none"> Provides strategic direction for the Group's overall sustainability initiatives, ensuring alignment with the Company's long-term goals and values; Ensures compliance with the relevant regulations and best practices; Reviews the performance and progress of the Group's Sustainability initiatives regularly based on targets that have been set, while ensuring continuous improvement and alignment with strategic objectives; Ensures transparency in reporting and maintains accountability while addressing stakeholder expectations to build trust and ensure the Group's commitment to sustainability goals; Monitors progress against Group Sustainability Objective and Key Results ("OKRs"), tracking key initiatives and assessing emerging sustainability and climate-related risks and opportunities to ensure they are identified, assessed, managed and monitored effectively.
Risk, Sustainability, and Governance Committee ("RSGC")	<ul style="list-style-type: none"> Supports the Board by providing oversight of enterprise risk management, sustainability and governance across KPJ and its Group of Companies; Reviews the adequacy and effectiveness of the Group's risk management and internal control environment, oversees sustainability governance and performance against KPJ's Sustainability Framework and Roadmap and monitors key governance and compliance matters; Provides recommendations to the Board on risk appetite, sustainability strategy and disclosures and governance-related policies to support long-term value creation and stakeholder trust. <p>RSGC meetings are attended by Senior Management on a quarterly basis:</p> <ul style="list-style-type: none"> President and Managing Director ("PMD"): Provides strategic context and leadership perspective on sustainability priorities and alignment with Group strategy. Chief Operating Officer-Hospital Operations ("COO-HO"): Shares operational insights on hospital-level implementation and performance. Chief Financial Officer ("CFO"): Provides financial implications, resource considerations and linkage to financial planning. Chief Digital Officer ("CDO"): Advises on digital enablement, data systems and technology-related aspects of sustainability. Chief Risk Officer ("CRO"): Advises on risk identification, controls, compliance and governance considerations. Head, Group Sustainability: Coordinates sustainability inputs, presents progress and supports reporting and monitoring.

These roles and responsibilities are documented through KPJ's corporate governance framework. The roles and responsibilities outlined for the Board and RSGC are reflected in the Board Charter and the Terms of Reference as described in the Corporate Governance Report 2025 and Integrated Annual Report 2025.

Board & Committees

Roles

KPJ Group Management Committee (“KGMC”)	<ul style="list-style-type: none"> Executes the Group’s sustainability strategies and policies set by the Board, with a key focus on integrating sustainability and ensuring alignment across the Group; Oversees the day-to-day operations related to sustainability, which includes managing and coordinating key ESG projects; Monitors and tracks progress of sustainability initiatives and reports on their performance, in compliance with the relevant regulatory requirements and best practices; Identifies and manages sustainability-related risks at enterprise and operational levels, ensuring implementation of the appropriate mitigation measures. 		
Group Sustainability	<ul style="list-style-type: none"> Coordinates, monitors and consolidates sustainability initiatives and performance across the Group; Guides sustainability reporting and collates progress updates for Management, RSGC and Board consideration; Supports sustainability execution through project coordination, performance analytics, communications, advocacy and programme management. 		
Sustainability Champions	<ul style="list-style-type: none"> Supports the execution of sustainability initiatives at the subsidiary level; Assists with sustainability data collection and cross-functional coordination; Acts as local focal points to promote sustainability practices across operations. 		
Corporate Support Services	Group Operations	Group Allied, Retail Health and Operations (“GARHO”)	
Supports sustainability objectives through policy alignment, compliance coordination and provision of reporting inputs within respective functions.	Implements sustainability initiatives at the hospital level, focusing on operational efficiency, green practices and regulatory compliance in daily healthcare services.	Drives sustainability across non-hospital services, including diagnostics, pharmacies and ambulatory care centres, with emphasis on responsible supply chains, eco-friendly products and retail practices.	

KEY ACTIVITIES AND DELIBERATIONS

We lay out the key sustainability-related activities, discussions and decisions undertaken by the Board and its Committees during the year, highlighting how sustainability matters are discussed and overseen across the Group.

Board & Committees

2025 Key Activities and Deliberations

<p>The Board</p> <p>Frequency: Quarterly</p>	<ul style="list-style-type: none"> Oversaw the development of the KPJ Health System as an integrated growth platform; Deliberated on Group Strategic Planning 2026–2030, which includes sustainability considerations; Reviewed and approved capital investments in hospital upgrades, expansion and equipment to enhance service quality and support sustainable healthcare delivery; Reviewed principal risks facing the Group, including sustainability-related risks and opportunities, ensuring appropriate mitigation measures and integration into enterprise risk management; Maintained oversight of sustainability governance, including setting strategic direction, reviewing performance against targets and ensuring alignment with long-term value creation; Sustainability considerations were embedded into the Group’s corporate scorecard and performance evaluation, with the Board overseeing both financial and non-financial targets; Strengthened its capabilities through continuous training on sustainability, ESG integration and climate-related matters.
<p>RSGC</p> <p>Frequency: Quarterly</p>	<ul style="list-style-type: none"> Approved a refined Green Healthcare Sustainability Framework as the Group’s core sustainability control architecture, strengthening consistency and accountability across KPJ’s hospital network and business units; Endorsed and provided oversight of the implementation of KPJ’s Green Healthcare Sustainability Framework, ensuring alignment with the Group’s long-term business strategy, material ESG priorities and healthcare imperatives; Reviewed and endorsed SusATTAINability 30-by-30 targets, outlining the Group’s medium-term sustainability ambitions encompassing emissions reduction, renewable energy adoption and green hospital development; Reviewed and acknowledged KPJ’s five-year Sustainability Roadmap, building on the Green Healthcare Sustainability Framework to guide the phased integration of sustainability across the KPJ Health System, including integration into clinical practice, education and research to strengthen a “learning health system” approach; Provided oversight of management’s initial steps to strengthen climate-related governance, data readiness and integration within enterprise risk management, including the establishment of an ISSB Reporting Steering Committee to support readiness for NSRF-aligned reporting (IFRS S1 and S2) in line with Bursa Malaysia’s phased implementation timeline.

Board & Committees

2025 Key Activities and Deliberations

- | | |
|--|---|
| <p>KGMC</p> <p>Frequency: Bi-Weekly</p> | <ul style="list-style-type: none"> • Provided progress updates for KPJ’s sustainability initiatives and projects across hospital and non-hospital operations; • Oversaw carbon accounting processes, including emissions measurement, tracking and performance monitoring; • Tracked implementation of sustainability OKRs, including follow-up actions and issue resolution; • Assessed operational readiness for regulatory and policy requirements, including data preparation and internal coordination; • Facilitated coordination of sustainability reporting inputs, including data validation and assurance readiness. |
|--|---|

BOARD COMPETENCIES AND TRAINING

We lay out the key sustainability-related activities, discussions and decisions undertaken by the Board and its Committees during the year, highlighting how sustainability matters are discussed and overseen across the Group.

Training	Objective
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<p>Climate Target Setting & ESG Integration</p> <p>Participant(s) 1 Director</p>	<p>Strengthen understanding of how ESG considerations are integrated into business strategy, with particular focus on climate target setting and sustainability governance.</p>
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<p>Emerging Climate and Nature Priorities</p> <p>Participant(s) 1 Director</p>	<p>Enhance awareness of evolving climate- and nature-related risks, global sustainability priorities, and their implications for corporate strategy and governance.</p>
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<p>Navigating Global Shifts: Boardroom Strategies for Geopolitics, Sustainability and Climate Leadership</p> <p>Participant(s) 1 Director</p>	<p>Provide directors with insights into sustainability and climate leadership at the board level, including emerging transition risks and developments in global policy.</p>
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Training	Objective
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<p>Abu Dhabi Sustainability Week (“ADSW”) 2025 Forum</p> <p>Participant(s) 1 Director</p>	<p>Exposure to global developments in sustainability and energy transition, including renewable energy, climate policy and sustainable development trends.</p>
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<p>Advancing Malaysia’s Renewable Energy Leadership</p> <p>Participant(s) 1 Director</p>	<p>Deepen understanding of renewable energy developments and national energy transition strategies relevant to corporate decarbonisation efforts.</p>
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<p>MIH Megatrends</p> <p>Participant(s) 10 Directors</p>	<p>Explore emerging healthcare trends, including sustainability, climate resilience, healthcare innovation and the future of sustainable healthcare systems.</p>
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<p>Dialogue Session: Reshaping the Future – Islamic Economics for a Humane and Sustainable World</p> <p>Participant(s) 1 Director</p>	<p>Examine sustainability principles within economic systems and their relevance to responsible business practices and long-term value creation.</p>
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<p>Developing a Guidance Framework for Impact Monitoring and Reporting in Islamic Social Finance</p> <p>Participant(s) 1 Director</p>	<p>Strengthen knowledge of impact measurement, sustainability reporting and governance of responsible finance initiatives.</p>
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Participation in these programmes has strengthened the Board’s ability to provide effective oversight of sustainability and climate-related priorities. The training deepened directors’ understanding of how evolving environmental and sustainability developments may influence the healthcare sector and the Group’s long-term operating environment. It reinforced the Board’s role in guiding the integration of sustainability considerations into strategy, governance and organisational resilience. Over the past two years, the Board has further enhanced its preparedness to oversee sustainability-related risks, opportunities and strategic direction in a rapidly changing landscape.

BOARD PERFORMANCE SCORECARD

The Board's role remains focused on oversight, strategic direction and governance, including the review of sustainability performance, key initiatives and sustainability- and climate-related risks and opportunities. At the Senior Management level, sustainability is operationalised through Group-wide sustainability OKRs, which guide the implementation and monitoring of sustainability priorities across the Group. Depending on functional responsibilities, sustainability-related key performance indicators ("KPIs") are incorporated in their individual performance objectives. Thus, these reviews inform the Board's overall understanding of the Group's performance, resilience and long-term value creation, rather than serving as a direct input into remuneration outcomes.



OUTLOOK

Over the next 1–3 years, the Board will focus on strengthening how sustainability is overseen and embedded in decision-making, building on existing governance practices to support effective risk management, accountability and long-term value creation.

Deeper Sustainability Integration into the Enterprise Risk Management (“ERM”)

Sustainability and climate-related risks and opportunities, including transition and physical risks, will be further embedded into ERM and assessed alongside strategic and operational risks. The Board and RSGC will strengthen oversight to support informed decision-making and performance oversight.

Improved Data Governance and Useful Decision Information

Data governance and controls will be reinforced to improve the quality, consistency and usefulness of sustainability information used for monitoring performance and supporting decisions.

Ongoing Alignment with Evolving Regulations

Our governance processes and structure will continue to adapt to changes in regulatory and reporting expectations, including ISSB standards and national sustainability reporting frameworks, while maintaining consistency with MCCG expectations.

Clearer Sustainability Performance and Accountability Linkage

Linkages between sustainability objectives, performance tracking and accountability will be improved to support clearer oversight at Board and Management levels.

Continued Capability Building and Awareness

Targeted efforts will be made to build sustainability and climate-related understanding across the Board and Management, supporting informed oversight and effective governance.

RISK MANAGEMENT

Sustainability Fundamentals

Sustainability Fundamentals

RISK MANAGEMENT

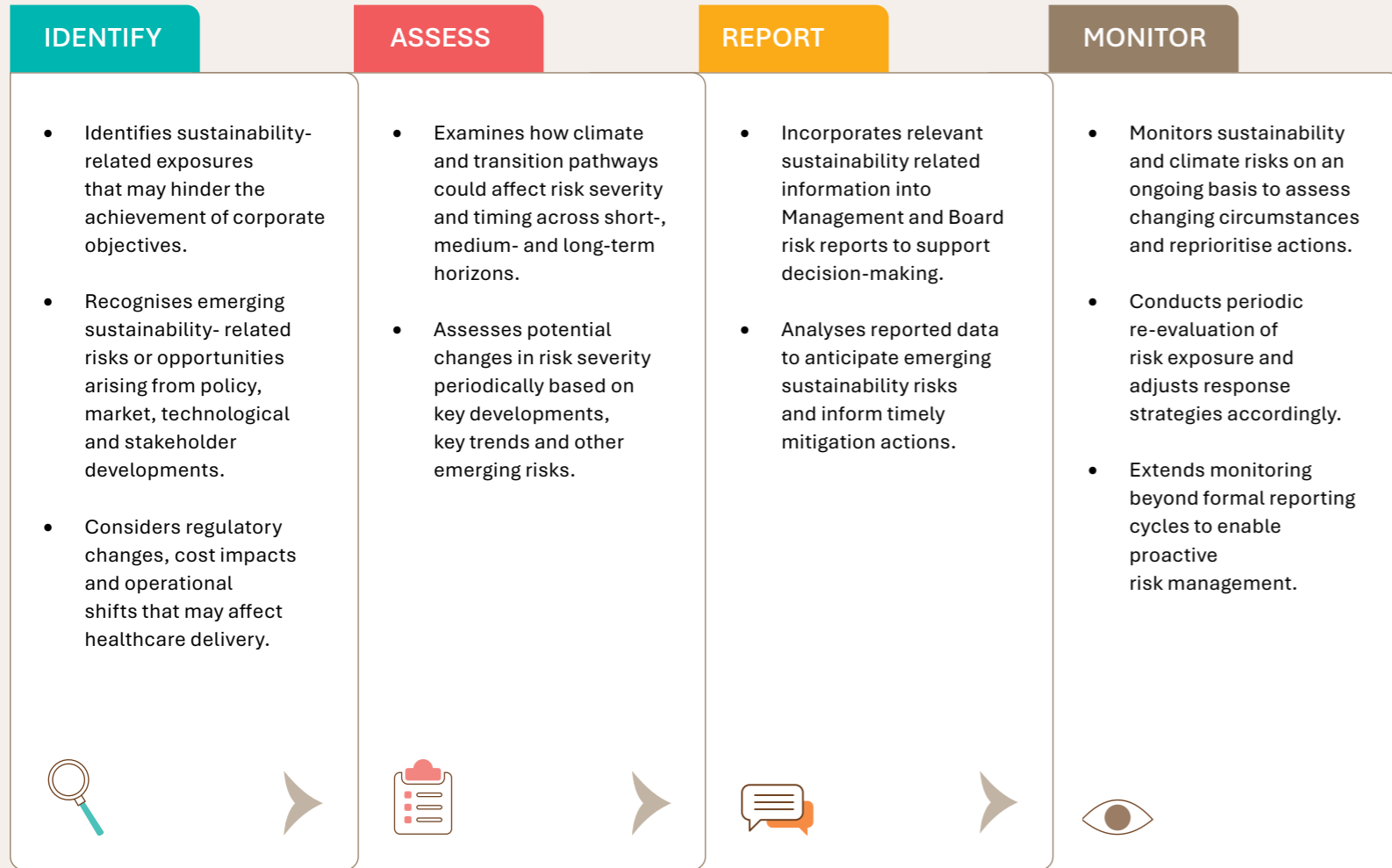
SUSTAINABILITY & CLIMATE RISK MANAGEMENT

As a healthcare group with an extensive hospital network, we recognise that ESG and climate factors can directly influence operational continuity, regulatory compliance, cost structures, workforce wellbeing and patient safety across our operations.

GROUPWIDE SUSTAINABILITY RISK PROCESS

We manage sustainability and climate-related risks through a structured and forward-looking process that is embedded within our Group-wide Risk Management Guideline and strategic planning cycle. We adopt a consistent risk management process to identify, assess, report, monitor and implement appropriate risk mitigation actions to minimise our risk exposures. Risks are categorised into four primary risk groups to ensure completeness of our risk assessment, with climate-related risks as a cross-cutting sub-component within these existing categories. This process supports our early identification of emerging risks, informed prioritization and timely escalation to Management and Board-level governance committees.





For more information on our climate scenario analysis, please refer to page 81.

For more information on how climate risks are integrated into ERM, please refer to the KPJ Integrated Annual Report 2025.

These risks are assessed across short-, medium- and long-term horizons to support informed planning and prioritisation.

Short Term	Medium Term	Long Term
Up to 12 months (by 2026)	1 - 5 years (by 2030)	Beyond 5 years (by 2050)

RISK IDENTIFICATION

Sustainability risk identification enables the Group to systematically find, recognise and describe climate-related hazards and other sustainability exposures that may prevent Business Units from achieving their objectives. We adopt a proactive and structured approach to identifying sustainability-related risks and opportunities, drawing on both internal data and external developments across regulatory, market and environmental landscapes.

Risks are identified through established internal governance frameworks and Sustainability Outlook Surveillance to track emerging trends and external risk drivers. Significant risks are categorised into four primary risk groups:

Strategic Risk



Operational Risk



Compliance Risk



Financial Risk



Comprehensive due diligence is undertaken to support the holistic identification of relevant risks, informed by established global and national sustainability and climate frameworks, including:

- Global Reporting Initiative (“GRI”) Standards
- Task Force on Climate-related Financial Disclosures (“TCFD”)
- Intergovernmental Panel on Climate Change (“IPCC”)
- National Sustainability Reporting Framework (“NSRF”)

SUSTAINABILITY AND CLIMATE RISK ASSESSMENT

Identified sustainability-related risks (including climate) are analysed to determine their nature, severity and potential impact, considering likelihood, consequence and the effectiveness of existing controls. This informs the evaluation of appropriate risk responses and next steps.

The assessment includes mapping key operational assets against national climate hazard data to understand physical risk exposure, alongside climate scenario analysis to evaluate how sustainability-related risks may evolve under different climate and transition pathways. The Group also considers transition-related exposures arising from policy developments, technological shifts and evolving stakeholder expectations within the healthcare sector.

Assessments are conducted in alignment with the Group Risk Management Guideline. As part of this process, Group Sustainability undertakes external benchmarking and materiality calibration to assess KPJ’s exposure relative to:



This assessment supports the prioritisation of risks, informs assumptions for scenario analysis and guides areas requiring deeper management focus.

Key data inputs supporting sustainability and climate risk management

Sustainability and climate risk identification and assessment are supported by a combination of quantitative and qualitative data collected across the Group, including:

- Asset location data and historical climate-related event records, such as flood exposure
- Employee distribution across facilities to assess exposure and vulnerability
- Monthly utilities and resource consumption data collected through Sustainability Champions and utility bills
- Greenhouse gas emissions data at the Group and Business Unit levels
- Supplier profiles and ESG maturity considerations
- Relevant internal policies and frameworks, including KPJ's Sustainability Policy and Green Healthcare Sustainability Framework
- Renewable energy initiatives, energy efficiency programmes and green building certifications
- External sustainability benchmarks and indices


RISK REPORTING AND MONITORING

All risks are assessed using a standardised methodology based on impact and likelihood. Risks rated as Extreme or High are prioritised due to their potential to materially affect strategic objectives, operational continuity, financial performance or stakeholder trust.

Sustainability-related risks are further prioritised based on their link to KPJ's identified material matters. These risks are mapped to material topics to assess their potential implications for enterprise value, strategic priorities and key stakeholders, with heightened oversight accorded to risks associated with highly material matters.

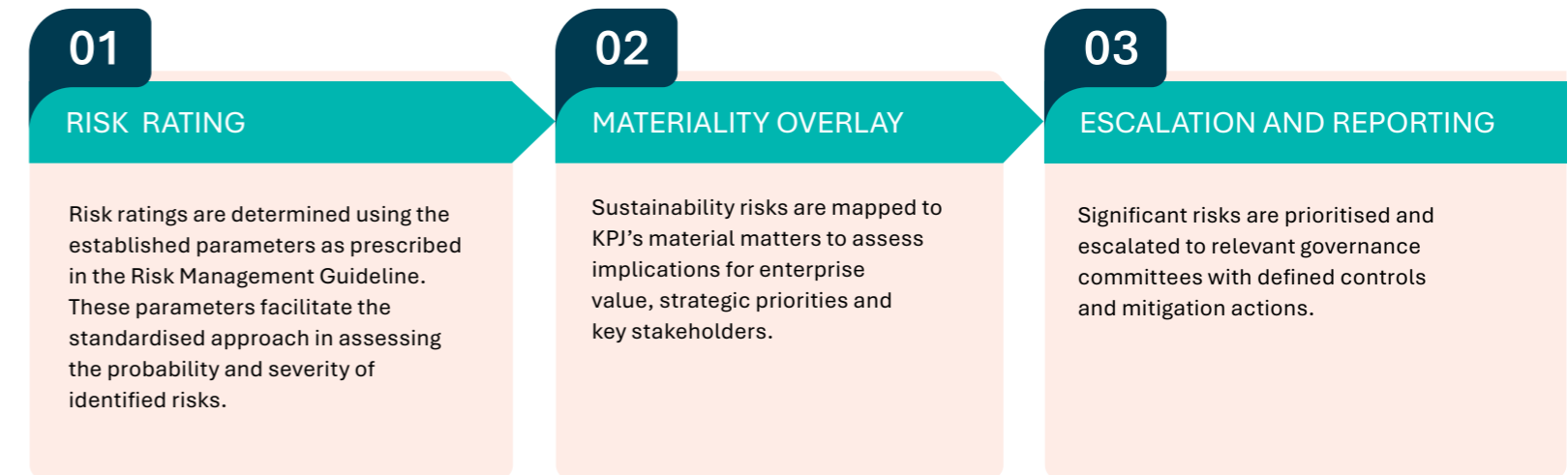
Group Sustainability also conducts a Sustainability Outlook Surveillance focused on climate transition developments. This dedicated process is designed to continuously monitor, analyse and interpret emerging trends that may give rise to sustainability-related risks and opportunities relevant to KPJ's operations and strategy.

Key areas monitored include:

Strategic Risk	Financial Risk	Operational Risk	Compliance Risk
<p>Technology and stakeholder expectations, including advancements in low-carbon technologies, digitalisation, and evolving expectations from patients, insurers, investors, regulators and business partners.</p> 	<p>Market and cost impacts, including shifts in energy prices, financing conditions, supply chain expectations and cost structures relevant to healthcare operations.</p> 	<p>Operational aspects, including resource management, workforce practices, and continuity of operations, which may impact patient safety, staff wellbeing, and ESG performance.</p> 	<p>Policy and regulatory developments, such as changes to climate-related regulations, reporting requirements, carbon pricing mechanisms and national transition roadmaps.</p> 

Insights from this surveillance inform climate scenario analysis, sustainability risk assessments and the identification of potential business and financial impacts. These insights are considered alongside the Group's broader risk management processes.

Based on Management-level reviews, key sustainability risks are escalated to the relevant governance committees for close monitoring. Escalated risks are accompanied by details of existing controls, mitigation actions and proposed measures to manage and reduce overall risk exposure.



5 Our Climate Journey



CLIMATE CHANGE RESILIENCE

Climate change is already shaping how people experience health and healthcare. Rising temperatures have been linked to increased heat-related illnesses, the worsening of non-communicable diseases and greater exposure to vector-borne diseases. Extreme weather events evaluate the reliability of essential services, from power and water to transport and access to care, including infrastructure integrity, supply chain continuity and workforce safety. For hospitals, these pressures are not abstract. They influence patient demand, staff safety and the ability to deliver care consistently when it is needed most.

At the same time, healthcare itself plays a role in the challenge. The sector accounts for approximately 5%¹ of global greenhouse gas (“GHG”) emissions, driven by rising demand for care, the use of energy-intensive medical technologies and the continued expansion of healthcare infrastructure. In line with NSRF, we recognise that climate change is a material risk that can affect service continuity and long-term performance. By strengthening climate resilience and advancing decarbonisation across our operations, we aim to protect continuity of care for patients, support the wellbeing of our people and contribute to a more resilient healthcare system for the communities we serve.

Capital	Related SDGs
	   

Our Climate Journey

¹ Source: <https://www.sciencedirect.com/science/article/pii/S0168851024000630>



Our Climate Journey

CLIMATE CHANGE RESILIENCE

GOVERNANCE

At KPJ, climate governance is embedded within the Group’s broader sustainability governance structure, ensuring climate-related risks and opportunities are considered alongside other sustainability priorities. This integrated approach provides clear accountability from the Board through Management, enabling climate considerations to be addressed consistently through strategy, risk management and operations.

For more information on KPJ’s climate governance approach, please refer to page 58.

STRATEGY

Our approach to climate resilience is guided by two complementary instruments, which provide the foundation for how climate considerations are integrated into our operations and decision making.

Green Healthcare Sustainability Framework

We introduced the Green Healthcare Sustainability Framework in 2025 to operationalise sustainability within a healthcare-specific context. It integrates climate resilience into our governance and daily operations, ensuring sustainability considerations are embedded into decision-making and service delivery. The framework strengthens how we manage energy use, resource efficiency and facility resilience, supporting long-term environmental stewardship while safeguarding continuity of care. It also serves as a practical tool to align climate considerations with day-to-day operational decisions and longer-term planning.

For more information on KPJ’s Green Healthcare Sustainability Framework, please refer to page 38.



Sustainability Policy

Launched in 2024, the policy sets out the Group’s overarching commitment to responsible ESG practices, including climate change mitigation and resilience. It formalises our intent to reduce environmental impacts and improve resource efficiency, while strengthening the resilience of healthcare operations against climate-related risks. It also serves as a governance and decision-making reference to support the consistent integration of climate considerations across all our operations.



For more information on KPJ’s Sustainability Policy, please scan this QR code.

ROLES AND OVERSIGHT



RISKS & OPPORTUNITIES

Our approach to climate risk recognises that effective management begins with the identification and assessment of how climate-related hazards and transition dynamics may affect hospital operations and resilience. Building on this understanding, we integrate climate considerations into the Group’s broader risk universe and ongoing planning processes.

For more information on our sustainability and climate risk management processes, please refer to page 70.

CLIMATE RISK CATEGORISATION

For healthcare providers, climate risks influence how hospitals remain accessible, how facilities perform under stress and how costs and compliance requirements evolve over time. KPJ identifies and assesses climate-related risks to understand how both physical and transition risks may affect hospital operations and patient care. Our process considers the direct and indirect impacts of climate change and the implications of a low-carbon environment, acting as a structured baseline for evaluating the potential effects of climate risks on operational continuity.

Risk Type	Description
Physical Risks	Risks arising from extreme weather events such as floods, storms and heatwaves, as well as longer-term changes in temperature and rainfall intensity, which can cause physical disruption, losses and indirect impacts such as water scarcity.
Transition Risks	Risks related to the shift towards a low-carbon economy, driven by changes in policy, regulation, technology and market expectations that may alter operating requirements and cost structures over time.

CLIMATE SCENARIO ANALYSIS

In 2025, we conducted our first climate-related scenario analysis as part of the Group’s initial adoption of the IFRS Sustainability Disclosure Standards. The analysis was qualitative and directional in nature, reflecting the Group’s initial application of structured climate scenario analysis incorporating defined time horizons, building on existing physical risk mapping. It focuses on understanding how different climate pathways could influence KPJ’s business and financial resilience, while laying the groundwork for deeper and more granular analysis in future reporting periods.

Climate-related opportunities were assessed using the same low-carbon and high-carbon pathways. In this initial analysis, opportunities were considered at a strategic, Group-wide level given their cross-cutting impact across operations. We hope to incorporate deeper time-based differentiation as part of the Group’s ongoing enhancement of climate analysis in future iterations of this analysis.

Climate Scenarios Considered

SCENARIO	CLIMATE PATHWAY	CORE ASSUMPTION	RISK PROFILE
Low-carbon scenario	SSP 1–1.9	Early and decisive climate action aligned with a 1.5°C pathway	Higher transition risk
High-carbon scenario	SSP 5–8.5	Delayed climate action with continued emissions growth at 3.0 degC pathway	Higher physical risk

Key Inputs and Assumptions

The scenario analysis was informed by publicly available and reasonably supportable information at the reporting date, including:

- National and regional climate and energy policies such as Nationally Determined Contributions (“NDCs”), National Energy Transition Roadmap (“NETR”), Energy Efficiency and Conservation Act (“EECA”) 2024 and NSRF
- Regulatory and market developments relevant to the healthcare sector
- Peer and industry benchmarking
- Portfolio-level climate hazard considerations, with a focus on flooding and water stress, informed by national tools such as Climate Central and Aqueduct

PHYSICAL RISKS

Acute Physical Risk



Coastal Flooding and Sea Level Rise

Rising sea levels and more intense storm events may increase the frequency of coastal flooding, particularly for hospitals located in low-lying or river-adjacent areas. Flood events could restrict access, damage infrastructure and disrupt essential services. While adaptation measures and drainage network improvements may moderate exposure under lower warming pathways, higher warming scenarios increase the probability of severe and prolonged disruptions.

Financial Impacts

- Capital expenditure for flood barriers, drainage upgrades and elevation of critical systems
- Insurance premium escalation or restricted coverage in high-risk zones
- Revenue loss from temporary service suspension or asset impairment

Business Impacts

- Access disruption requiring ambulance rerouting or patient transfers
- Service interruption due to damage to utility systems, basements or critical systems
- Reputational impact if facilities are perceived as high-risk or unsafe

Existing Controls

- Green Healthcare Sustainability Framework integrating physical risk oversight
- Crisis Management Plan and periodical simulation exercises to build emergency/ crisis preparedness
- Asset-level flood risk assessments with ongoing monitoring
- Formalise cross-hospital coordination within KPJ hospitals to facilitate climate response measures, including patient transfer

Mitigation Actions

Short Term

- Conduct site-specific flood exposure assessments
- Strengthen coordination with local authorities on drainage capacity

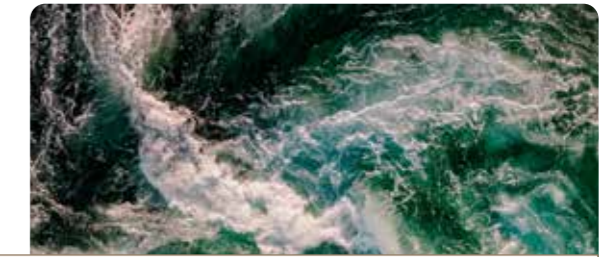
Medium Term

- Elevate or protect critical mechanical and electrical systems
- Integrate flood resilience into the design standards for new hospital developments

Long Term

- Reassess asset viability under extreme stress scenarios
- Embed flood resilience considerations into capital planning decisions

Chronic Physical Risk



Water Stress

Prolonged drought and changing rainfall patterns may increase water stress in key operating locations. As hospitals rely on stable water supply to maintain safe and compliant operations, sustained shortages or rationing could disrupt service delivery and increase operating costs. While national infrastructure measures may moderate systemic exposure over time, localised supply constraints remain a credible operational risk in high-demand areas.

Financial Impacts

- Capital expenditure for water storage, efficiency upgrades and recycling systems
- Higher operating costs from tariff increases and emergency water procurement
- Revenue loss from treatment delays or temporary service disruption

Business Impacts

- Disruption to critical services such as dialysis and sterilisation
- Compliance risk arising from cooling and infection control instability
- Reputational impact due to patient dissatisfaction during supply interruptions

Existing Controls

- Green Healthcare Sustainability Framework integrating water management into operations
- Crisis Management Plan and periodical simulation exercises to build emergency/ crisis preparedness
- Asset-level physical climate risk assessments with quarterly monitoring
- Formalise cross-hospital coordination within KPJ hospitals to facilitate climate response measures, including patient transfer

Mitigation Actions

Short Term

- Conduct water audits and map critical service dependencies
- Review adequacy of on-site storage for minimum operational coverage

Medium Term

- Integrate water resilience into hospital design and procurement standards
- Inclusion of recycling and repurposing of used water, where permissible, in existing operations

Long Term

- Expand storage capacity based on stress-testing outcomes
- Explore treated recycled water partnerships, where viable

Managing physical risk is an essential part of how we safeguard patient care and operational continuity. Our Emergency Response Plan (“ERP”) and Crisis Management Plan (“CRP”) provide a structured framework to guide decision-making during disruptions, including extreme weather events and other incidents that may affect hospital operations. These frameworks clarify how emergency or crisis modes are activated, how response teams are mobilised and how leadership oversight is escalated when required.

Preparedness is treated as an ongoing discipline rather than a reactive measure. We conduct annual simulation exercises involving key personnel to test coordination, assess the effectiveness of established protocols and strengthen recovery capabilities. Insights from these exercises inform refinements to our response arrangements, ensuring that our hospitals remain resilient and able to continue delivering safe care even under challenging conditions.

TRANSITION RISKS

Policy & Legal Risk



Carbon Cost Volatility

The introduction of carbon pricing aligned with national decarbonisation policies may create transitional cost and compliance pressures for healthcare providers. Although initial implementation is expected to focus on high-emitting sectors, healthcare operations may experience indirect impacts through higher electricity and utility costs, with potential direct carbon tax exposure emerging over time.

Financial Impacts

- Phased capital expenditure for retrofitting and equipment upgrades
- Incremental costs related to reporting and regulatory compliance
- Higher operating costs driven by increased utility and input prices

Business Impacts

- Increased administrative effort to support emissions monitoring and regulatory compliance
- Potential strain on operational agility if transition measures are not implemented progressively

Existing Controls

- Developed and rolled the Green Healthcare Sustainability Framework to integrate sustainability and climate controls into KPJ’s overall governance and operations
- Established a Roadmap to Net Zero by 2050 to drive decarbonisation across investment decisions and strategic operations
- Subscribed to 25 Green Electricity Tariffs (“GET”) to effectively mitigate Scope 2 emissions
- Installed rooftop solar panels at five hospitals to reduce grid reliance and lower carbon emissions

Mitigation Actions

Short Term

- Conduct energy audits across KPJ sites
- Continuation of rooftop solar panel installation across Business Units

Medium Term

- Integrate ESG into procurement policies, building specifications and hospital design
- Implement energy efficiency initiatives, including LED, BMS and HVAC upgrades

Long Term

- Explore options of Carbon Credits and RECs to reduce residual carbons
- Implement internal carbon pricing



Clinical and Hazardous Waste Compliance

Healthcare organisations are subject to increasingly stringent requirements on clinical and hazardous waste management, driven by tighter environmental regulation and heightened stakeholder scrutiny. Non-compliance may lead to regulatory penalties, contamination risks, workforce safety incidents, reputational harm and interruptions to hospital operations.

Financial Impacts

- Marginal increases in operating costs related to waste handling, segregation and compliance
- Limited capital expenditure for incremental upgrades to waste handling infrastructure

Business Impacts

- Increased manpower utilisation for compliance-related activities
- Reputational impact arising from public backlash if waste-related issues are not proactively managed.

Existing Controls

- Waste segregation protocols
- Recycling and upcycling initiatives
- Centralised waste governance framework
- Process improvements to anticipate higher patient volumes and reduce operational stress
- Ensure competent personnel are available at our respective sites to manage scheduled waste storage and disposal to ensure compliance to regulatory requirements.

Mitigation Actions

Short Term

- Strengthen waste and governance practices through advocacy and guidelines.
- Conduct rapid compliance audits and maintain legal registers
- Deliver mandatory refresher training for clinical, nursing, housekeeping and support staff

Medium Term

- Work with suppliers to introduce take-back schemes for devices and consumables
- Implement a digital waste tracking system
- Introduce KPIs covering collection timeliness, compliance, incident rates and reporting accuracy for outsourced waste services

Long Term

- Implement green procurement policies for low-toxicity and recyclable medical products
- Explore waste-to-energy partnerships for non-infectious medical waste streams



Market Risk

Supply Chain Sustainability Readiness

As healthcare supply chains transition towards lower-carbon inputs, KPJ may face risks where suppliers are unable to meet evolving sustainability and disclosure expectations. Insufficient supplier readiness may disrupt procurement and increase cost pressures, while also creating regulatory exposure and reputational considerations that could affect service delivery and progress towards sustainability objectives.

Financial Impacts

- Incremental procurement costs for low-carbon or energy-efficient products
- Higher operating costs associated with supplier verification, ESG reporting and low-carbon logistics
- Potential stranded asset or accelerated depreciation risk arising from non-compliant legacy contracts or equipment

Business Impacts

- Increased operational planning pressure to secure compliant suppliers while maintaining service continuity
- Reputational risk arising from delayed or insufficient progress in sustainable sourcing
- Vulnerability arising from reliance on climate-vulnerable or geographically concentrated suppliers

Existing Controls

- Annual ESG awareness sessions with suppliers
- ESG pre-registration questionnaires for supplier onboarding
- Supplier diversification and centralised contract management

Mitigation Actions

Short Term

- Conduct ESG maturity assessments of suppliers

Medium Term

- Integrate climate-related clauses into supplier contracts and agreements
- Phased tracking of supplier-based Scope 3 emissions
- Embed ESG requirements into procurement policies

Long Term

- Source only from low-carbon-emitting suppliers through green procurement practices
- Apply internal carbon pricing considerations in procurement decision-making

Reputational Risk

Greenwashing Claims



KPJ may face greenwashing risk where climate or ESG-related claims are inaccurate or insufficiently supported by robust data and independent verification. This risk is amplified by increasing regulatory scrutiny and heightened expectations for credible sustainability disclosures under the IFRS Sustainability Disclosure Standards and related requirements.

Financial Impacts

- Potential regulatory penalties arising from inaccurate climate or ESG disclosures
- Higher costs associated with compliance, audit and external assurance activities
- Reputational impacts that may affect access to financing or increase the cost of capital

Business Impacts

- Erosion of stakeholder confidence in KPJ's climate and sustainability commitments
- Increased operational pressure to strengthen data governance, controls and reporting systems
- Competitive disadvantage relative to peers with independently verified ESG performance

Existing Controls

- Ongoing review of internal and external sustainability communications, in consultation with Group Strategic Communications
- Public sustainability commitments and annual climate performance disclosures
- External assurance and verification undertaken prior to Sustainability Report publication
- Delivery of consistent messaging by Sustainability Champions Network through engagement and capacity building

Mitigation Actions

Short Term

- Conduct ESG awareness sessions across KPJ Group
- Share annual ESG performance with ESG Champions and Senior Management

Medium Term

- Use centralised systems to capture and compute ESG ratings and GHG emissions
- Circulate internal GHG reports for management oversight

Long Term

- Perform external audit of ESG and climate-related data
- Expand ESG disclosures in the Sustainability Report to improve clarity and reduce misinterpretation

CLIMATE-RELATED OPPORTUNITIES

Policy & Legal

Green Building Compliance



Achieving recognised green building certifications positions KPJ hospitals to meet evolving low-carbon and environmental requirements while strengthening operational efficiency and environmental performance. Certified facilities demonstrate credible sustainability practices and support KPJ's positioning with key stakeholders as expectations for sustainable healthcare continue to rise.

Financial Impacts

- Lower long-term operating costs through improved energy and resource efficiency
- Access to incentives, grants or sustainability-linked financing
- Enhanced asset value with reduced long-term depreciation risk

Business Impacts

- Stronger institutional reputation with regulators, investors and patients
- Improved stakeholder confidence and external ESG assessments
- More efficient and resilient facility operations

Action Plan

Short Term

- Participate in recognised green building certification programmes (e.g. GBI, MyCREST, LEED, GreenRE)

Medium Term

- Deploy hybrid battery–diesel or gas generator systems to strengthen energy resilience
- Conduct periodic internal audits to maintain alignment with certification and sustainability requirements

Long Term

- External audit of ESG data on a yearly basis to ensure the data produced and disclosed are aligned to standards requirement.

Market



Renewable Energy Transition

Accelerating the adoption of renewable energy enables KPJ to reduce Scope 1 and 2 emissions and meet tightening low-carbon requirements. It supports stronger sustainability performance and lowers long-term exposure to carbon-related operating costs. Concurrently, on-site renewable generation and storage strengthen energy security and operational resilience by reducing reliance on centralised grids that are increasingly exposed to climate-related disruptions.

Financial Impacts

- Lower long-term electricity costs and reduced exposure to rising grid tariffs
- Access to incentives, grants or sustainability-linked financing
- Mitigation of potential future carbon pricing liabilities
- Improved cost predictability through more stable energy expenditure

Business Impacts

- Enhanced credibility with investors, regulators and patients
- Competitive differentiation within the healthcare sector
- Better integration of low-carbon energy into operational planning

Action Plan

Short Term

- Conduct feasibility studies on renewable energy options for each hospital

Medium Term

- Participate in green financing or sustainability-linked loan programmes
- Assess potential biomass supply arrangements
- Registration of excess RECs where applicable

Long Term

- Explore waste-to-energy partnerships for non-infectious medical waste
- Invest in climate-resilient infrastructure and nature-based solutions
- Evaluate hydrogen-ready backup energy systems



Climate-Ready Healthcare Delivery

Strengthening climate resilience through integrated planning and infrastructure readiness enables KPJ to maintain continuity of care amid both regulatory transition and physical climate disruption. Proactive action supports service reliability and patient safety, while reinforcing KPJ's positioning as a resilient and trusted healthcare provider.

Financial Impacts

- Reduced exposure to regulatory penalties and unplanned compliance costs
- Improved access to sustainability-linked financing and available incentives
- Lower long-term costs through avoidance of service disruption

Business Impacts

- Stronger stakeholder confidence in KPJ's resilience and preparedness
- Enhanced reputation for operational reliability and continuity of care
- Improved integration of climate considerations into day-to-day planning

Action Plan

Short Term

- Periodically reassess energy and climate risk exposure across hospitals

Medium Term

- Integrate climate and energy risks into business continuity and emergency preparedness plans
- Review patient handling capacity in high physical-risk locations to support readiness

Long Term

- Strengthen surge capacity, staff training and coordination for climate-related events
- Enhance long-term organisational preparedness for extreme climate scenarios

METRICS & TARGETS

SusATTAINability 30-by-30 TARGETS

Our climate targets reflect the Group’s approach to supporting the transition to a low-carbon, climate-resilient healthcare system. Aligned with Phase 2 of the KPJ Net Zero by 2050 Roadmap, the **SusATTAINability 30-by-30 targets** provide clear, time-bound commitments that translate our Net Zero ambition into measurable outcomes. SusATTAINability reflects the Group’s focus on ‘attain’ and ‘ability’, emphasising practical and achievable progress in advancing sustainability across the organisation. They are designed to guide action across the Group while strengthening resilience to climate-related risks and supporting long-term service continuity.

Together, these targets anchor KPJ’s approach to climate mitigation and resilience, enabling consistent performance tracking and informed decision-making across hospitals and operations.



Targets

Reduce
30%

of total absolute GHG emissions by 2030 (against 2024 baseline)

Established to reduce KPJ’s climate impact and manage exposure to transition risks arising from energy costs and regulatory changes.



Transition to
30%

renewable energy by 2030

Set to strengthen energy resilience by reducing reliance on grid electricity and fossil fuels.



Achieve
GREEN CERTIFICATION

for all hospitals by 2030

Aimed at improving energy efficiency, water management and climate-resilient building design across healthcare facilities.



Progress

19.46%

GHG emissions reduction (against 2024 baseline)

10.07%

Renewable energy sourced

7

Accumulated green-certified hospitals

WHAT KPJ DID IN 2025

In line with our Net Zero Game Plan, we focused on translating our climate resilience priorities into practical action across hospital operations. The year marked a continued shift from planning to execution, with emphasis placed on strengthening operational readiness and supporting the transition towards lower-carbon healthcare delivery.

Continued Implementation of Energy Efficiency and Demand Reduction

We continued the implementation of energy efficiency initiatives across our hospitals, with an emphasis on optimising high-consumption systems to reduce energy demand while maintaining clinical performance standards.

Cooling and HVAC Optimisation	Lighting and Controls	Infrastructure and Systems Enhancement
<ul style="list-style-type: none"> Recalibrated chillers to better match cooling output with actual load demand Adjusted Air Handling Unit (“AHU”) settings to align airflow with operational and occupancy requirements Reviewed cooling tower performance to improve efficiency 	<ul style="list-style-type: none"> Expanded LED retrofits to replace conventional lighting Deployed smart lighting controls to optimise scheduling and zoning Assessed use of timers for non-essential equipment outside operating hours 	<ul style="list-style-type: none"> Reviewed heating and cooling insulation to reduce energy loss Evaluated IoT-enabled food waste solutions to improve waste tracking and reduce landfill

Value created:

18

hospitals completed energy audits

2.52%

Energy consumption reduced across 15 hospitals in 2025

Renewable Energy Deployment

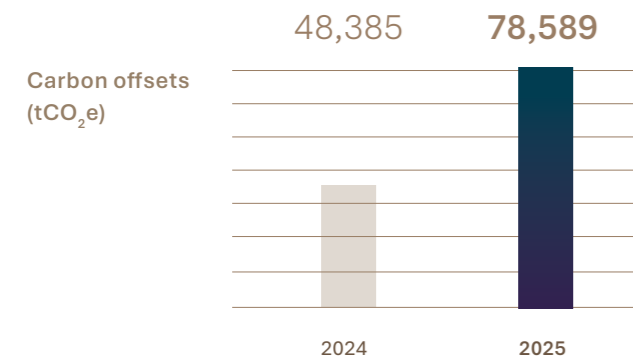
We continue to expand the use of renewable energy across our hospital network to reduce reliance on grid-supplied electricity and lower Scope 2 GHG emissions. This includes the continued implementation of renewable energy supply arrangements and tariff-based solutions that support emissions reduction without requiring immediate infrastructure changes, while complementing on-site generation initiatives such as rooftop solar.

Key initiatives:

- Completion of testing and commissioning for all five sites under Phase 1 of Supply Agreement Renewable Energy (“SARE”)
- Continued subscription to the Green Electricity Tariff (“GET”)
- Formalised Phase 2 of GSPARX rooftop solar project through issuance of a Letter of Award (“LOA”) during Malaysia International Healthcare (“MIH”) Megatrends 2025

Value created:

Generated 78,589 tCO₂e worth of electricity to offset our Scope 2 emissions, showcasing 62.4% increase in offset generation from 2024 through our GET subscription and rooftop solar panel installations.



Climate-resilient Facilities

KPJ strengthened climate resilience through sustainable hospital infrastructure and asset planning. Efforts are focused on embedding environmental considerations into facility design and operations, supporting long-term reductions in energy and water use while enhancing overall environmental performance.

Key initiatives:

- Green building certifications achieved across selected hospitals
- Continued use of 31 electric vehicle (“EV”) charging facilities across 10 premises, with planned expansion

Value created:

Additional 4 hospitals with green building certification, with a total of 7 green certified hospitals since 2024

KPJ Green-Certified Hospitals in 2025



- Bandar Dato’ Onn Specialist Hospital



- KPJ Klang Specialist Hospital
- Tawakkal Specialist Hospital
- KPJ Sentosa Specialist Hospital

CASE STUDIES



VARIABLE SPEED DRIVE (“VSD”) INSTALLATION

KPJ Sabah Specialist Hospital strengthened energy efficiency and operational resilience by installing VSD systems on Air Handling Units (“AHUs”), enabling ventilation and cooling systems to operate based on actual demand rather than constant full-load operation. This allowed energy use to be optimised while maintaining indoor air quality and thermal comfort and reinforced the integration of energy efficiency into facility-level operations.

VARIABLE FREQUENCY DRIVE (“VFD”) INSTALLATION

As part of our green stewardship initiatives, KPJ Klang Specialist Hospital installed 7 VFDs across selected HVAC systems. VFDs regulate motor speed according to actual process demand rather than operating continuously at full speed, making them a key energy-saving strategy in buildings and industrial applications.

Impact In Action:

Annual energy savings of

145,256.50 kWh

Total cost savings of

RM 42,179.40 per year

101.7

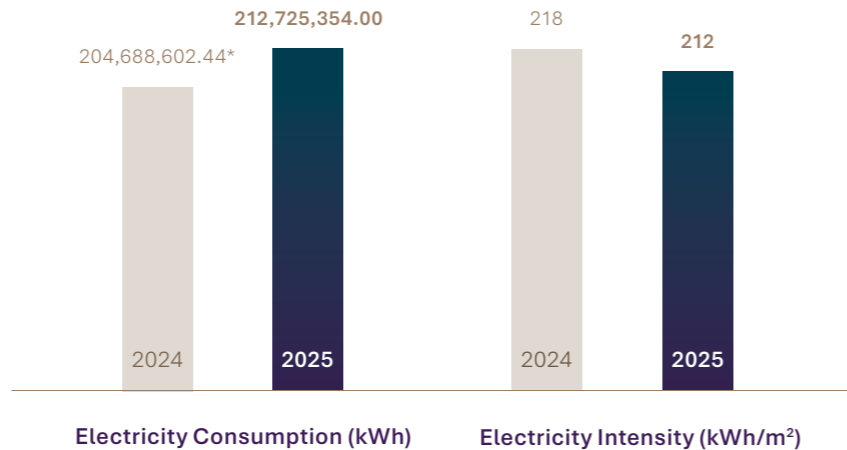
metric tons of CO₂ emissions avoided per year



OPERATIONAL IMPACTS

Building on our climate resilience and emissions reduction initiatives, we monitor our operational GHG emissions across Scope 1, Scope 2 and selected Scope 3 categories to track performance and inform decarbonisation planning.

Based on our emissions tracking, we recorded a slight reduction in our head office Scope 2 emissions for the reporting period, due to improved awareness amongst our employees on electricity appliance usage. Despite our energy efficiency initiatives, we recorded an increase in electricity intensity across our operations in 2025 compared to the previous reporting year, attributed to the increase in our patient numbers and the inclusion of our newest hospital branch, KPJ Kuala Selangor. These effects were also observed across our operational emissions. Notably, we observed a reduction in our Scope 3 GHG emissions this year, resulting from our continued efforts in waste segregation and management activities.

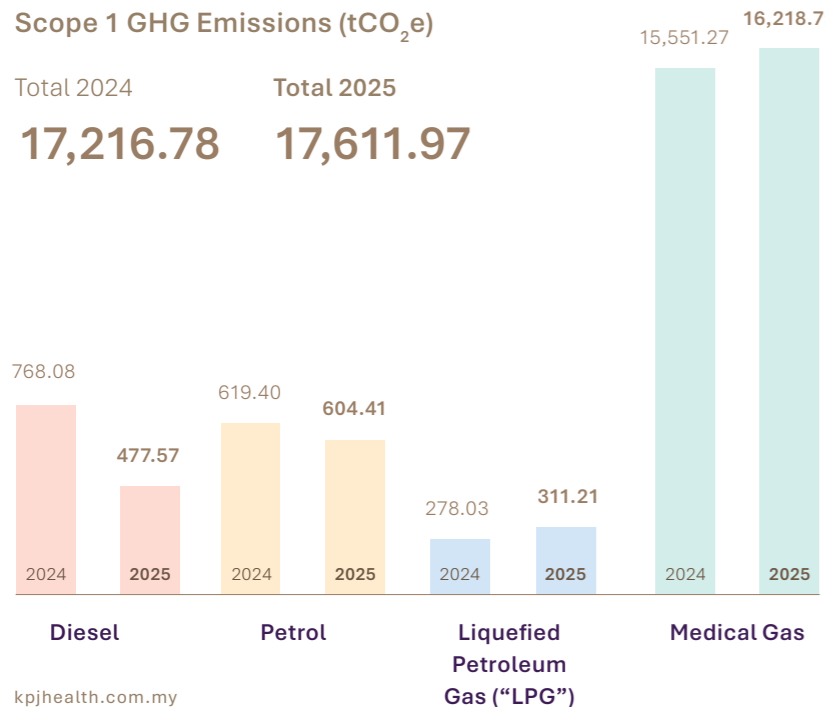


*The electricity consumption in 2024 has been restated following an internal data validation exercise conducted during the FY2025 reporting cycle. The revised figures reflect improved consolidation accuracy based on source utility records.

For more information on our waste segregation and management activities, please refer to page 100.

Scope 1 GHG Emissions (tCO₂e)

Total 2024: **17,216.78**
Total 2025: **17,611.97**



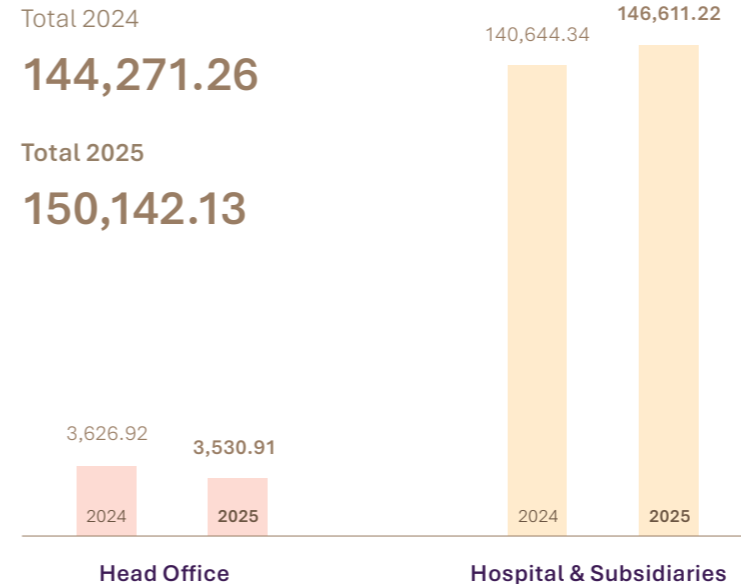
Conversion factors used to convert to GJ are:

Conversion Factor to Gigajoules (GJ)		
Diesel	0.0358	GJ/L
Petrol	0.0321	GJ/L
LPG	0.0233	GJ/L
LPG	0.54	kg/L
Electricity	0.0036	GJ/kWh

Massachusetts Institute of Technology, Units & Conversions Fact Sheet

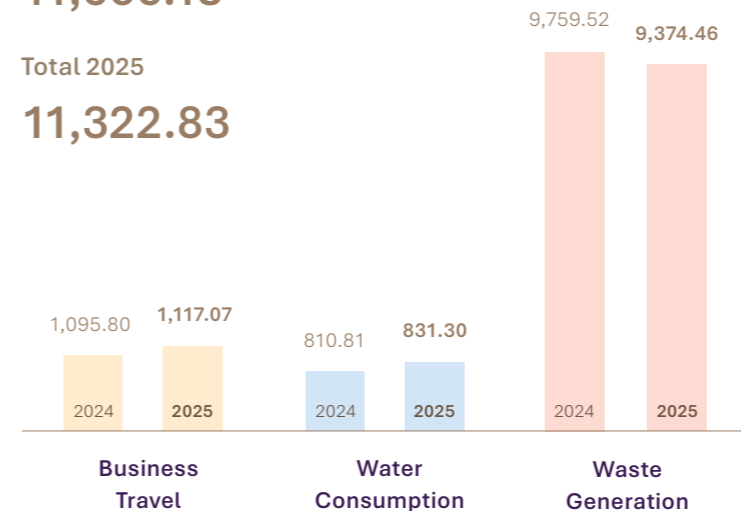
Scope 2 GHG Emissions (tCO₂e)

Total 2024: **144,271.26**
Total 2025: **150,142.13**



Scope 3 GHG Emissions (tCO₂e)²

Total 2024: **11,666.13**
Total 2025: **11,322.83**



¹ Restatement of data due to changes in Grid emission factor. Please refer to the emission factors on page 191.

² In 2025, employee commuting data was collected from 3,238 respondents, resulting in estimated emissions of 95.30 tCO₂e. While coverage has significantly expanded from the prior year, emissions have not been extrapolated as the dataset is still being refined for representativeness. Therefore, the employee commuting data has not been included in the total Scope 3 emissions for 2025.



In 2025, we updated our GHG emissions baseline from 2022 to 2024 to strengthen data quality and methodological consistency. For more information on KPJ's GHG emissions methodology, please refer to page 190.

For more information on KPJ's operational GHG emissions performance, please refer to the Sustainability Performance Data 2025.

OUTLOOK

Moving forward, we will focus our climate resilience efforts on scaling and optimising the initiatives implemented under Phase 2 of our Net Zero roadmap. Priority will be placed on strengthening renewable energy deployment, improving energy and resource efficiency and embedding climate considerations into hospital infrastructure and asset planning to support service continuity.

As the Group progresses towards our 2030 milestones, we aim to strengthen our ability to manage climate-related risks while delivering reliable and sustainable healthcare for the communities we serve.

6 We Create Value By...



RESOURCE AND WASTE MANAGEMENT

Hospitals operate without pause, and the resources that support care whereby water, materials and waste systems must perform reliably every day. As healthcare demand rises, pressures on these resources are intensifying, increasing exposure to operational disruption and regulatory scrutiny. At the same time, responsible resource management presents a clear opportunity: to strengthen resilience, improve cost efficiency and ensure care can be delivered safely and consistently across a growing hospital network.

Beyond our operations, environmental management carries wider implications for the communities and environments in which we operate. Responsible use of water and effective waste handling help protect public health, reduce environmental burdens and support trust among our stakeholders. By managing these impacts thoughtfully, we contribute to healthier surroundings while reinforcing role as a trusted healthcare provider within the broader system we serve.

Capital



Related SDGs



Protecting Our Environment

Protecting Our Environment

RESOURCE AND WASTE MANAGEMENT

OUR APPROACH

Our approach to resource and waste management is designed to balance environmental responsibility with patient safety and clinical practicality.

Given the diversity of our hospital network, a one-size-fits-all model would limit effectiveness. Instead, we apply a guided, bottom-up approach that empowers hospitals to identify solutions suited to their operational realities, while aligning with Group-wide environmental priorities.

Site-level initiatives are encouraged within this approach, allowing hospitals to respond to their specific operational realities. Successful practices are reviewed, shared and progressively replicated across the Group, strengthening consistency while retaining the flexibility needed to meet clinical, regulatory and infrastructure requirements at each subsidiary.

Waste management practices focus on segregation at source, recycling and reducing avoidable waste, supported by Standard Operating Procedures (“SOPs”) and environmental policies applied across the hospital network.

We work with external service providers and relevant authorities to ensure appropriate handling and disposal of waste streams, including clinical and hazardous waste, while supporting material recovery where feasible.

Water management is integrated into KPJ’s resource efficiency efforts, focusing on responsible water use, wastewater management and regulatory compliance across our hospitals.

This includes discharge monitoring, adherence to environmental requirements and ongoing improvements to water efficiency and reuse practices at facility level.

GOVERNANCE, OVERSIGHT & EXECUTION

Resource and waste management is guided by a structured governance approach that aligns Board oversight with disciplined day-to-day operations.

Oversight of resource and waste management at KPJ is shared across the Board, management and operational levels. The Board, supported by the Risk, Sustainability and Governance Committee (“RSGC”), provides overall direction and oversight. Management guides the implementation of these initiatives, while the Group Sustainability function supports coordination and reporting across the Group. Sustainability targets are embedded into the Group’s performance framework and monitored to support accountability and continuous improvement.

POLICIES AND STANDARDS

We are guided by a combination of internal policies and recognised standards, which provide clear direction on environmental responsibility and regulatory compliance across the Group.

KPJ’s Sustainability Policy	Provides a guiding framework for KPJ to integrate environmental, social and governance principles into its operations and decision-making, supporting sustainable value creation for patients, people, partners and the planet.
ISO 14001 Environmental Management System	Establishes a structured framework for identifying, managing and reducing environmental impacts, ensuring compliance with environmental regulations and continual improvement in environmental performance.
ISO 45001 Occupational Health and Safety Management System (“OHSMS”)	Provides a systematic approach to managing occupational health and safety risks, preventing work-related injury and ill health whilst promoting a safe and healthy workplace.
ISO 9001 Quality Management System	Guides the implementation of consistent quality management practices to enhance service delivery, improve operational efficiency and ensure patient and stakeholder satisfaction through continual improvement.
Environmental Quality Act 1974 on Malaysia’s Waste Legislation by Department of Environment (“DOE”)	Regulates the management, treatment and disposal of waste and environmental pollutants in Malaysia to prevent environmental degradation and protect public health, with enforcement overseen by the DOE.

CHALLENGES IN HANDLING WASTE AND WATER

Managing waste and water within a healthcare environment involves inherent operational and regulatory complexities. Across KPJ’s nationwide hospital network, variations in infrastructure maturity, facility design and operational practices influence how initiatives are prioritised and implemented.

In waste management, maintaining consistent segregation standards and reducing clinical waste volumes require ongoing staff engagement and careful adherence to regulatory requirements. Clinical waste must be managed in strict compliance with safety standards, necessitating a careful balance between reduction efforts and infection control and patient safety considerations.

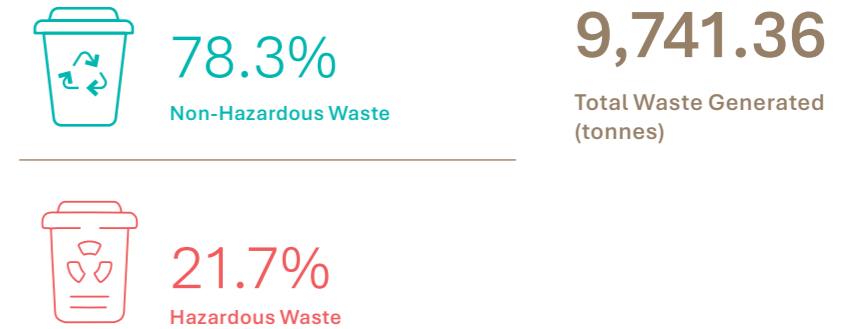
Similarly, water management initiatives are influenced by differences in metering capabilities, infrastructure readiness and space constraints. Efficiency measures must also ensure that water reliability and quality are never compromised in clinical settings. These challenges inform our phased and site-specific approach to resource and water management.

WHAT KPJ DID IN 2025

During the reporting period, we implemented a range of initiatives to improve resource efficiency and manage waste across hospital operations. These efforts support the safe and efficient delivery of care while helping the Group manage environmental impacts associated with round-the-clock healthcare services.

WASTE MANAGEMENT

We continued to implement waste segregation practices across hospital operations to improve the handling of different waste streams, including general, recyclable and clinical waste. In 2025, upgraded segregation enabled the diversion of more than 600 tonnes of waste from landfill, supporting more efficient waste management and contributing to our longer-term zero waste ambition.



In conjunction with the World Environment Campaign 2025, KPJ Kajang Specialist Hospital, in collaboration with Kloth Cares, recycled over 550kg of used textiles between 16 June and 3 July 2025, diverting waste from landfill while promoting circular textile practices.

Smarter Clinical Waste Management

We focused on segregating clinical waste at source to reduce unnecessary incineration in collaboration with Cenviro Sdn Bhd. Recyclable materials are separated from clinical waste streams and diverted from Scheduled Waste SW 404 into appropriate recyclable categories, such as recyclable streams SW 409, where permitted. Only non-recyclable clinical waste is treated via licensed incineration facilities, including waste-to-energy (“WTE”) incineration where available, supported by waste reduction at source measures such as reducing selected single-use plastics.

Value created:

1,896 Mt

of clinical waste treated via SWTE facility

30 hospitals implementing enhanced clinical waste segregation practices



Rethinking Waste with Circular Economy

Expanded our circular economy and resource recovery initiatives across our subsidiaries to reduce waste disposal and improve resource efficiency through recycling, recovery and upcycling. They cover non-hazardous and selected scheduled waste streams, including paper, plastics, e-waste, used cooking oil and laboratory solvents, where approved recovery solutions are available.

Where viable, waste previously sent for incineration is diverted to prescribed recycling facilities for recovery and reprocessing. Additional initiatives include reverse vending machines, textile upcycling and food waste composting, with compost reused for landscaping and community green spaces.

Value created:

600.75 tonnes

of waste diverted from disposal

383.93 tonnes

of non-hazardous waste recycled



Reducing Material Use Through Digital Solutions

Integrated digital solutions across clinical and administrative functions to reduce reliance on paper and physical records. Initiatives include digital documentation, electronic medical records and system-enabled workflows for billing, reporting and internal processes, supported by enterprise platforms such as a centralised medical imaging system that enables secure access across hospitals. These measures streamline workflows while reducing material use associated with printing and manual record handling.

To learn more about digital solutions, please refer to page 162.

Value created:

25% reduction in paper usage across selected clinical and administrative functions



32% of digitalisation initiatives are driven by internal reporting, followed by billing, medical records and discharge processes



Turning Hospital-Wide Awareness into Action

Conducted hospital-wide engagement programmes to encourage staff participation in waste reduction and resource efficiency practices. These include themed sustainability campaigns, targeted collection drives for recyclables, e-waste and textiles and awareness activities aligned with events such as World Environment Day. The programmes support consistent adoption of good practices at the subsidiary level.

Value created:

32%

of activities were recycling and collection drives, making it the dominant waste-related initiative



Community-Driven Environmental Care

Collaborated with local authorities, municipal councils, community groups and industry partners to support effective waste and resource management beyond hospital operations. Hospitals also participate in environmental clean-up activities and community-based initiatives that contribute to local environmental well being.

Value created:

11 partnerships with local authorities, municipal councils and community organisations



428 participants or volunteers involved in community-based environmental programmes



CASE STUDIES



DIGITALISATION TO REDUCE PAPER USE

Johor Specialist Hospital streamlined insurance submission and document handling processes by transitioning from paper-based workflows to a digital, portal-based system. This shift addressed storage constraints and filing inefficiencies while significantly reducing paper use. Beyond material savings, the digital approach improved record traceability, monitoring and governance, strengthening overall operational efficiency.

CREATIVE UPCYCLING OF DIALYSIS CONTAINERS

KPJ Sabah Specialist Hospital repurposed non-contaminated dialysis solution containers into functional furniture for internal use, turning waste materials into practical assets. This initiative reduced plastic waste and disposal costs while encouraging staff-led innovation in waste management. The effort was recognised with a waste material design innovation award from the local authority in conjunction with World Environment Day.



REFILLABLE AMENITIES

Pasir Gudang Specialist Hospital introduced refillable amenities in patient rooms to reduce reliance on single-use plastic containers. By embedding waste reduction at the point of use, the initiative cut plastic waste while maintaining patient comfort, hygiene and service standards. The approach demonstrates how small operational changes can deliver tangible environmental benefits in a healthcare setting.



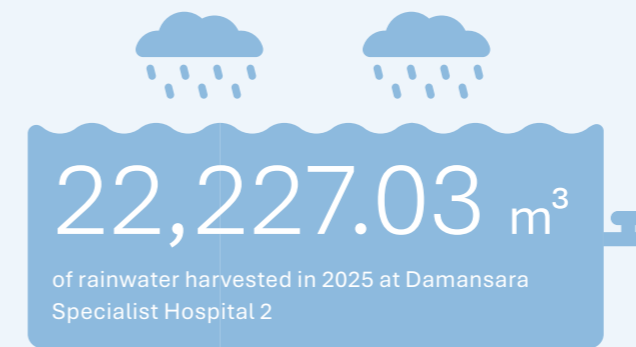
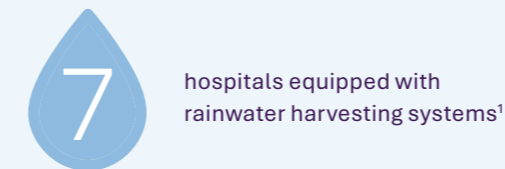
WATER MANAGEMENT

During the reporting period, we recorded an increase in total water withdrawal of 1,984,003 m³ in 2025 compared to 1,935,111.3 m³ in 2024. The increase reflects our expanded hospital footprint, resulting in a corresponding rise in facilities, workforce and patient volumes. In response, we implemented water management initiatives to support a more responsible and resilient water use, including water harvesting and recovery measures.

Harvesting Rainwater for Everyday Use

Implemented rainwater harvesting systems at selected hospitals to capture and reuse rainwater for non-potable purposes, such as landscaping and general cleaning, reducing reliance on treated water supply and supporting more efficient use of water resources.

Value created:



¹ Our rainwater harvesting measurement capabilities vary across our facilities. We are exploring efforts to enhance monitoring and data visibility across facilities in the future.

Smarter Fixtures, Efficient Water Use

Water-efficient infrastructure, including sensor-operated taps, low-flow fittings and cooling tower systems where applicable, was progressively implemented across KPJ facilities to improve water-use efficiency at the point of use and support reliable operations in both clinical and non-clinical areas.



Promoting Sustainable Water Use

Supported water conservation through staff education and awareness programmes, including internal campaigns and communication initiatives. These efforts encourage responsible water use and reinforce behavioural change across hospital operations.



Dialysis Wastewater Recovery and Reuse

Initiated dialysis wastewater recycling activities at selected sites to recover and reuse water from dialysis processes. Following pilot implementations, the Group plans to expand this initiative to additional facilities, subject to operational feasibility and infrastructure readiness.



CASE STUDIES



DIALYSIS WATER REUSE

KPJ Selangor Specialist Hospital successfully piloted a dialysis water reuse system that turns reverse osmosis (“RO”) reject water into a valuable resource for non-clinical uses such as toilet flushing and general cleaning. By giving dialysis wastewater a second life, the hospital significantly reduces its reliance on freshwater while maintaining strict safety controls by limiting reuse to appropriate applications. This demonstrated how clinical operations can be reimagined to support responsible water use without compromising patient care.

AHU CONDENSATE WATER RECOVERY

At KPJ Sabah and KPJ Selangor Specialist Hospitals, condensate water generated from Air Handling Units (“AHUs”) is recovered and reused to support cooling tower operations. Instead of being discharged as waste, this captured water is redirected back into facility systems, improving overall water efficiency and reducing demand on treated water supply. They highlighted how simple operational innovations can deliver meaningful water savings while strengthening the resilience of hospital infrastructure.



OUTLOOK

We will continue to advance our resource and waste management approach through a progressive and phased roadmap, building on existing initiatives while scaling proven practices across KPJ.

The focus remains on strengthening consistency, expanding successful pilots and enabling knowledge-sharing across hospitals.

Across both waste and water management, we remain committed to scaling effective site-level initiatives, encouraging peer learning and maintaining the flexibility to adapt solutions to each hospital’s operational and infrastructure context.

Waste Management

In the near term, we will formalise a structured, Group-wide recycling approach to enhance segregation practices and improve diversion from disposal. We will also review opportunities to further reduce single-use plastics where operationally feasible, without compromising patient safety or clinical standards.

Over the medium to long term, our aim is to expand food waste composting initiatives at selected hospitals and continue efforts to reduce medical waste generation through improved practices and, where appropriate, the adoption of lower-waste alternatives. These initiatives will be implemented with full regard for regulatory compliance, infection control requirements and patient safety standards.

Water Management

We seek to progressively enhance water efficiency initiatives across our hospitals. This includes expanding dialysis wastewater recovery programmes to additional sites and strengthening monitoring and optimisation of rainwater harvesting systems where infrastructure is in place in the medium term.



Over time, we will continue to assess further opportunities to improve water efficiency and resilience in a manner that safeguards clinical reliability and water quality standards.



SERVICE QUALITY AND SAFETY

In healthcare, trust is built through everyday decisions that patients may never see but always feel. When systems work well, care is delivered smoothly and risks are anticipated before they reach the bedside. When they do not, the consequences extend beyond clinical outcomes, affecting patient safety, regulatory standing, organisational credibility and the ability to operate reliably. As care delivery grows in complexity and expectations continue to rise, maintaining consistent standards across a growing hospital network becomes fundamental to protecting both lives and trust.

For patients and those close to them, quality and safety are experienced in deeply human ways. They shape whether a diagnosis feels assured, whether communication is clear at moments of uncertainty, and whether care environments feel dependable when people are most vulnerable. Our approach is grounded in listening, learning and accountability, using patient feedback and performance insights to strengthen care practices and reduce preventable risk across our hospitals. In doing so, we seek to ensure that care remains dependable, protective and worthy of the confidence placed in those entrusted with people's lives.

Capital 	Related SDGs 
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Uplifting Our Patients and Communities

Uplifting Our Patients and Communities

SERVICE QUALITY AND SAFETY

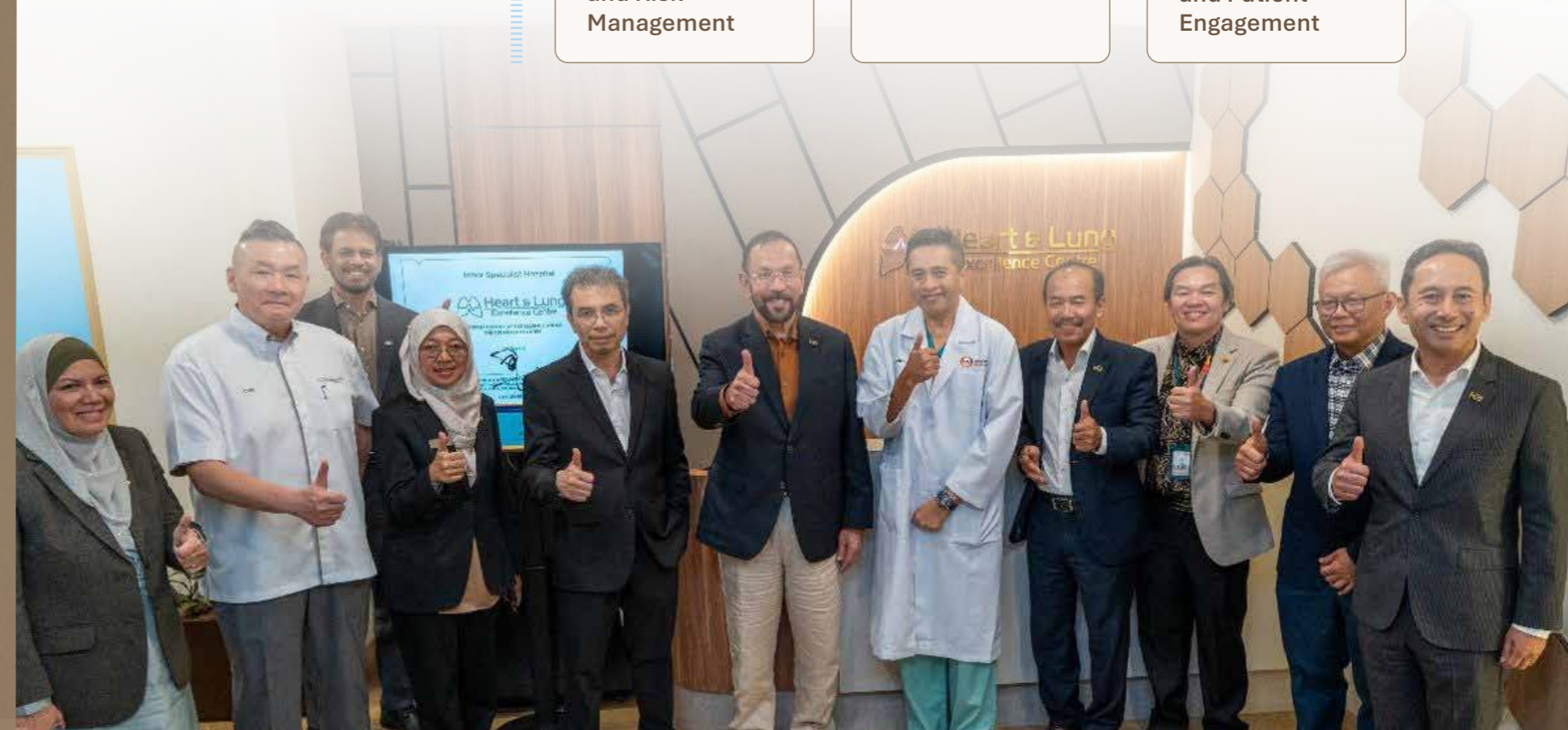
OUR APPROACH

We treat service quality and patient safety as non-negotiable responsibilities.

Our approach is designed to prevent harm, support consistent clinical decision-making and ensure patients receive care they can trust, regardless of where they enter our hospital network. This is achieved through a system of governance, controls and engagement that strengthens safety at every stage of the care journey.

We focus on three interconnected areas of patient care:

 <p>Clinical Governance and Risk Management</p>	 <p>Medication Safety</p>	 <p>Service Transparency and Patient Engagement</p>
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1. Clinical Governance and Risk Management

Clinical governance is a core component of KPJ’s corporate governance framework. It provides the structure through which accountability for safe, effective and patient-centred care is established and maintained across a growing and increasingly complex hospital network.

SAFEGUARDS

- **Clinical Oversight:** Provided by the Group Medical Advisory & Clinical Governance Committee (“GMACGC”), which guides clinical standards, regulatory compliance and risk management across hospitals.
- **Clear Accountability and Escalation:** Strengthened linkage between clinical leadership, executive oversight and quality governance to support timely, informed decision-making as services and specialities expand.
- **Performance Assurance:** Structured clinical audits, performance reviews and targeted training programmes strengthen clinical quality and manage emerging risks.
- **Safety and Emergency Protocols:** Network-wide Standard Operating Procedures (“SOPs”), including KPJ Safety and Health Guidelines, Code Black (Bomb Threat), laser safety measures and fire detection and suppression systems.

PROGRESS TRACKING

Compliance monitoring, audit outcomes and clinical performance indicators enable early risk detection, corrective action and consistent application of standards across hospitals.

Further details on KPJ’s clinical governance framework, committee oversight and safety performance are set out in the Group Medical Advisory & Clinical Governance Committee Report in KPJ’s Integrated Annual Report 2025 on pages xx–xx.



2. Medication Safety

Medication safety is a critical safeguard in protecting patients from avoidable harm. KPJ places strong emphasis on prescription accuracy, controlled dispensing and patient understanding to ensure medicines are used safely and effectively.

SAFEGUARDS

- **Pharmacist-led Controls:** Pharmacists oversee prescription review, dispensing accuracy and patient counselling to reduce medication errors and support safe use.
- **Specialised Compounding and High-risk Medication:** Dedicated controls are applied for specialised compounding services, including chemotherapy dispensing.
- **High-alert Medications:** Measures address Look-Alike Sound-Alike (“LASA”) risks and High-Alert Medications (“HAM”), supported by strict prescription drug controls under the Poisons Act 1952.
- **National Patient Safety Goals:** Practices are aligned with Malaysian Patient Safety Goals (“MPSG”) 2.0 to ensure consistency with national safety expectations.

PROGRESS TRACKING

Medication safety performance is tracked through defined Key Performance Indicators and annual submissions to the Malaysian Patient Safety Council.



3. Service Transparency and Patient Engagement

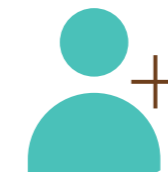
Trust in care is reinforced when patients understand their treatment, costs and choices, and feel heard throughout their care journey. KPJ focuses on transparency and engagement to support informed decision-making and continuous improvement.

SAFEGUARDS

- **Clear Pricing and Disclosures:** Align treatment fee disclosures with Medicine Advertisements Board (“MAB”) guidelines to support transparency and informed consent.
- **Accessible Service Information:** Patients are supported through digital platforms and hospital touchpoints that improve access to service information.
- **Structured Feedback and Engagement:** Patient feedback mechanisms are strengthened to capture experience-based insights across the care journey.

PROGRESS TRACKING

Feedback data and service insights are reviewed to identify gaps, inform improvements and reinforce accountability for patient experience outcomes.



WHAT KPJ DID IN 2025

PREVENTING HARM AT SCALE

Preventable harm is most often the result of system gaps: uneven adherence to standards, delayed escalation, or risks that repeat across sites. In 2025, we strengthened patient safety through a more consistent, Group-wide control approach that focuses on identifying risk early, tightening assurance and reinforcing a culture where safety is actively owned, measured and improved.

For more information on patient safety, please refer to our Group Medical Advisory and Clinical Governance Committee (“GMACGC”) report.

WHAT WE DID

“Towards Zero Harm” Campaign:

A risk-based, Group-wide patient safety programme targeting higher-risk clinical areas through shared multidisciplinary leadership, with focus streams covering Safe Surgery Saves Lives, Fall Prevention, Infection Prevention and Medication Without Harm.

Quality Assessment and Assurance:

Annual clinical surveys aligned to MSQH and JCI standards, complemented by targeted focus surveys and gap analyses, with findings escalated to hospital management to drive corrective actions and strengthen accreditation readiness.

Patient Safety Culture Baseline:

A network-wide Patient Safety Culture survey to establish a Group baseline on safety, leadership engagement and improvement readiness, supporting more consistent safety behaviours across hospitals.

Medication Safety:

Implemented a Medication Error Mitigation Plan and strengthened Medication Without Harm through competency-based training and assessments.

WHAT WE ACHIEVED

Annual Clinical Surveys:

93.2%

in the overall average score

29

hospitals covering 19 service standards



Patient Safety Culture Survey:

Completed across

29

hospitals,



with a strong participation of

86.8%

response rate

from

8,311

clinical staff



Inpatient Fall Rate:

0.25

per 1000 patient days (Better than national benchmark of ≤ 5 per 1,000 patient days)



Hand Hygiene Compliance:

>75%

benchmark set by the Patient Safety Council



Hospital-associated infection rates

<5%

INTEGRATED SPECIALIST CARE MODELS

Throughout the year, we focused on strengthening specialist care not through isolated centres or individual excellence, but through integrated clinical networks that link leadership, standards and accountability across the Group.



Key Initiatives	What It Involved	Value Created
Heart & Lung Centre of Excellence (Johor Specialist Hospital)	Established KPJ’s first Centre of Excellence (“CoE”) by integrating cardiology, cardiothoracic surgery and respiratory services under a unified care and governance model.	<ul style="list-style-type: none"> • More consistent governance and oversight for high-risk specialist care • Clearer accountability for outcomes across related specialities
Heads of Speciality and Subspecialty appointments	Appointed senior consultants to lead speciality and subspecialty domains across hospitals, strengthening clinical leadership, coordination and oversight beyond individual facilities.	<ul style="list-style-type: none"> • Reduced variation in specialist practices across hospitals • Stronger collaboration and knowledge sharing within specialities • Provides input to Centres of Excellence and any new clinical services
Group-wide CoE Playbook	Developed a structured framework and implementation playbook with Mayo Clinic to guide the design, governance and scaling of CoEs.	<ul style="list-style-type: none"> • Consistent approach to developing future CoEs • Better alignment between specialist care, education and research
Mayo Clinic Care Network: Oncology Focus	Leveraged our affiliation with the Mayo Clinic Care Network to adopt evidence-based oncology pathways and strengthen multidisciplinary coordination.	<ul style="list-style-type: none"> • Standardised breast and colorectal cancer rehabilitation protocols across five hospitals • Boosted continuity of care and recovery pathways
Enhanced Oncology Care Coordination (Damansara Specialist Hospital)	Introduced a more structured care coordination model, including Nurse Navigator roles, dedicated Cancer Care Teams and formalised multidisciplinary team meetings to support complex oncology cases.	<ul style="list-style-type: none"> • Improved experience for patients navigating complex treatment journeys • Stronger team-based decision-making for oncology care

EMBEDDING VALUE-BASED CARE

Healthcare providers are increasingly expected to deliver better outcomes more consistently, while improving how patients experience care and how resources are used. Therefore, we continued to enhance the foundations of value-based care across the network, moving towards a more disciplined approach to measuring quality, outcomes and efficiency.

WHAT WE DID

1. Value-Based Care Unit:

Established a dedicated unit to drive an outcomes-focused approach and strengthen alignment across clinical, operational and governance stakeholders.

2. Groupwide Value-Based Care Framework:

Developed a Group wide framework supported by six enablers, including data, governance, patient voice, care and cost pathways, scaling and incentive readiness.

3. Performance measurement approach:

Streamlined performance indicators into four domains to strengthen consistency and comparability across hospitals:

Clinical outcomes

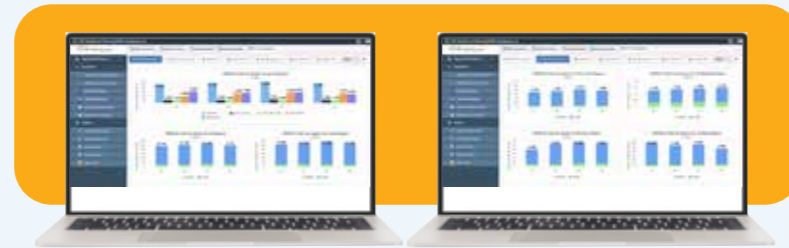
Functional outcomes

Patient reported outcomes

Cost and efficiency

VISIBLE SAFETY IN EVERYDAY CARE

As our hospital network grows in scale and complexity, ensuring consistent equipment reliability across facilities became a critical patient safety priority rather than an operational concern. To strengthen safety and reliability, we implemented the Computerised Asset & Facilities Management System (“CAFMS”) across all 30 KPJ hospitals under Healthcare Engineering Services. CAFMS represents a shift from breakdown-based repairs to proactive, data-driven asset management, enabling consistent standards and real-time oversight across the network.



CAFMS is more than an engineering platform; it underpins KPJ’s Health System pillars by:

- **Clinical:** Ensuring equipment is safe, available and reliable when patients need it
- **Education:** Embedding consistent safety practices and competency standards across hospitals
- **Research & Planning:** Providing reliable data and audit trails to support studies, investment decisions and system improvement

Key safeguards embedded in the system:

Real-time issue reporting and tracking

Equipment issues can be logged instantly, with progress tracked and communicated in real time between hospital staff and maintenance teams.

Preventive maintenance and calibration controls

Servicing schedules are driven by usage data, performance trends and manufacturer guidelines, with automated alerts for upcoming maintenance, calibration and licence renewals.

Centralised asset visibility

Every asset is recorded in a single database, capturing location, service history and associated costs to support consistency and accountability across hospitals.

Value created:

Response times reduced from hours to minutes

Equipment uptime reaching up to **99%**



Standardised protocols reducing human error and variability



Stronger audit trails supporting MSQH and JCI accreditation

Performance analytics supporting capital planning and resource optimisation



CAFMS ensures medical equipment is safe, reliable and available when patients need it most.

MAKING CARE EASIER TO ACCESS AND TRUST

For patients, service quality is often shaped long before they meet a clinician. It is reflected in how easy it is to reach the right service, whether information is clear, and whether experiences feel consistent across hospitals and channels. Therefore, we continue to strengthen these everyday touchpoints, recognising that trust is reinforced through reliability, accessibility and continuity across the care journey.

Consistent Service Experiences Across the Network

As we expand our hospital network, ensuring a consistent standard of service becomes essential to maintaining patient confidence. KPJ focused on aligning service practices and monitoring patient-facing signals to ensure care experiences felt reliable and familiar across locations.

Value created



All KPJ hospitals achieved Google Ratings of

4.3 and above by year-end



Greater consistency in service delivery across the Group

Achieved a customer satisfaction index of

95.6%



Faster, Clearer Access to Care

To reduce friction and uncertainty at the first point of contact, we strengthened how patient enquiries and service requests are managed. A more coordinated approach improved responsiveness and ensured patients were guided more efficiently to the right services.

Value created



Unified lead and inquiry management system deployed Group-wide

Standardised SOPs improved workflow efficiency and follow-up

19%

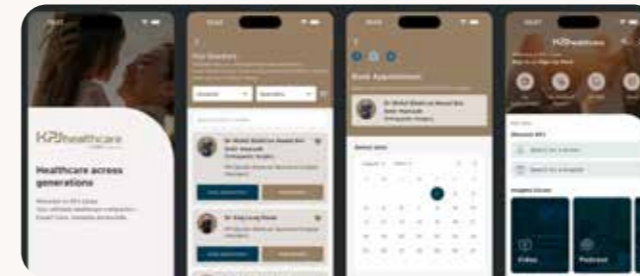
lead-to-conversion rate, reflecting better responsiveness and coordination



Digital Engagement and Ongoing Connection

To strengthen relationships beyond hospital visits, KPJ expanded our digital engagement tools, enabling patients to stay informed, connected and supported throughout their care journey.

Value created



Group-wide rollout of the **KPJ Cares App** to support digital engagement and loyalty

156,000

KPJ Cares members recorded by year-end

More than **10** **new features** were introduced to enhance service convenience and interaction

Improving Cross-Border Access and Experience

Recognising the needs of patients travelling for care, we strengthened physical access points to support smoother transitions and a more welcoming experience from arrival.

Value created



Establishment of the

KPJ Healthcare Lounge at Berjaya Ferry Terminal, Stulang Laut



Better accessibility and experience for cross-border travellers



Stronger KPJ brand presence at a key international entry point

ENHANCING TRANSPARENCY IN HEALTHCARE PRICING

We believe patients deserve clarity when making decisions about their care. As such, we continue to strengthen transparent pricing practices in line with the requirements of the Medicine Advertisements Board (“MAB”). Clear package disclosures and consistent communication help patients understand available options with greater confidence.

We have also improved how pricing information is shared through enhancements to the KPJ Cares app. Beyond appointment scheduling and access to medical and billing records, the platform now supports dependent registration and family-linked profiles. It also includes dedicated Mother and Infant features, self-service payment functions and expanded wellness tools, creating a more seamless and family-centred care experience.

<p>Online Standardised Package Price</p> <p>Our official website provides accessible package pricing and service information so patients can review expected costs before seeking treatment. Clear information supports informed decisions and builds trust in the care journey.</p> <p>For more information on our health packages, please visit our website at https://kpjhealth.com.my</p> 	<p>Public Announcements</p> <p>Through community outreach programmes and digital channels, we share updates on healthcare costs and service availability. Open communication helps patients stay informed and reduces uncertainty around treatment planning.</p> 
<p>Government and Regulatory Requirements</p> <p>We comply with the requirements set by the Medicine Advertisements Board for advertising healthcare services. This ensures that pricing disclosures remain transparent and consistent across communication platforms.</p> 	<p>Community Engagement</p> <p>We maintain patient-focused communication with local communities and healthcare partners. Ongoing dialogue helps us understand concerns and respond to questions about services and pricing.</p> 
<p>Feedback Mechanisms</p> <p>We provide multiple channels for feedback, allowing patients to raise questions or share concerns at any time. Timely responses reinforce accountability and strengthen patient confidence.</p> 	<p>Mobile Applications</p> <p>We continue enhancing our mobile applications to make pricing and appointment information more accessible. These improvements support a smoother patient journey and reduce barriers to understanding healthcare costs.</p> 

PRODUCT STEWARDSHIP AND SAFE CARE

Our responsibility to patients extends beyond treatment delivery. It includes how medicines are sourced, labelled, dispensed and disposed of. We maintain strict standards across the product lifecycle to protect patient safety and reduce environmental impact.

<p>Responsible Sourcing of Medications</p> <p>Transparency extends beyond pricing to how medicines are sourced. KPJ Hospitals procure pharmaceutical products exclusively from licensed and regulated suppliers in accordance with NPRA requirements and Good Distribution Practice standards. Traceability controls are maintained throughout the product lifecycle, and we work with licensed waste management contractors to ensure compliance at every stage.</p>	<p>Product Content and Transparency</p> <p>Medicines dispensed within our hospitals are labelled in accordance with regulatory standards. Information on dosage, strength, expiry and storage conditions is clearly stated, along with necessary safety precautions.</p> <p>Patients are also advised on responsible handling and proper disposal of pharmaceutical substances. Where relevant, guidance includes protecting personal data on packaging before disposal.</p>
<p>Responsible Disposal and Environmental Stewardship</p> <p>Through participation in the Ministry of Health’s MyMediSAFE initiative, four KPJ Hospitals provide designated medication return facilities to discourage disposal through household waste. Returned medicines are directed into controlled clinical waste streams, helping to reduce pharmaceutical contamination and promote community safety.</p>	<p>Safe Use of Products and Services</p> <p>Pharmacist-led counselling supports patients in understanding how to use medications safely. Structured medication safety practices are in place to reduce the risk of errors and misuse, reinforcing our commitment to quality care.</p>



OUTLOOK



As we move into 2026, we will continue strengthening governance maturity and embedding value-based care across the Group. The revised clinical governance structure will sharpen accountability and support more integrated oversight as services grow in complexity. We will scale CoEs through a structured framework that links specialist capability with measurable outcomes. Our focus remains on sustaining safe, consistent and patient-centred care across the KPJ network as clinical complexity continues to evolve.

COMMUNITY OUTREACH

Healthcare outcomes are shaped not only by the care delivered within our hospitals, but also by the conditions and support systems surrounding the communities we serve. Access to timely care and reliable health information plays a critical role in improving long-term wellbeing, particularly for individuals who face barriers to healthcare. Community outreach helps bridge these gaps by bringing healthcare closer to people and encouraging earlier, more informed engagement with health services.

For KPJ, community engagement is about extending our clinical expertise and support into the wider community in ways that are practical and responsive. Reaching people earlier supports better health outcomes and helps reduce avoidable strain on hospital services. It also creates opportunities for healthcare professionals to engage more closely with the communities they serve, building trust over time. By working with partners and community organisations, we deliver support where it is most needed and strengthen our connection with the communities we serve.

Uplifting Our Patients and Communities

Capital	Related SDGs
	

Uplifting Our Patients and Communities

COMMUNITY OUTREACH

OUR APPROACH

KPJ's community outreach is shaped by a governance approach that keeps people at the centre while ensuring clear accountability and inclusive outcomes.

Oversight at Board and Management levels anchors community initiatives within the Group's CSR and sustainability priorities, supported by regular reporting and cross-functional coordination to ensure consistency and transparency throughout programme planning and delivery.

At the heart of these efforts is *Klinik Waqaf An-Nur* ("KWAN"), our primary platform for providing inclusive and affordable healthcare to underserved communities. Concurrently, we extend our community outreach beyond waqf-based care through structured CSR programmes that focus on early intervention and wellness education across diverse populations. This structure allows us to move beyond ad hoc outreach, placing inclusivity at the forefront as we advocate for improved access to care and the promotion of preventive health.



WHAT KPJ DID IN 2025

Throughout the reporting period, we continued to invest in community outreach initiatives. These efforts were delivered through targeted programmes focused on improving access to care, health awareness and early intervention.

OUR IMPACT AT A GLANCE

Access to Healthcare and Health Equity

Through our hospitals, specialist centres and outreach programmes, we expand access to essential medical services. Community screenings and targeted initiatives support early risk identification and timely referrals to appropriate care.

Local Economic Contribution

Our operations support local economies through direct employment across clinical and support roles, as well as engagement with local vendors for services, logistics and medical supplies. Where feasible, our procurement practices promote regulatory compliance and responsible supplier conduct.

Community Partnerships

We collaborate with NGOs and community organisations to deliver targeted outreach programmes, including maternal health, dialysis support and elderly care. During periods of crisis or public health emergencies, we coordinate with relevant agencies to support affected communities.

Community Risk Oversight

No operations were identified as having significant adverse impacts on local communities during the reporting period. We remain attentive to operational risks related to clinical waste, infection control and data protection, and maintain ongoing monitoring and stakeholder engagement to address emerging concerns promptly.

Invested a total of

RM **14.7** million

in Corporate Responsibility Programmes in 2025.



Benefit a total of

74,197 beneficiaries

across the communities we serve.



ACCESS TO CARE

Our access to care initiatives focuses on reducing barriers that prevent individuals and families from obtaining timely healthcare, particularly among underserved and low-income communities. We established community-based primary care platforms and targeted support mechanisms, aiming to encourage earlier intervention and improve health outcomes while complementing the wider public healthcare system.

Waqf-based Primary Care via KWAN

Through Waqf-based Primary Care, we support earlier access to essential primary healthcare services for underserved communities. This helps reduce barriers to care and encourages timely medical attention. By reaching individuals who may otherwise delay or forego care, these programmes contribute to better health outcomes and help ease longer-term pressure on hospital services and the wider public healthcare system.

Strategic Partners & Governance

KWAN collaborates closely with Waqaf An-Nur Corporation Berhad and State Islamic Religious Councils, upholds strong Shariah governance and regulatory compliance, centralizes fundraising through Dana Klinik Waqaf An-Nur (DKWAN), and benefits from KPJ's funding alongside growing corporate and individual contributions.

Structure of KWAN



Strategic Partners



Managing Operations

KWAN operations are managed through the Jawatankuasa Penyelaras KWAN, comprising representatives from KPJ and KWAN, which meets biannually to review programme direction, implementation and continuous improvement.



Our Focus Areas

Preventative Care

Health Screenings

Early Detection

In 2025, the KWAN programme underwent operational rationalisation to improve compliance and better match services to evolving community needs. No new mobile or KWAN clinics were established during the year, and three clinics ceased operations due to funding constraints and regulatory requirements. Services were consolidated to safeguard continuity of care, while selected locations expanded dialysis capacity in response to identified demand. These adjustments were made to preserve programme sustainability and ensure resources remain focused where they are most needed.

Value created:

7,097

patients served (mobile clinic)

55,371

patients served (KWAN clinic)

8 KWAN clinics

8 mobile clinics

8 dialysis centres

INCLUSIVE HEALTHCARE

KPJ's inclusive healthcare initiatives aim to ensure that individuals with different abilities can access care with dignity, understanding and confidence. Our efforts support more responsive healthcare experiences. By addressing barriers that affect communication and care delivery, we ensure that no one is excluded from timely and appropriate treatment.

Disability Inclusive Healthcare

This initiative focuses on improving access to healthcare for persons with disabilities ("PwDs") by addressing communication barriers and supporting more inclusive care delivery. In collaboration with the Malaysian Federation of the Deaf ("MFD"), we conducted sign language training for healthcare staff and developed a Malaysian Sign Language guide for health settings, helping patients receive care with greater clarity and dignity. By supporting early detection efforts and more tailored healthcare services, the initiative responds to the specific needs of underserved and differently-abled communities. At its core, we bring together accessibility, education and preventive care to ensure that no one is left behind in their healthcare journey.

Value created:

Conducted one collaborative workshop with the Malaysian Federation of the Deaf ("MFD"), involving KPJ nurses and Customer Care Experience team to strengthen communication competencies in clinical settings

Delivered two focused sign language training sessions at Tawakkal and Ampang Puteri Specialist Hospitals for frontliners, equipping staff with basic skills to appropriately greet and engage deaf patients upon arrival

Launched the Malaysian Sign Language Health Pocket Guide, a practical reference tool designed to support clearer communication between healthcare professionals and deaf patients in everyday clinical interactions



HEALTH AWARENESS AND PREVENTION

To drive our health awareness and prevention initiatives, we focus on empowering individuals and communities with timely, practical health knowledge that supports earlier action and healthier choices. Through these initiatives, we strengthen health literacy and encourage preventive care across our communities by combining on-the-ground outreach with accessible public education platforms.

MStar Baik 2.0



In 2025, we strengthened our involvement in MStar Baik 2.0 by expanding access to essential healthcare services for vulnerable urban communities while complementing these efforts with targeted welfare support. Guided by clinical oversight, our teams delivered basic health screenings, medical consultations and professional advice through mobile outreach initiatives, including support for the *Klinik Bergerak Wakaf Selangor Muamalat* under the *Jejak Kasih Jalanan* programme.

Recognising that health vulnerability is often closely linked to socio-economic hardship, our outreach was complemented by financial and in-kind assistance aimed at addressing immediate needs. This included festive support such as baju raya contributions and sponsorship of *berbuka puasa* meals during Ramadan. We also continued focused engagement with the homeless community in the Chow Kit area, building on earlier efforts to provide care and strengthen trust within this marginalised group.

Value created:

500 beneficiaries from homeless communities

KopiJom Podcast

KoPiJom is KPJ's podcast platform that brings trusted medical voices closer to the public through open, experience-driven conversations with its specialist physicians. The series features doctors from a wide range of disciplines, including accident and emergency, neurosurgery, paediatrics and women's health, who share frontline insights drawn from real clinical settings. By sharing authentic perspectives from within our hospitals, the platform supports public health awareness and explores the human side of healthcare by highlighting how teamwork and clear communication influence patient outcomes.

Across its episodes, KoPiJom covers practical health knowledge, such as:

- Recognising warning signs that require prompt medical attention
- Understanding the importance of timely emergency response to reduce health risks and complications
- Addressing common healthcare misconceptions, shaped by medical dramas and popular media



Scan this QR code to explore KoPiJom



COMMUNITY CAPACITY AND VOLUNTEERISM

Building on our existing community outreach initiatives, our community capacity and volunteerism efforts mobilise employee volunteers and support education pathways for the underprivileged. Through this approach, we strengthen communities while fostering a culture of compassion and shared responsibility.

Briged Waqaf Volunteerism

Building on our community outreach initiatives, KPJ continues to strengthen community resilience through volunteer mobilisation and disaster response efforts. Through Briged Waqaf, the frontline humanitarian arm under Waqaf An-Nur and the JCorp Group, KPJ employees contribute expertise and resources in times of need, while also supporting community initiatives during non-crisis periods.

Given Malaysia's recurring monsoon season, particularly affecting the East Coast states towards year-end, Briged Waqaf maintains a state of operational readiness to respond to flood-related emergencies. In December 2025, coordinated assistance was deployed to Kedah, Perlis and Kelantan, where more than 50 staff were affected by flooding. A team of eight HQ volunteers, alongside hospital-based volunteers, supported relief efforts over four days, with RM20,000 channelled towards essential aid and recovery support.

This structured, group-wide approach enables KPJ to contribute meaningfully to community relief efforts while fostering a culture of volunteerism, compassion and shared responsibility among employees.

Value created:

60 volunteers participated in the flood relief programmes

57 beneficiaries supported, with wider community impact through aid distribution



Projek Sekolah Angkat

Projek Sekolah Angkat is an education outreach initiative aimed at supporting students from underprivileged backgrounds and strengthening access to education pathways. The initiative focuses on early engagement at school level to nurture students' potential and broaden exposure to higher education and healthcare-related career opportunities. It supports student development while contributing to a longer-term pipeline of skilled and motivated individuals for Malaysia's healthcare sector.

The programme is delivered in collaboration with the Kedah State Education Department ("JPN Kedah") and the Majlis Guru Kaunseling Kedah, formalised through a Memorandum of Understanding signed in 2025.

As part of this collaboration, KPJU participated in the *Karnival Minda Sihat Sekolah, Generasi MADANI Peringkat Kebangsaan 2025* in Alor Setar, engaging approximately 2,500 students and counsellors. The initiative focuses on early engagement to broaden awareness of healthcare-related education and career pathways while supporting holistic student development.

KPJ Penang Specialist Hospital also launched its *Sekolah Angkat* programme by adopting *Sekolah Menengah Kebangsaan Pendidikan Khas Bumbong Lima*, a school for students with special needs. The hospital sponsored hearing aids, conducted free hearing screenings and committed to annual maintenance of assistive devices, reinforcing equitable access to healthcare for students with hearing impairments. This initiative complements the Group's broader efforts in 2025 to enhance accessibility and inclusion within healthcare settings.

Value created:

100

students initially engaged in Kedah, with further tracking of education and career pathways planned following SPM results



OUTLOOK

Beyond 2025, our community outreach will move forward with clearer focus and structure. We will widen access to care by bringing mobile clinics and health screenings to rural areas and underserved communities, ensuring earlier engagement with health services. Inclusion remains central to our approach, with continued efforts to support deaf awareness, promote sign language understanding and create opportunities for youth leadership. We will also strengthen how our programmes are governed through digital improvements and transparent zakat mobilisation, while building a more coordinated volunteer movement across our hospitals. We aim to deliver community healthcare that is accessible, inclusive and responsibly managed.

KPJ CSR 2026

Objective

To extend KPJ Healthcare's Care for Life commitment beyond hospital walls by delivering accessible, inclusive and sustainable health interventions to underserved and vulnerable communities nationwide.

Impact

Improving access, early detection and health literacy for underserved communities, institutionalising volunteerism and transparent zakat governance, reinforcing KPJ as a preferred healthcare partner.

KEY FOCUS AREA



Access to Care

Mobile clinics, screenings, early detection and health education for B40, rural and vulnerable communities.



Inclusion & Empowerment

Deaf awareness, sign language training, youth programmes and community leadership development.



Governance & Sustainability

KWAN digitalisation, structured outreach, transparent zakat mobilisation and operational strengthening.



Volunteer Mobilisation

Institutionalised the KPJ CSR Warriors movement across hospitals nationwide.



DIVERSITY, INCLUSION AND HUMAN RIGHTS

Healthcare is built on human connection. Every day, we serve patients from different cultures, backgrounds and lived experiences. Delivering safe, respectful care requires teams that understand and reflect this diversity. When our people feel included, heard and treated fairly, they collaborate more effectively and contribute with confidence, strengthening both patient experience and clinical outcomes.

We are equally committed to upholding labour and human rights across our operations. Fair treatment, equal opportunity and safe working conditions are essential to maintaining trust with employees, patients and communities. These principles are not treated as compliance obligations alone, but as foundations for organisational resilience and responsible healthcare delivery.

Capital

Related SDGs

Fostering Our People

Fostering Our People

DIVERSITY, INCLUSION AND HUMAN RIGHTS

OUR APPROACH

Our approach to Diversity, Inclusion and Human Rights (“DIHR”) is grounded in structured governance and clear accountability across the employee lifecycle.

These principles guide how we attract, manage and support our workforce, reinforcing fair treatment and respect for human dignity across all hospitals and business units. This approach also ensures compliance with applicable labour and human rights standards in the way our employee-related practices are designed and applied.

DIHR considerations are embedded into management oversight and decision-making, shaping expectations at the highest levels of the organisation. They are also reflected in day-to-day practices, allowing us to identify workforce-related risks early and respond consistently.

We strengthened this foundation by embedding our shared organisational values, C.A.R.E. These values complement our governance framework by shaping leadership expectations and decision-making, ensuring that DIHR principles are lived across the Group.

Reflects our commitment to fair labour practices, compliance with employment laws and structured HR policies that promote equal opportunity and non-discrimination.

Emphasises transparent decision-making and responsibility in recruitment, performance management, rewards and grievance handling, ensuring fairness and consistency.

Reinforces dignity in the workplace, valuing diversity and fostering an environment free from discrimination, harassment and retaliation.

Encourages high standards of professional conduct and ethical behaviour, strengthening integrity and continuous improvement in people practices.

GOVERNANCE, OVERSIGHT AND ACCOUNTABILITY

President and Managing Director

Provides strategic oversight of workforce matters, including diversity and employee well-being. This includes the approval of DIHR-related policies within KPJ.

Group Chief Human Resources Officer (“CHRO”)

Leads the Group’s approach to diversity, inclusion and human rights, ensuring equitable workforce practices and effective employee relations oversight across all entities.

HR Planning

Talent Management & Learning Development

Ensures equitable access to training, leadership development and career progression opportunities. Talent and succession processes are guided by merit- and competency-based criteria to promote fairness and equal opportunity.

Talent Acquisition & Centralised Recruitment

Oversees transparent, merit-based and non-discriminatory recruitment processes, ensuring consistency across subsidiaries in line with labour regulations and internal policies.

HR Services

Rewards & Benefits Management

Administers structured, policy-driven compensation and benefits frameworks aligned with statutory requirements and market practices, supporting fair and equitable treatment of employees.

Performance Management

Oversees structured and transparent performance appraisal processes guided by merit- and competency-based criteria. The framework promotes fairness, accountability and consistency in evaluation, promotion and development decisions across the Group.

Culture, Branding and Change Management

Culture

Reinforces inclusive workplace behaviours through engagement initiatives and internal communications aligned with KPJ’s C.A.R.E. values, fostering a respectful and participative work environment.

Industrial Relations (IR)

Industrial Relations

Manages grievance handling, dispute resolution and compliance with labour laws, providing structured and confidential mechanisms for employees to raise concerns and safeguarding against unfair treatment.

Note: All functions within Group Human Resource Management (“GHRM”) collectively contribute to diversity, inclusion and human rights initiatives through cross-functional collaboration and shared accountability.

POLICIES, STANDARDS AND OPERATIONAL CONTROLS

We have established formal policies and controls to uphold DIHR, ensuring ethical, fair and consistent people practices across the Group.

Diversity, Equity and Inclusion (“DEI”)

Established in 2023, the KPJ DEI Policy covers all employees, including non-standard workers across the Group. Across all employment practices, the policy:

Prohibits	Promotes
<ul style="list-style-type: none"> Discrimination Harassment Victimisation 	<ul style="list-style-type: none"> Fairness Equal Opportunity Inclusion

We operationalise the DEI policy throughout the employee lifecycle, starting with recruitment and extending into development and progression. This includes how we approach training, performance discussions and longer-term workforce planning. Hiring decisions are guided by merit and professional capability, with consistent standards applied across our hospitals and corporate functions to support fair and unbiased outcomes. Beyond our DEI policy, we also align with various national and international standards, principles and acts.

National Alignment	<ul style="list-style-type: none"> Companies Act 2016 Employment Act 1955
International Alignment	<ul style="list-style-type: none"> UN Guiding Principles on Business and Human Rights (“UNGPs”) UN Sustainable Development Goals Women’s Empowerment Principles (“WEPs”)

Fair Employment Practices and Human Rights Protection

We adhere to recognised labour standards, including the International Labour Organisation (“ILO”) Conventions and Malaysia’s Employment Act (Revised 2022), to uphold fair and ethical employment practices.

Our employment practices are guided by these requirements and embedded into our day-to-day people processes. Recruitment decisions are made on merit and without discrimination. We are committed to equitable remuneration practices, including equal pay for equal work, and we provide access to professional development opportunities so employees across the organisation have pathways to grow. We do not engage in, support or tolerate any form of child labour, forced labour or compulsory labour in any of our operations.



For more information on our Diversity, Equity and Inclusion (DEI) Policy, please refer to our corporate website at https://kpj.listedcompany.com/misc/KPJ_Healthcare_DEI_Policy.pdf.

Freedom of Association, Grievance and the Voices of Our Employees

MECHANISM	HOW WE SUPPORT OUR PEOPLE
Grievance Process	We provide a confidential channel for employees to raise concerns, with unresolved cases escalated to Group Human Resources Management – Industrial Relations (“GHRM IR”) for independent investigation and resolution.
Whistleblowing Safeguards	We protect our employees from retaliation, with outcomes communicated through HR to reinforce confidence in the process.
Freedom of Association	We respect employees’ rights to freedom of association and collective representation in accordance with applicable labour laws and ensure these rights can be exercised without discrimination or retaliation.
Advisory Channels	We enable employees to seek guidance on responsible conduct through the Employee Handbook and internal HR advisory support.
Monitoring and Review	We track and review grievances to identify trends, strengthen fairness and improve how employee concerns are addressed.

Workforce Safety & Operational Controls

KPJ’s DIHR approach is reinforced through strong occupational safety and health (“OSH”) practices and employee well-being support. Our OSH management system is implemented in line with the Occupational Safety and Health Act (“OSHA”) Amendment 2022, ISO 45001:2018 and the ILO Declaration on Fundamental Principles and Rights at Work. The system applies to all employees, contractors and visitors across our operations, with no exclusions.

OSH oversight is provided through the KPJ OSH Committee, which plays a central role in monitoring safety performance and guiding corrective actions across the Group.

KPJ OSH Committee	
Members: Management Representative and Employee Representative	<ul style="list-style-type: none"> Review accidents and near-miss reports Recommend OSH control measures Monitor the implementation of corrective actions
Meeting Frequency: At least four times per year	

WHAT KPJ DID IN 2025

BUILDING AN INCLUSIVE AND RESPECTFUL WORKFORCE

In a workforce as diverse as ours, inclusion starts with everyday signals of respect. We acknowledge cultural and religious differences across the Group, with an aim to create shared understanding and a sense of belonging that carries into how our teams work together.

Strengthening Human Rights Governance and Industrial Relations

We undertook a comprehensive review of key employee-related policies, including those covering union engagement, misconduct, sexual harassment and grievance handling. The updates were designed to strengthen clarity around reporting channels and investigation processes, while reinforcing confidentiality and protection against retaliation. This allowed for enhanced industrial relations framework and deepened engagement with employee representatives, ensuring that concerns are addressed transparently and fairly across the Group.

Supporting Working Mothers

We remain committed to providing a supportive environment for breastfeeding employees. Many of our hospitals provide designated lactation facilities to support mothers returning to work. Several hospitals maintain Baby-Friendly Hospital Initiative (“BFHI”) accreditation, reflecting our commitment to maternal wellbeing not only in patient care, but within our own workforce.

Mental Health and Emotional Wellbeing

Rather than treating mental health as an isolated programme, we aim to create an environment where employees feel safe to seek support and speak openly when challenges arise. We recognise the demanding nature of healthcare work, and organised mental health awareness webinars under the *Peka Prihatin* initiative in collaboration with International Islamic University Malaysia (“IIUM”). These sessions focused on emotional resilience and stress management, helping to normalise conversations around mental wellbeing.



BENEFITS THAT SUPPORT EMPLOYEE WELLBEING

We focus on practical benefits that make healthcare easier to manage, especially where cost or continuity can affect an employee’s wellbeing. This approach stems from our belief that wellbeing is shaped as much by access as it is by policy.

Employee Health and Support Mechanisms

We supported employee dignity and wellbeing through access to occupational health services, medical benefits and voluntary health promotion programmes, covering both physical and mental health. Employees also had access to external counselling services through certified providers, supporting early intervention and emotional wellbeing.

Flexible Working Arrangements

Where operationally feasible, we provide flexible working arrangements in consultation with supervisors and hospital management. This approach recognises that employees manage responsibilities beyond the workplace, while ensuring patient care standards remain uncompromised.

Long-Term Medication Delivery Service via eFarma

In collaboration with KPJ Healthshoppe and PMCare, we introduced eFarma, a long-term medication delivery service exclusive for KPJ employees. The programme provides access to prescribed medication at Exclusive employee rates, delivered directly through KPJ Healthshoppe. eFarma helps employees extend their annual medical benefits while improving access to essential medication.



Comprehensive Medical and Financial Protection

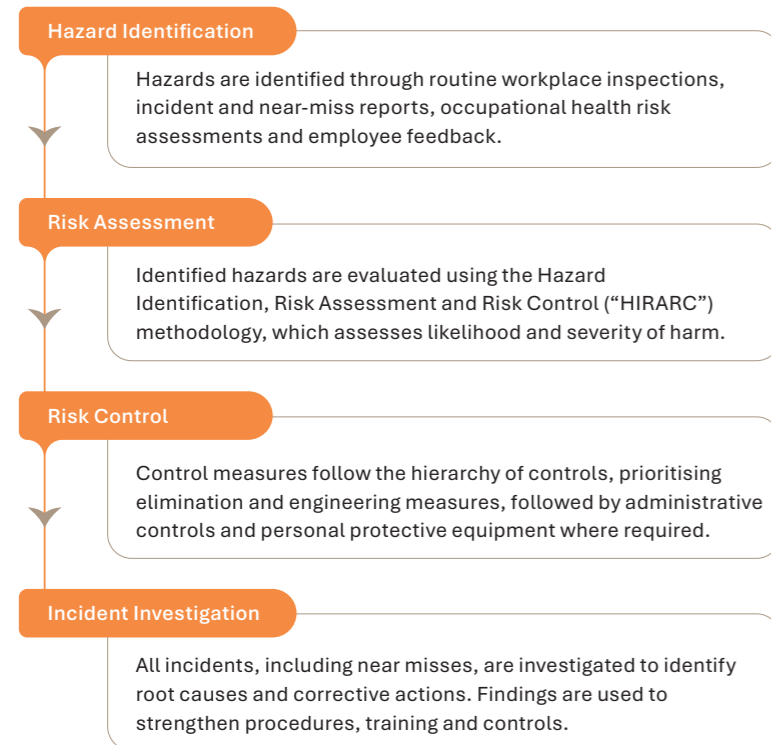
Our benefits extend beyond routine care. Employees and eligible family members receive annual medical check-ups, outpatient and inpatient coverage, health screening support and life insurance protection. We also provide a Group Personal Accident scheme and a Medical Top Up Fund to support hospitalisation treatments when needed.

Educational scholarships are actually available for all, not specifically for employee’s children. If employees want to enrol, there are also opportunities for scholarships, supporting long-term family wellbeing and career pathways. Parental leave provisions include 98 days of paid maternity leave and seven days of paid parental leave.

SAFEGUARDING EMPLOYEE HEALTH AND SAFETY

Workplace Hazard Identification and Risk Control

We take a systematic approach to identifying hazards and managing safety risks across our operations. Both routine and non-routine activities are assessed to help prevent injury and protects employee health.



Value created:

100%

employees are covered by the OHS system

90%

employees received health and safety training

Zero

high consequence work-related injuries in 2025

This year, ergonomic risks were identified as the primary work-related ill-health focus area. To manage this, we conducted ergonomic risk assessments at selected hospitals and are in the process of rolling out risk assessor training for hospital PICs.

EMPLOYEE PARTICIPATION, PROTECTION AND HEALTH SUPPORT

We support employee health and safety by making it easy for our people to speak up about risks and to access occupational health support when they need it.

How We Support Our People



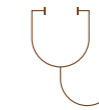
Safe reporting and protection

We provide clear channels for employees to raise safety concerns, and we apply a no-blame approach when issues are reported. Employees are also empowered to step away from situations they reasonably believe are unsafe, in line with legal requirements.



Employee participation in safety

Employees are involved in safety discussions and reviews, including committees and incident follow-ups, so day-to-day realities on the ground inform safety decisions.



Occupational health support

We offer occupational health services across our hospitals, including health surveillance, fitness-for-work assessments and professional advice, supported by Occupational Health Doctors.



Follow-up and improvement

We review and investigate safety reports and incidents to understand what went wrong and to strengthen how risks are managed across our operations.

OUTLOOK

Looking ahead, we will continue to strengthen and enhance our approach to DEI across the Group. Building on the foundations established through policy reviews, employee engagement initiatives and governance enhancements in 2025, we aim to further embed inclusive principles into everyday workforce practices.

Our focus will be on enhancing consistency across hospitals, strengthening data-informed oversight of workforce trends and reinforcing leadership accountability in fostering respectful and equitable workplace environments. Moving forward, we plan to establish an online helpdesk and query/grievance support system to manage inquiries efficiently. We will also continue standardising key people frameworks, including the Employee Handbook and occupational safety procedures, to ensure clarity and alignment across entities.

We seek to ensure that diversity, inclusion and human rights principles remain deeply integrated into our organisational culture and people practices.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Healthcare is built on human connection. Every day, we serve patients from different cultures, backgrounds and lived experiences. Delivering safe, respectful care requires teams that understand and reflect this diversity. When our people feel included, heard and treated fairly, they collaborate more effectively and contribute with confidence, strengthening both patient experience and clinical outcomes.

We are equally committed to upholding labour and human rights across our operations. Fair treatment, equal opportunity and safe working conditions are essential to maintaining trust with employees, patients and communities. These principles are not treated as compliance obligations alone, but as foundations for organisational resilience and responsible healthcare delivery.

Fostering Our People

Capital	Related SDGs



Fostering Our People

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

OUR APPROACH

We believe that our people are central to how we deliver care and how the Group continues to grow. We align our people practices with applicable labour regulations and professional standards.

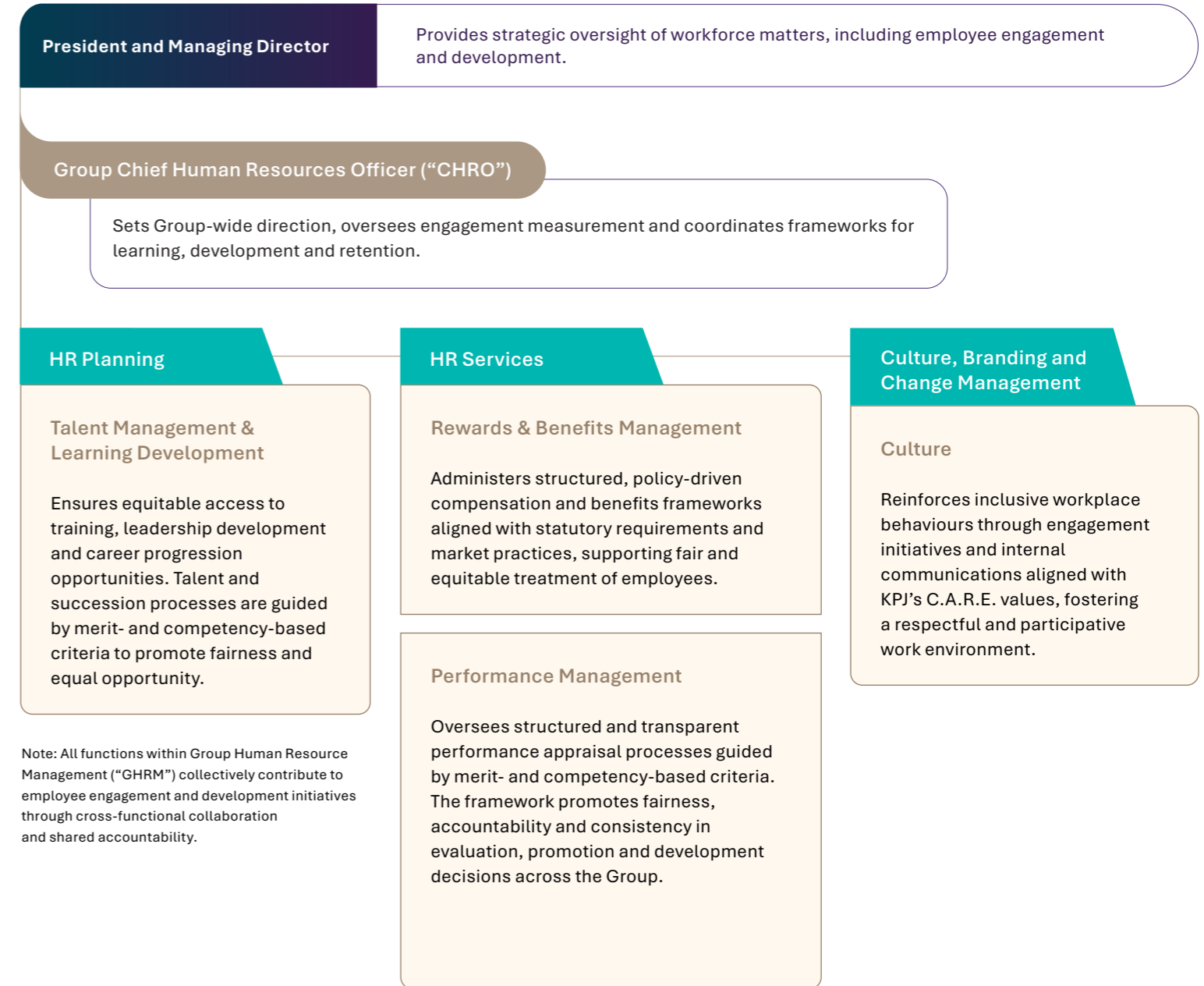
General Labour Regulations

- Malaysia Employment Act (Revised 2022)
- ILO international labour principles
- Private Healthcare Facilities and Services Act 1998 (“PHFSA”)
- Malaysian Medical Association (“MMA”) Code of Medical Ethics
- Malaysian Medical Council (“MMC”) Code of Professional Conduct

Building on this foundation, we place greater emphasis on listening to employees and responding thoughtfully to their feedback. Engagement and development are approached as ongoing efforts, rather than one-off programmes. We encourage open communication and active leadership involvement, supported by regular feedback mechanisms that help us understand what our people need to succeed. This creates a work environment where employees feel supported and heard, and where they are encouraged to grow with the organisation. Over time, this approach will strengthen our workforce resilience to support consistent care delivery across the KPJ Health System.



GOVERNANCE, OVERSIGHT AND ACCOUNTABILITY



OUR ENGAGEMENT FRAMEWORK

Employee Engagement

Anchored by our C.A.R.E. values, we engage regularly in dialogue between leadership and employees. While we do not operate under a standalone employee engagement policy, we rely on structured feedback to guide how engagement is shaped and improved. Survey insights are used to identify priority areas and inform targeted actions, allowing our approach to remain responsive to evolving workforce needs and different operating contexts. This reinforces a culture of continuous improvement rather than fixed or prescriptive interventions.

We have platforms in place that provide consistent channels for two-way communication, helping to strengthen alignment, trust and leadership visibility. Feedback from the employee surveys play a central role in setting engagement priorities and tracking progress across the Group.



Learning & Development

We focus on building a skilled and adaptable workforce that can respond to evolving clinical, operational and regulatory demands. The Group’s Training and Development Policy underscores the importance of continuous learning and mandates a minimum of 30 training hours per employee each year. This requirement applies across clinical, operational and support roles, ensuring broad and equitable access to development opportunities.

Learning initiatives coordinated by GHRM are guided by training needs analysis and organisational priorities. We also consider role expectations and feedback from employees and managers, so that development efforts respond to real capability gaps on the ground. Learning pathways combine hands-on experience with structured development opportunities, recognising how skills are built in a healthcare environment. This helps ensure learning remains aligned with the evolving needs of the KPJ Health System.



WHAT KPJ DID IN 2025

STRENGTHENING ENGAGEMENT THROUGH CONVERSATION

Employee engagement at KPJ is shaped by regular talks between leaders and employees, especially across hospitals and shift-based teams. These conversations help us stay grounded in day-to-day realities and respond in ways that feel relevant to our people.



Chin’s Insights

Frequency:
Monthly

Chin’s Insights is a platform for direct dialogue between employees and senior leadership. It creates space for open conversations on KPJ’s direction, performance and priorities, while allowing employees to raise questions and share perspectives in real time.

C.A.R.E. with Leaders

Frequency:
Rotational basis across subsidiaries, with senior leaders engaging periodically throughout the year.

C.A.R.E. with Leaders is an engagement series that brings senior leaders into smaller, more personal conversations with employees. The sessions emphasise approachability, shared values and lived leadership experiences, rather than formal messaging. These interactions humanise leadership and strengthen emotional connection, especially in shift-based and high-pressure healthcare environments.

People Happiness Survey

Frequency:
Twice a year

We use the People Happiness Survey as our primary listening tool to understand employee sentiment. A mid-year pulse survey and a year-end full survey allow us to track trends and identify priority areas for action. The survey ensures employee feedback directly informs engagement priorities, rather than relying on assumptions or ad hoc feedback.

KPJ Health System (“KPJHS”) Engagement & Integration

We continued strengthening alignment across the Group through KPJ Health System (“KPJHS”) engagement platforms. Dialogue series and cross-functional engagement sessions were organised to reinforce a shared clinical and operational identity, encouraging collaboration across hospitals and support functions. These platforms supported understanding and adoption of the KPJHS framework, fostering ownership and integration across diverse teams.

Value created:

- Improved cross-functional collaboration
- Stronger alignment with the KPJHS principles

Value created:

Conducted **8** Chin’s Insights episodes in 2025, reinforcing tone-from-the-top leadership and strategic alignment across the Group

Value created:

22 sessions conducted in 2025 across the Group



Value created:

91% Employee Engagement Index (“EEI”) Score



Employee Wellbeing and Workplace Experience

We strengthened employee wellbeing through structured workplace experience initiatives, combining physical, mental and social wellbeing support.

This included staff-led morale initiatives under Project HAPPY, sports and recreation platforms to encourage connection, and mental wellbeing awareness sessions under the Peka Prihatin series conducted in collaboration with the Counselling and Career Services Centre, International Islamic University Malaysia (“IIUM”).

In December, we launched The Weave at Menara KPJ, a collaborative workspace created to enhance the overall workplace experience for our employees. Designed to support more flexible ways of working, the space provides areas for focused work alongside spaces that encourage interaction and collaboration among teams.

The facility also includes a multi-purpose hall that can host up to 500 participants for internal engagements such as town halls and training sessions.

Value created:

- Improved employee morale and workplace engagement
- Increased awareness of mental health support
- Stronger cross-departmental connection



Sustainability Learning & Engagement

This year, we continued building sustainability awareness and capability across the workforce through learning series, recognition platforms and participation in external sustainability forums. These initiatives encouraged cross-departmental involvement and strengthened employee understanding of KPJ’s sustainability commitments.



SusTrain Series

Rolled out sustainability courses via the UNGC Academy to all employees, building internal ESG capability and supporting the integration of sustainability principles into daily operations.



KPJ’s Sustainability Day 2025

Hosted in a hybrid format, engaging more than 400 employees physically and providing virtual access to all employees across the Group to broaden sustainability awareness and participation.



Strategic Engagement with UN Global Compact Network Malaysia & Brunei (“UNGCMYB”)

Enabled cross-functional employee engagement in UNGCMYB initiatives, building sustainability literacy and broadening organisational exposure to national ESG discourse.

NURTURING TALENT ACROSS THE GROUP

We designed our learning and development around how our people work in the healthcare setting. We focus on building capability that supports current roles while opening pathways for growth within the KPJ Health System.

This year, we invested

RM 14.1 million

in learning and development, delivering and average of

39 training hours per employee

Programmes covered clinical, operational and leadership capabilities, coordinated by GHRM in collaboration with KPJ Healthcare University (“KPJU”) and external trainers.

Enhancing Nursing Services and Capability

In 2025, we enriched nursing oversight and capability to support safe care and consistent standards across the Group. Our focus was on more structured Group-level governance, clearer role accountability, and targeted capability building across hospitals.



Group-level nursing governance

Regular engagements led by the Chief Nursing Officer across key nursing specialties were improved to review clinical priorities and specialty risks. These forums supported closer alignment with national guidelines and encouraged shared learning across hospitals.

Accountability and performance clarity

Nursing job descriptions, Key Performance Indicators (“KPIs”) and privileging frameworks were standardised to reinforce clear scope of practice, accountability and safe care delivery.

Capability development

Nursing capability was advanced through structured clinical training, leadership development initiatives and academic engagement platforms to strengthen technical competence and support the development of nursing leaders.

Value created:

- Two dedicated Group-level nursing committees established to strengthen specialty oversight
- Standardised nursing KPIs and privileging frameworks implemented across hospitals
- Improved consistency in nursing practices and governance across the KPJ network
- Stronger nursing leadership and capability to support patient safety and service quality

Upskilling Programmes for Leadership

We continued to strengthen leadership capability across the organisation by investing in structured development pathways tailored to different leadership levels, from supervisors and managers to hospital chief executive officers. These programmes reinforce our C.A.R.E. values and build the depth needed to lead effectively across the KPJ Health System.



Programme	Description	Value Created
Continuous Leadership Initiative for Managerial Breakthrough (“C.L.I.M.B.”)	C.L.I.M.B. is a structured development programme for KPJ’s people managers, certified by the Oxbridge Institute of Professional Development (UK). It focuses on strengthening day-to-day leadership capability and decision-making, while embedding KPJ’s C.A.R.E. values into how managers lead their teams and deliver outcomes.	193 managers completed the programme since 2023
Supervisory Training for Excellence and Performance (“S.T.E.P.”)	S.T.E.P. strengthens supervisory capability by preparing executives for broader leadership responsibilities. The programme supports progression by sharpening people management skills and improving readiness for promotion within KPJ.	104 executives and senior executives completed the programme to date
Leadership Ascendancy Programme (“L.E.A.P.”), Organised by KPJU in collaboration with Melbourne Business School	L.E.A.P. is a seven-month leadership programme designed specifically for Hospital Chief Executive Officers. It focuses on strengthening strategic thinking and leadership judgement in complex healthcare environments, with exposure to global perspectives through an international academic setting.	24 hospital CEOs successfully completed the programme
KPJ C.A.R.E. Culture Train-the-Trainer (“TTT”) Programme	The KPJ CARE Culture TTT Programme builds internal champions to embed the C.A.R.E. values consistently across subsidiaries. Participants are equipped to cascade values-based practices through coaching, facilitation and everyday reinforcement, helping to sustain a shared culture beyond formal training sessions.	109 internal trainers completed the programme

Educational Sponsorship and Career Advancement

We supported employees in progressing their careers through structured educational sponsorships linked directly to our workforce needs. These sponsorships enable staff to pursue further studies in clinical, nursing and management disciplines, while continuing to build their careers within KPJ. Particular emphasis was placed on advancing nursing qualifications, recognising the critical role nurses play across our hospitals and the importance of developing specialist capability from within the Group.



For our people, sponsorship creates genuine opportunities. It removes barriers that often limit progression and allows employees to deepen their expertise, step into larger responsibilities and build long-term careers within KPJ. For us, this investment strengthens continuity of care by growing capability from within and ensuring critical skills are developed by people who already understand our patients, our systems and our values.



How it works

Education is delivered through a blended model that combines partnerships with external institutions and KPJ's own academic ecosystem, including KPJU, KPJ Healthcare College Johor Bahru ("KPJC JB") and KPJ Healthcare College Penang ("KPJC Penang"). This integration ensures learning is closely aligned with real clinical practice, allowing employees to apply new skills directly in their day-to-day roles rather than treating education as separate from service delivery.



LearnNova Digital Learning Platform

We introduced LearnNova because we saw that learning was becoming harder to sustain as work became more complex and fast-paced. Launched in December 2025, LearnNova gives our people a single place to learn, track progress and plan their development. It allows employees to access training when it fits their work and life, rather than forcing learning into fixed schedules.



Value created:

Improved accessibility to training for all employees

Retaining our Workforce and Performance Appraisals

At KPJ, performance is about more than meeting targets. It is also about how our people live our shared values of C.A.R.E.

Each employee is assessed on both results and the behaviours they bring to their role. Our blended goal-setting approach links individual responsibilities to organisational priorities and patient care standards, helping employees see how their work contributes to the bigger picture.

Bi-annual reviews and ongoing performance conversations ensure continuous feedback, culminating in a year-end assessment. Through the C.A.R.E. evaluation and 360-degree feedback for leaders, we recognise values-driven conduct and strengthen accountability across the Group.



Snippets of KPIs Performance Management

WHAT

The performance management framework reinforces clarity in expectations and fairness in evaluation. Calibration sessions across Business Units support consistency, while performance data informs workforce planning and succession decisions.

WHY

At KPJ, performance conversations are about more than targets. They shape how our people grow, how leaders lead and how we sustain excellence in patient care.

We assess employees on the results they deliver and on how they live our Shared Values of C.A.R.E. This balance keeps our culture strong while ensuring that standards remain high across every role.

Performance outcomes inform development plans, succession readiness and leadership pipelines. In this way, human capital remains central to our long-term resilience and sustainability.

WHO

The framework applies across the Group, covering both clinical and non-clinical employees. Every role contributes to patient care excellence, and every employee participates in a consistent appraisal process.

WHEN

Our appraisal cycle follows a clear rhythm throughout the year.

An annual appraisal provides a formal review of performance against agreed goals and C.A.R.E. values. Mid-year reviews and regular check-ins create space for honest conversations about progress, priorities and support needed.

This ongoing dialogue helps employees stay aligned and feel supported, rather than waiting for a single year-end assessment.

HOW

We connect individual responsibilities to organisational priorities through a blended assessment approach. Clinical and operational outcomes are reviewed alongside behavioural alignment with C.A.R.E., ensuring that results and values carry equal weight.

Leaders also participate in 360-degree feedback. Hearing from peers and team members offers a broader perspective and strengthens accountability. It reinforces a leadership culture grounded in integrity and openness.

Performance Management Timeline Overview

Q1 - Q2

Goal setting aligned with KPJ's strategic priorities. Managers participate in awareness sessions to ensure goals are meaningful and directly support the corporate agenda.

Q2 - Q3

Mid-year reviews and check-ins to assess progress, recalibrate objectives and respond to evolving organisational needs and patient care priorities.

Q4

Formal year-end assessment, consolidation of performance outcomes, leadership 360-degree feedback and calibration sessions to ensure fairness, consistency and alignment across all Business Units.

Section 6

Value created:

91%

Employee Retention Rate



TRANSITION ASSISTANCE FOR EMPLOYEES

We support our employees across key career milestones, recognising that financial security and well-managed transitions contribute to individual wellbeing and organisational continuity. Our approach covers retirement preparation, role transitions and workforce mobility, ensuring employees are supported with clarity and fairness during periods of change.

CAREER STAGE	WHAT WE PROVIDE	IMPACT
Career Transitions and Role Changes	Dedicated mentor-mentee guidance to support employees navigating new roles, ensuring knowledge continuity and professional confidence during change.	Smoother role transitions and stronger continuity of expertise within the Group.
Workforce Mobility and Relocation	Financial support of up to six months to ease relocation when business needs require movement across the network.	Fair access to opportunities across the network without creating financial strain.
Retirement Preparation	Early and structured retirement planning conversations, supported by a 15% EPF contribution above market practice to strengthen long-term financial security, particularly for employees completing four years of service and beyond.	Greater retirement readiness and financial resilience, supporting stable workforce planning.

OUTLOOK

We want engagement and development to feel embedded in everyday working life at KPJ. Throughout the year, we will continue to create meaningful opportunities for our people to connect with leadership, be recognised for their contributions and share feedback that helps us improve. We are also strengthening how employees learn and

progress by widening access to development through LearnNova and continuing to build leadership capability across the Group. As we draw clearer insight from learning data and employee feedback, we can respond more quickly to evolving needs and invest in skills that matter most.

GOVERNANCE, ETHICS AND INTEGRITY

As a leading healthcare provider, KPJ operates in a highly regulated environment where trust and regulatory confidence are essential to long-term credibility. Strong governance and ethical conduct play a critical role in ensuring that decisions are made responsibly and that the organisation meets its obligations to patients, regulators and business partners. In a sector where governance lapses can directly affect patient welfare and institutional confidence, maintaining clear ethical standards and disciplined oversight is fundamental to the integrity of healthcare delivery.

For KPJ, ethics and integrity shape how care is experienced and how our stakeholders place their trust in the organisation. Patients rely on us to act in their best interests, while physicians and employees depend on clear ethical guidance to support sound judgement in complex clinical and operational situations. We aim to strengthen stakeholder confidence and protect our reputation as a responsible healthcare provider by embedding ethical principles across our operations and leadership practices.

Capital



Related SDGs



Upholding Good Governance



Upholding Good Governance

GOVERNANCE, ETHICS AND INTEGRITY

OUR APPROACH

Our approach to governance, ethics and integrity is anchored in formal oversight arrangements and clearly defined responsibilities that guide how integrity matters are managed across the Group.

Operating within a highly regulated healthcare environment, we place strong emphasis on ensuring that ethical conduct and governance expectations are applied consistently in decision-making and daily operations, with clear pathways for reporting, escalation and accountability. This approach is supported through established Board and management oversight, reinforced by formal policies and procedures that govern integrity-related matters.

GOVERNANCE, OVERSIGHT AND ACCOUNTABILITY

Board Level

Risk, Sustainability and Governance Committee ("RSGC")

Provides Board-level oversight of governance, ethics and integrity matters, including the review of integrity-related issues such as strategic planning, focus areas and whistleblowing cases, ensuring that significant matters are escalated appropriately with clear direction provided.

Operational Level

Integrity Unit

Manages whistleblowing and integrity-related matters across the Group and reports these to the Whistleblowing Committee and RSGC to support effective oversight and escalation.

Our governance, ethics and integrity practices are guided by formal policies and procedures that set clear expectations for ethical conduct across the Group.

REGULATORY & ANTI-BRIBERY COMPLIANCE FRAMEWORK

- Regulatory Compliance
- ISO 37001 Anti-Bribery Management System ("ABMS") Manual
- Malaysian Anti-Corruption Act 2009 ("Act 694") and Amendment Act 2018 ("Act A1567")
- Whistleblower Protection Act 2010 ("Act 711")
- National Anti-Corruption Plan ("NACP") 2019 - 2023
- National Anti-Corruption Strategy ("NACS") 2024-2028
- Arahan YAB Perdana Menteri Malaysia: Siri No. 1 Tahun 2018 dan Siri No. 1 Tahun 2019
- Guidelines on Adequate Procedures Pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Act (Amendment) 2018

INTERNAL CONTROLS

- KPJHB Whistleblowing Policy
- KPJHB Anti-Bribery & Anti-Corruption Policy ("ABAC")
- KPJHB ABMS Whole Policy & Procedure ("WPP")
- KPJHB ABMS Support Process ("SP")
- KPJHB Anti Bribery Management System ISO 37001:2016
- KPJHB Anti Bribery Management System ISO 37001:2025

These policies and procedures are aligned with Malaysian laws and regulatory requirements, ensuring our approach to ethics and integrity remains consistent with regulatory expectations and continues to support responsible conduct across our healthcare operations.

For more information about KPJ's policies and guidelines, please refer to our Corporate Governance here.

WHAT KPJ DID IN 2025

INTEGRITY AND WHISTLEBLOWING MECHANISMS

In 2025, we took deliberate steps to strengthen governance, ethics and integrity across the Group by reinforcing ethical expectations in daily operations and strengthening how concerns are reported, reviewed and assured.

Training conducted by the Integrity Unit for staff at KPJ Penang Specialist Hospital on whistleblowing policies and procedures, strengthening awareness, accountability and ethical reporting practices.

Integrity Awareness and Workforce Engagement

This year, we strengthened integrity awareness across the Group through Integrity Awareness Training for newly appointed staff, supported by onboarding briefings and ongoing internal communications at subsidiary levels. Engagement was reinforced through Integrity Ambassadors, who support local understanding of KPJ integrity policies and provide guidance on integrity-related matters in day-to-day operations.



Whistleblowing, Monitoring and Compliance

The Integrity Unit continued to manage whistleblowing activities across the Group, including reporting, investigation and detection in accordance with established procedures. Integrity compliance was supported through ongoing monitoring using integrity reporting mechanisms, alongside internal audits of the ISO 37001:2016 Anti-Bribery Management System.

Value created:

Zero whistleblowing reports received

For more information on KPJ's whistleblowing mechanisms, please refer to page xx of the KPJ Integrated Annual Report 2025.

Independent Assurance of Integrity Controls

We subjected our ABMS to independent external assurance through an audit conducted by SIRIM QAS International. This was an integrated audit with the ISO 9001:2015 Quality Management System, assessing the effectiveness and application of ISO 37001:2016 requirements across the organisation. The auditors also identified opportunities to further strengthen system effectiveness and risk management, which are being addressed through structured action plans to support continual improvement and alignment with organisational objectives.

Value created:

Zero Nonconformity Reports ("NCRs")

EXTERNAL ENGAGEMENT, COLLABORATION AND RECOGNITION

We engaged actively with national integrity platforms and sector stakeholders to support stronger governance, ethics and anti-corruption practices within the healthcare ecosystem. Reflecting these efforts, KPJ was awarded the *Anugerah Perak* (Silver Award) in the Private Sector category at the *Anugerah Integriti, Governans dan Antirasuah* ("AIGA") 2025, the only private healthcare organisation recognised at the event.



Chief Integrity and Governance Officer ("CIGO") Symposium 2025

- Participated in integrity and governance discussions with Chief Integrity and Governance Officers from companies, GLCs and PLCs.
- Engaged with the Malaysian Anti-Corruption Commission ("MACC") and related entities on matters relating to anti-corruption, ethics and compliance.
- Contributed to dialogue aligned with the symposium theme, *Integrity in Action: Transforming Complaints Towards MADANI Governance*.

International Anti-Corruption Day (HARA) 2025

- Participated in the national commemoration organised by the MAC and their strategic partners.
- Supported public messaging on integrity, firm law enforcement and high-integrity administration.

National Integrity Month 2025

- Demonstrated organisational support for integrity as a foundation of national wellbeing.
- Aligned with national messaging on integrity as a benchmark of societal progress.

Support for the National Anti-Corruption Strategy ("NACS")

- Supported the NACS in line with national priorities.
- Implemented NACS-aligned strategies within our governance and integrity practices.

PHARMASERV ALLIANCES SDN. BHD. ("PASB") PARTICIPATION IN AIGA 2025

In 2025, PASB, one of KPJ's key support service subsidiaries, participated in the AIGA 2025 assessment as part of a structured evaluation of governance and integrity practices. This participation reflects our continued commitment to embedding recognised governance and integrity standards not only at the Group level, but consistently across our subsidiaries.

OUTLOOK

We will continue to strengthen governance, ethics and integrity through a structured and phased approach that builds on established practices. Our focus is on ensuring that integrity expectations are clearly understood and effectively applied as regulatory and stakeholder expectations continue to evolve.

In the short term, our focus will be on awareness and capability through refreshed integrity training and strengthened reporting and monitoring mechanisms. We will also continue to reinforce our ABMS with greater emphasis on audit effectiveness and timely remediation of findings.

Over the medium term, we aim to further formalise and expand the Integrity Ambassador Programme to deepen engagement and ownership across the organisation. Integrity considerations will be more closely integrated into leadership development and performance processes. We will also prepare for alignment with ISO 37001:2025, strengthening our corruption risk management framework in line with evolving standards and best practices.

TECHNOLOGY, INNOVATION AND COLLABORATION

Healthcare today is shaped as much by how care is delivered as by the care itself. Digital systems and new approaches to care are no longer about efficiency alone. They influence how quickly patients are diagnosed, how well information flows across hospitals and how confidently clinicians can make decisions. For KPJ, the ability to apply these capabilities thoughtfully is closely tied to better outcomes for our business as well as maintaining trust at scale.

For our patients, this means care that feels coordinated, informed and responsive, from the first consultation through treatment and recovery. For clinicians and staff, it means working in an environment where information is accessible, processes are streamlined, and time can be spent where it matters most: with patients. This progress does not happen in isolation. It relies on close collaboration with clinicians, technology partners, regulators and the wider healthcare ecosystem to adopt solutions that are safe and fit for purpose. By advancing care in this way, we strengthen patient confidence today while helping build a healthcare system that remains resilient and ready for the future.

Capital	Related SDGs
	  

Upholding Good Governance



Upholding Good Governance

TECHNOLOGY, INNOVATION AND COLLABORATION

OUR APPROACH

Our approach focuses on building a strong digital foundation that improves patient care, supports clinicians and enables the Group to operate as a connected healthcare network.

Progressing from our 2024 Digital roadmap, Group Technology Services (“GTS”) 2025 roadmap guides us in modernising KPJ’s digital infrastructure and advancing innovation to enhance operational efficiency, data-driven care and patient care. It ensures that digital initiatives are guided by clinical needs and operational priorities, rather than implemented in isolation.

The New Health Information System (“nHIS”) allows seamless data access across clinical functions. By enhancing the accessibility of patient information for clinicians, the system supports timely clinical decisions, advanced analytics and a more connected patient experience.

To ensure digital innovation is underpinned by trust, KPJ has established a **Data and AI Management and Governance Framework**. It strengthens data governance practices, supports compliance with Malaysia’s Personal Data Protection Act (“PDPA”) and promotes the responsible and ethical use of data and artificial intelligence. By enhancing transparency and accountability in data-driven and AI-enabled initiatives, the framework reinforces stakeholder confidence in KPJ’s digital healthcare ecosystem.



WHAT KPJ DID IN 2025

ADVANCING SMARTER, PATIENT-CENTRED CARE



We deliberately applied digital tools and artificial intelligence to improve how patients experience care and how clinicians work day-to-day. This effort was anchored by the **Year of Alnnovation**, which set a clear direction for integrating AI and innovation into hospital operations with a strong focus on patient outcomes, clinical quality and operational efficiency.

The Year of Alnnovation brought together KPJ’s hospitals, subsidiaries and partners around a shared ambition to deliver care that is both technologically advanced and human-centred. This included the rollout of patient-facing and clinical tools, as well as broader engagement through **AiNOVATION 2025**, a four-day public showcase that demonstrated how digital health and clinical innovation support KPJ’s Care for Life commitment and its ongoing transformation under the KPJ Health System.



Under the Year of Alnnovation campaign, we also implemented new solutions and initiatives to drive greater efficiency and outcomes.

Key Initiatives and Outcomes:

SOLUTION	HOW IT CREATES VALUE
<p>KPJ AI Chatbot</p> <p>Delivers personalised, AI-enabled support for routine patient enquiries, including appointments, hospital and doctor information, reminders and health recommendations with progressive integration of appointment management and data-driven insights.</p> <p><i>All development sprints were completed ahead of or in line with the planned 2025 timeline.</i></p>	<ul style="list-style-type: none"> • Faster response times for patient enquiries • Reduced administrative workload for hospital staff • Enhanced patient engagement through intelligent, self-service support 
<p>KPJ Cares App</p> <p>An enhanced mobile-first platform that enables patients to manage appointments, access medical records and billing information, make payments, use health tools such as the Symptom Checker and receive timely health notifications, anytime and anywhere.</p> <p><i>Phase 3 was completed in December 2025, in line with the planned implementation timeline.</i></p>	<ul style="list-style-type: none"> • Greater convenience and digital self-service for patients • More seamless care journeys across KPJ facilities 

STRENGTHENING DIGITAL INFRASTRUCTURE AND SYSTEM RESILIENCE

High-quality healthcare depends on systems that are reliable, secure and able to operate without disruption. In 2025, KPJ strengthened the digital foundations that support care delivery across its hospitals, focusing on infrastructure resilience, cybersecurity and secure communication. While these systems operate largely behind the scenes, they play a critical role in safeguarding patient information, supporting continuity of care and maintaining trust across the Group’s healthcare network.

Areas Strengthened in 2025

1. Core Data Centre Infrastructure

We modernised our data centre through the Managed Private Cloud (“MPC”) Upgrade to support next-generation digital applications, improve system scalability and enhance overall performance. The upgrade includes improved uptime, faster application performance, advanced security controls, real-time monitoring, and stronger disaster recovery capabilities.

Value created:

Ensures high availability of critical clinical and operational systems, supports the expansion of digital health services and safeguards business continuity across KPJ’s hospitals.



2. Secure Internal Communication

We introduced a secure, encrypted messaging platform in partnership with NetSfere, enabling voice and video calls, file sharing and AI-enabled workflows across 30 hospitals. The platform is hosted on Amazon Web Services in Malaysia and complies with PDPA, MSQH and JCI standards, ensuring data sovereignty and auditability.

Value created:

Strengthens secure collaboration among clinicians and staff, protects sensitive patient information and supports safer, more efficient communication across the KPJ network.



CONNECTING CARE THROUGH SHARED IMAGING AND DATA

Medical imaging is critical to diagnosis, treatment planning and follow-up care. However, in large hospital networks, imaging records often sit within individual facilities, creating barriers when patients move between hospitals or when clinicians need access to prior studies. This fragmentation can delay referrals, complicate clinical decisions and affect patient experience. In 2025, we addressed this challenge by strengthening how imaging data is shared and accessed across its network.

We entered a multi-year partnership with Philips and LAC Medical Supplies to implement an Enterprise Picture Archiving and Communication System (“PACS”) across its thirty hospitals. Delivered through the KPJ Philips Enterprise PACS platform, the system connects hospitals to a single secure imaging environment, enabling images to be stored, accessed and shared consistently across facilities. Patients also benefit from direct access to imaging results through the KPJ Cares app.



Value created:

13 KPJ Hospitals have been implemented with Enterprise PACS

With imaging available through a single platform, clinicians can review complete imaging records from a single interface, supporting faster reporting, smoother referrals and closer collaboration across hospitals. Patients experience better continuity of care, with imaging following them across KPJ hospitals without the need for physical transfers.

Before

- Medical images stored within individual hospitals
- Manual, hospital-to-hospital transfers using physical media
- Limited visibility of patient imaging history across facilities

After

- A single enterprise imaging platform across the KPJ network
- Secure access to imaging studies across hospitals through a central system
- Patient visibility of imaging results through the KPJ Cares app

BUILDING FUTURE-READY TALENT

Our digital transformation is underpinned by sustained investment in people, skills and culture. We focus on developing healthcare professionals and leaders who can apply digital tools responsibly and translate new ideas into better patient outcomes.



Building capability through KPJ Healthcare University (“KPJU”)

KPJU serves as the backbone for professional and leadership development across the KPJ Health System. Through the School of Healthcare Management and School of Digital Health, KPJU delivers structured training in AI and data-driven healthcare for clinicians, corporate teams and administrative staff.

These programmes include HRDF-claimable courses covering areas such as AI-supported diagnostics, patient care, workflow automation and executive decision-making, ensuring broad access to practical digital skills across the organisation.

Value created:

40 graduates from KPJ and JCorp, strengthening internal digital and leadership capabilities

Turning ideas into real-world solutions

The **KRAFT Challenge 2025** provides a structured platform for innovation within the KPJ Health System, guiding teams through ideation, mentoring and evaluation. The Grand Finale, held during MIH Megatrends 2025, showcased solutions with strong potential for real-world application across healthcare delivery, operations and research. Winning innovations from KPJ hospitals and university participants reinforced KRAFT’s role as a pipeline for translating ideas into practical improvements in care and service delivery.






Value created:

Over **200** participants contributing to a pipeline of real-world healthcare innovation solutions



COLLABORATING BEYOND KPJ TO ADVANCE HEALTHCARE

Advancing healthcare requires collaboration beyond our own hospitals and institutions. Through partnerships with universities, technology providers and research organisations, we extend our capabilities and accelerate progress in ways that would not be possible independently. These collaborations strengthen KPJ's ability to translate knowledge, innovation and technology into practical improvements in care delivery.

<p>Education & Leadership</p>	<p>Strengthening education and research through academia</p> <p>KPJU expanded its education and research ecosystem through partnerships with twelve institutions, supporting advances in medical education, digital health and applied research.</p> 
	<p>Developing globally minded healthcare leaders</p> <p>Leadership programmes introduced with the University of Melbourne and Singapore Management University to equip senior healthcare leaders with strategic, international perspectives relevant to modern healthcare systems.</p> 
	<p>Deepening global academic collaboration</p> <p>KPJU led a high-level delegation to Melbourne to strengthen collaboration in clinical practice, education and research, engaging with leading healthcare and academic institutions.</p> 
<p>Research & Innovation</p>	<p>Bridging research and real-world application</p> <p>A memorandum of understanding with the University of Melbourne enables collaboration on Validitron, a digital health simulation and validation platform that translates research into practical healthcare solutions.</p> 
<p>Digital Solutions</p>	<p>Enhancing patient engagement through AI</p> <p>KPJ partnered with IBM Malaysia and GlobeOSS to deploy an AI-powered chatbot using IBM watsonx technologies, enabling round-the-clock responses for routine patient enquiries and appointment scheduling.</p> <p>Extending digital capability through strategic technology partners</p> <p>Partnerships with technology providers support KPJ's digital health ecosystem across imaging, diagnostics and patient-facing platforms, complementing internal capabilities and accelerating deployment.</p> 

OUTLOOK



Looking ahead, KPJ's 2026 to 2030 digital infrastructure roadmap follows a phased progression from strengthening foundational systems to achieving AI-driven maturity and value creation. Beginning with enhanced healthcare capabilities in 2026, the Group focuses on consolidating core platforms, upgrading data and cybersecurity infrastructure, and expanding automation and virtual care. By 2027–2028, our efforts will shift towards scaling AI-enabled solutions, connected healthcare and digital twin technologies, supported by continuous IT and cybersecurity enhancements. From 2029 onwards, the emphasis focuses on optimisation and maturity, embedding AI-driven healthcare more deeply across operations, culminating in 2030 with monetisation opportunities and sustained digital innovation.



DATA PRIVACY AND SECURITY

As healthcare undergoes rapid digital transformation, data privacy and security have become increasingly critical to the safe and effective delivery of care. Patient information now moves through digital systems that support clinical decision-making and remote care, which increases exposure to cyber threats and unauthorised access. Regulatory expectations continue to evolve, including under Malaysia’s Personal Data Protection Act (“PDPA”) and broader cybersecurity standards, requiring healthcare providers to strengthen compliance and adopt more forward-looking risk management approaches.

For KPJ, data privacy and security sit at the heart of confidence in everyday care delivery. Patients entrust us with deeply personal health information; that trust reflects their willingness to seek our treatment and engage with our digital care solutions. Secure and reliable systems support clinicians and employees in making timely, informed decisions without disruption, particularly as care delivery becomes more data-intensive and interconnected.

Capital	Related SDGs
	



Upholding Good Governance

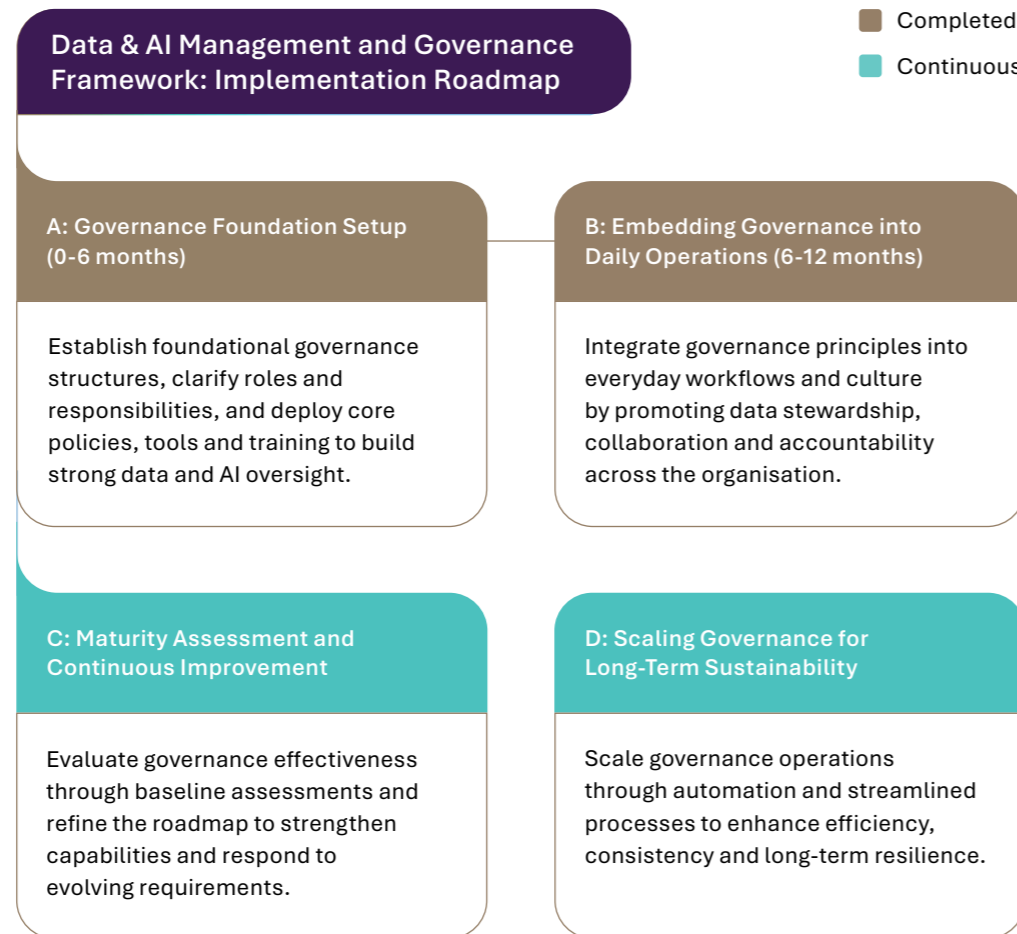
Upholding Good Governance

DATA PRIVACY AND SECURITY

OUR APPROACH

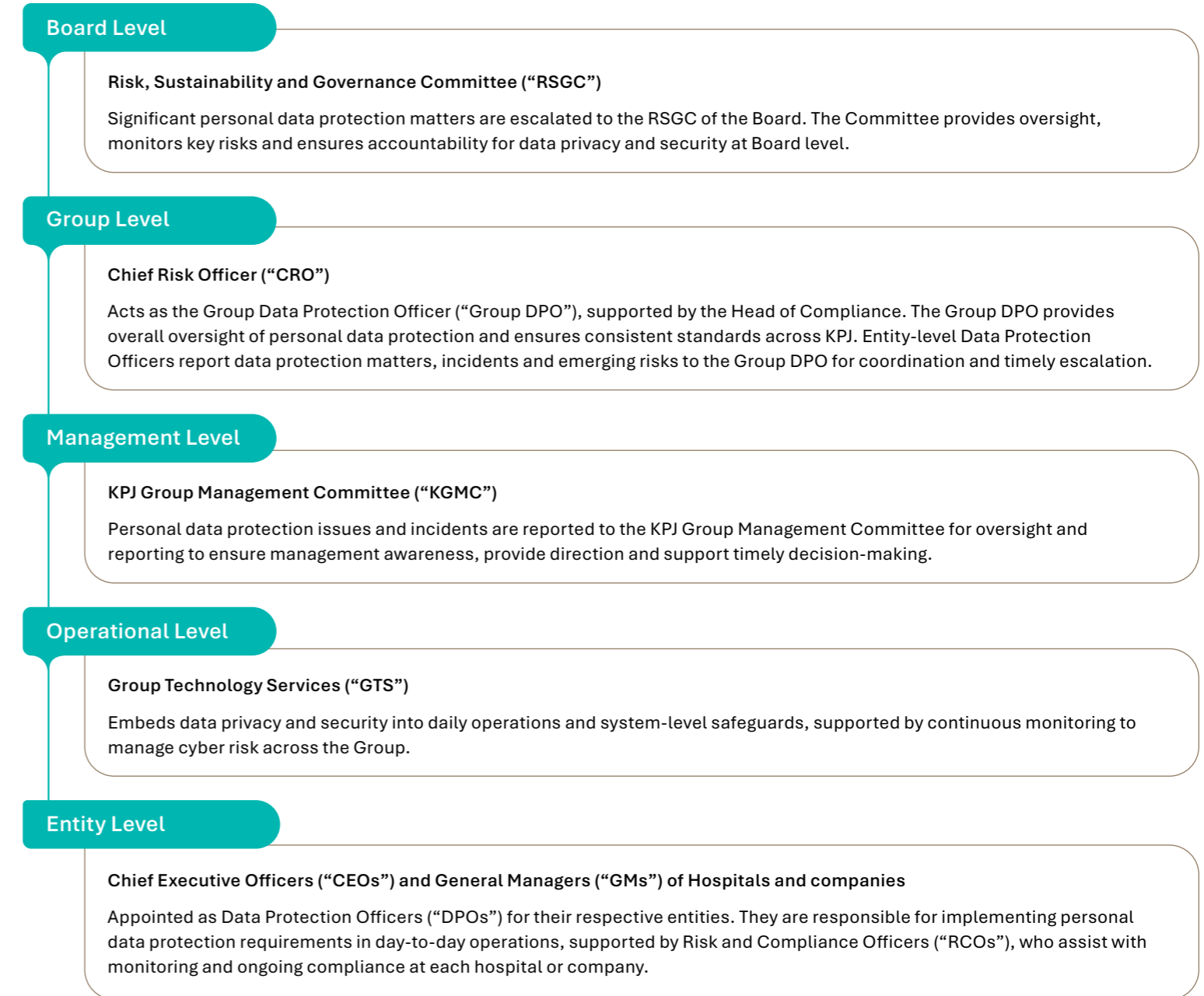
KPJ adopts a zero-tolerance stance towards non-compliance with data privacy and security, recognising the protection of personal data as fundamental to patient trust and the long-term sustainability of its healthcare services.

As digital systems become increasingly embedded in both clinical and operational processes, we have established a structured Data & AI Management and Governance Framework that provides clear direction on the responsible use of data and emerging technologies, while ensuring compliance with Malaysia’s PDPA and relevant international standards.



GOVERNANCE, OVERSIGHT AND ACCOUNTABILITY

Oversight of data privacy and security is embedded across the Group, through to Entity level to ensure clear ownership and effective escalation while promoting transparency and accountability.



POLICIES, STANDARDS AND OPERATIONAL CONTROLS

Our approach to data privacy and security is guided by a clear set of policies and operating requirements that translate regulatory obligations into everyday practice.

- All hospitals and relevant entities are registered with *Jabatan Perlindungan Data Peribadi*
- Our Digital Function and Core Hospital Information Systems are certified to ISO/IEC 27001, applying a structured Information Security Management System (“ISMS”)
- ISO 22301 for Business Continuity Standards
- Developed an AI Policy in 2025 to establish a governance framework, ensuring the ethical, secure and responsible use of Artificial Intelligence (“AI”) across KPJ

CHALLENGES IN MANAGING DATA PRIVACY AND SECURITY

Managing data privacy and security in a healthcare environment presents distinct operational and implementation challenges. Across our nationwide hospital network, these challenges may vary and influence how data protection initiatives are applied and sustained in daily operations.



During the reporting period, despite the safeguards in place, we received one data breach complaint involving a patient. The DPO, assisted by the RCO, managed the incident in accordance with our internal protocols and applicable regulatory requirements, including notifying the relevant authorities. Challenges such as this form our approach to strengthening data privacy and security across the Group. The initiatives implemented in 2025 are designed to address these challenges in ways that are practical and appropriate to our operating context.

WHAT KPJ DID IN 2025

This year, we focused on strengthening how data privacy and security are applied in practice as digital systems became more embedded across the Group. Initiatives during the year were directed at reinforcing strengthening protection around critical systems and maintaining confidence in how personal data is managed.

BUILDING INTERNAL CAPABILITIES

Targeted Training for Key Compliance Roles

We strengthened data privacy governance by delivering focused training programmes for DPOs and RCOs across the Group. The sessions were designed to deepen practical understanding of regulatory requirements and incident response responsibilities, enabling these key functions to effectively oversee and support data protection implementation at the entity level.

Value created:

Enhanced compliance capability at hospital level, clearer ownership of data protection responsibilities and more consistent application of regulatory requirements across the Group.

Hospital-Based Training Programmes

Throughout the year, KPJ conducted on-site and regional training sessions across hospitals to strengthen the practical understanding of personal data protection in day-to-day operations. These sessions focused on real scenarios faced by clinical and non-clinical staff, helping teams translate PDPA requirements into actual practice.

Regular PDPA-related e-messages were used to reinforce key expectations and emerging risks, sustaining awareness beyond formal training activities. For new employees, data protection training is incorporated into the onboarding programme, communicating clear PDPA obligations and expected standards of conduct from the onset.

Value created:

Stronger awareness of data protection responsibilities at the hospital level and more consistent application of personal data protection practices across operations.



KPJ was invited by the Department of Personal Data Protection (JPDP) to speak at the JPDP Conference in August 2025 in Kuching, Sarawak, sharing KPJ’s experience in implementing the Personal Data Protection Act (PDPA), including governance practices and safeguards for managing sensitive patient information.

CYBER DEFENCE AND OPERATIONAL RESILIENCE

Cyber Defence Initiatives	What We Did	What We Achieved
<p>Security Operations Centre (“SOC”) and Microsoft Sentinel</p>	<p>We established a 24/7 SOC powered by Microsoft Sentinel. This implementation provided continuous visibility across our digital environment. This enabled earlier threat detection and more coordinated, timely incident management across hospitals and corporate functions.</p>	<ul style="list-style-type: none"> Maintained zero material cybersecurity incidents throughout FY2025 No material cybersecurity incidents were recorded this year, reflecting the effectiveness of continuous monitoring, proactive threat detection, and incident response capabilities
<p>Privileged Access Management (“PAM”)</p>	<p>PAM allowed us to better control and monitor system access to sensitive applications and data. This initiative reduced our exposure to misuse and strengthened accountability over the access of critical systems.</p>	<ul style="list-style-type: none"> Achieved and maintained 100% onboarding of in-scope privileged accounts into the PAM solution Ensured 100% monitoring and session logging for all onboarded privileged accounts
<p>Managed Endpoint Detection and Response (“MDR”)</p>	<p>The implementation of MDR using Microsoft Defender allowed us to respond faster to threats originating from laptops, workstations and connected devices used across hospitals.</p>	<ul style="list-style-type: none"> Achieved 100% triage of high and critical alerts within the SLA timelines
<p>Integrated Cloud Email Security (“ICES”)</p>	<p>We implemented ICES to enhance our email security, strengthening defences against phishing, business email compromise and other email-based attacks. ICES protects our everyday communication channels that staff rely on to deliver care and coordinate operations.</p>	<ul style="list-style-type: none"> Ensured 100% of identified senior leadership accounts were enrolled in enhanced email protection controls Achieved 100% domain monitoring coverage for impersonation detection

Proactive Regulatory Engagement on Data Privacy

Our CRO was invited to a formal engagement with the Department of Personal Data Protection (“JPDP”) to share industry perspectives on PDPA implementation at their conference in Kuching. The JPDP conference facilitated dialogues between regulators and healthcare providers, where practical insights on governance structures and operational challenges in managing sensitive patient information were shared.

Value created:

Strengthened regulatory alignment and improved clarity on PDPA implementation expectations.

OUTLOOK

We view data privacy and security as central to how KPJ builds trust as healthcare becomes more digital. As our systems and data-driven capabilities expand from 2026 onwards, our priority is to ensure that data protection is understood in practice across hospitals and embedded into everyday work, rather than treated as purely a governance exercise. Building on the progress made in 2025, we will continue to strengthen awareness and ownership while keeping our policies and controls aligned with updates to the PDPA. Our focus will look into how our training translates into real on the ground behaviour, so that our people feel confident and supported in handling personal data as digital tools become more deeply integrated into operations.



SUPPLY CHAIN MANAGEMENT

KPJ's Supply Chain Management framework supports the safe and uninterrupted delivery of patient care by ensuring that medicines, medical devices and essential services are sourced in a disciplined, transparent and accountable manner. Within this framework, Group Procurement serves as the central governance and sourcing function, establishing procurement policies, tender standards and approval controls across the Group.

While operational supply chain activities such as inventory planning, warehousing and distribution are executed by designated operational entities, Pharmaserv Alliances Sdn Bhd ("PASB"), Group Procurement provides the governance structure that underpins supplier selection, commercial discipline and risk oversight. This model ensures that procurement decisions are aligned with quality, compliance and cost-effectiveness requirements, while supporting continuity of care.



Upholding Good Governance

Upholding Good Governance

SUPPLY CHAIN MANAGEMENT

OUR APPROACH

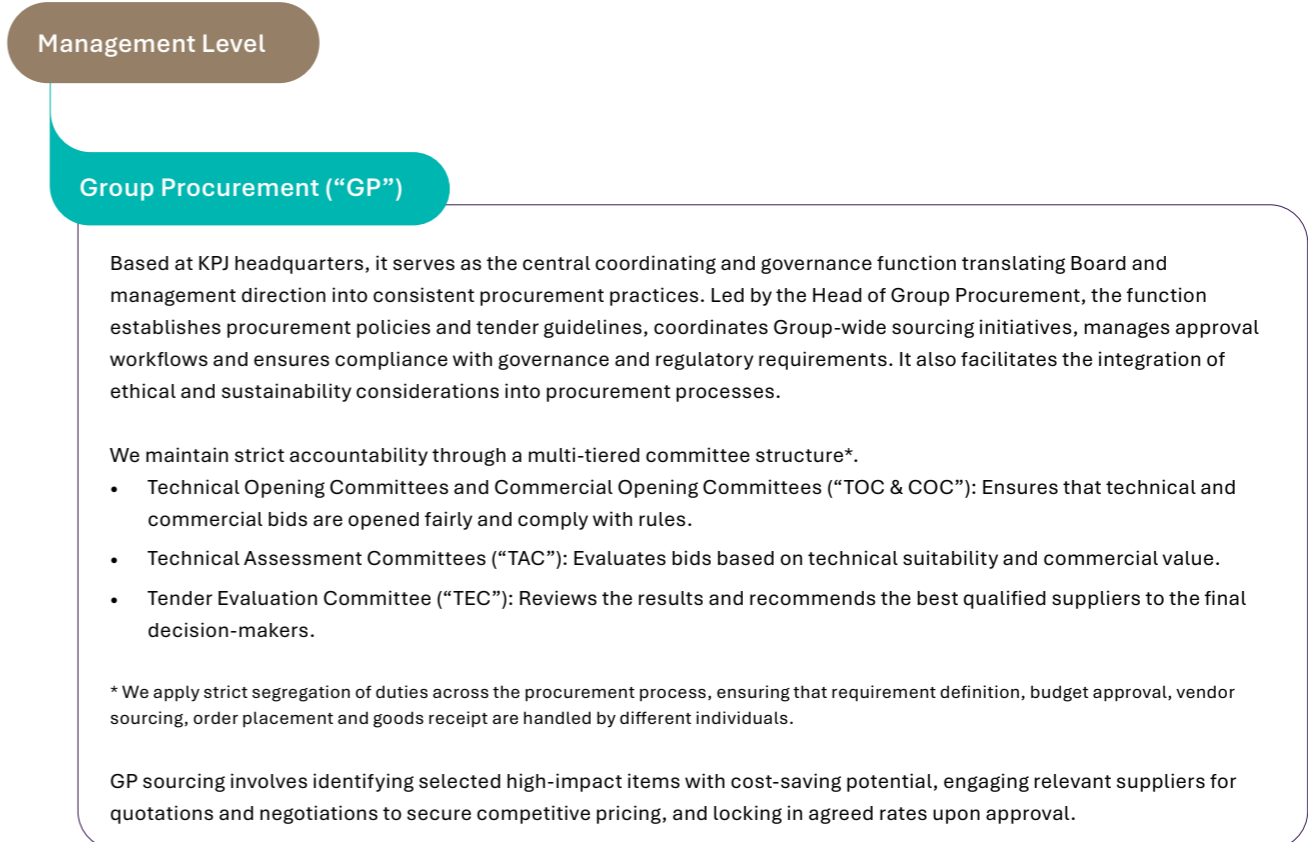
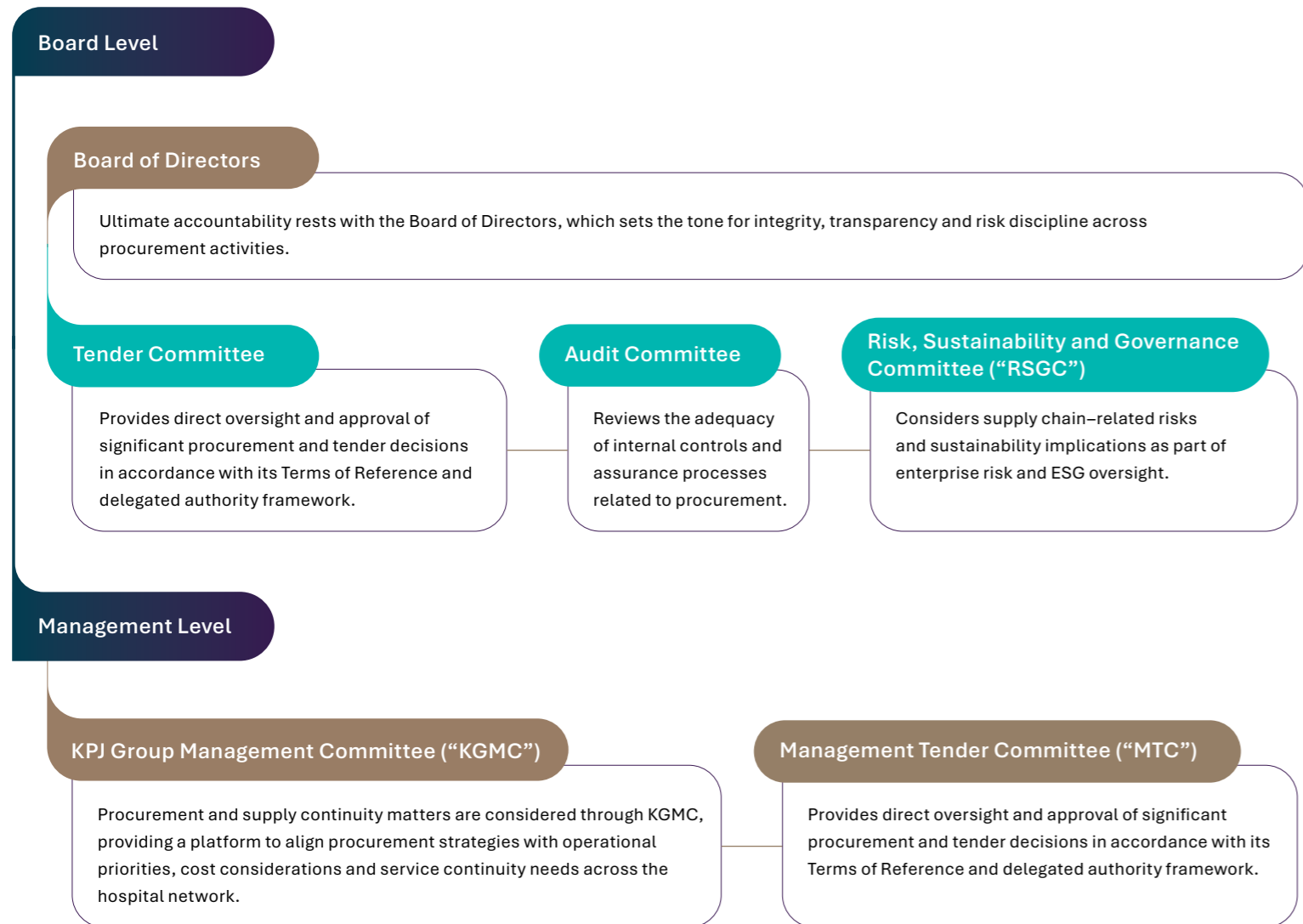
KPJ's supply chain management is governed through a structured model that balances oversight, accountability and operational continuity.

Given the critical role suppliers play in enabling patient care, KPJ's approach is designed to ensure procurement decisions are made with discipline, transparency and a clear line of accountability, while remaining responsive to the operational needs of hospitals.



GOVERNANCE, OVERSIGHT & EXECUTION

Supply chain management is governed through a structured model that links Board oversight with disciplined operational execution. Ultimate accountability rests with the Board of Directors, which sets the tone for integrity, transparency and risk discipline across procurement activities.



KPJ was recognised as a Rising Star at the SAP Ariba Customer Success Day 2025, highlighting its advancement in digital procurement, enabling improved supplier collaboration, transparency and more efficient sourcing practices.



POLICIES AND STANDARDS

Our supply chain practices are guided by established procurement policies and procedures that set clear requirements for tendering processes, supplier selection, approval thresholds and internal controls. These are complemented by a Supplier Code of Conduct, which outlines expectations on ethical behaviour, legal compliance, occupational safety and health and responsible business practices.

Group Procurement has developed policies and frameworks to govern procurement activities, while building the foundations for a future-ready supply chain operating model.



For more information on KPJ's Supplier Code of Conduct, please scan this QR code.

KEY DOCUMENTS






Group Procurement Policy	Defines how procurement activities are governed to ensure goods and services are acquired at the right time, with exceptional quality, and at the best Total Cost of Ownership ("TCO").
Supplier Relationship Management ("SRM") Process	Focuses on moving from passive transactions to proactive, collaborative relationships through structured onboarding and performance evaluation.
Strategic Sourcing Process	Provides a structured approach to identifying and selecting suppliers who offer the best long-term value beyond just the initial price.
Procurement Process	Guides the day-to-day execution of strategic sourcing, negotiation and contracting.

WHAT KPJ DID IN 2025

STRENGTHENING SUPPLY CHAIN RESILIENCE

In 2025, we focused on reinforcing how our supply chain supports safe patient care, strong governance and long-term sustainability. Actions during the year prioritised consistency, traceability and alignment across procurement decisions that directly affect clinical outcomes and service continuity.



Initiative	What We Did	Value Created
Digital Procurement Optimisation 	<ul style="list-style-type: none"> Focused on integrating and optimising the SAP Ariba and Lapasar platforms to enhance governance and control. Rolled out the Requisition-to-Invoice process to replace manual forms for purchases below RM 250k and piloted the Lapasar digital marketplace at four hospitals, namely Johor, KPJ Sentosa, KPJ Sabah and KPJ Pahang Specialist Hospitals. KPJ is recognised with the Procurement Rising Star Award by SAP Ariba/SAP, highlighting our progress in digital transformation and structured procurement adoption. 	<ul style="list-style-type: none"> Improved procurement transparency and governance Reduced manual processing Strengthened auditability of sourcing decisions
Centralised Clinical Supply Kits and Pharmaceutical Packaging 	<ul style="list-style-type: none"> Implemented standardised, admission kits ("CARE Pack"), take-home reusable bags and cold chain bags for selected medications and ward-use items across hospitals to improve consistency, identification and handling. 	<ul style="list-style-type: none"> Enhanced patient safety and care consistency Reduced variability in ward practices Supported safer, more efficient clinical workflows
Optimisation of Material Cost and Demand Rationalisation 	<ul style="list-style-type: none"> Delivered quantifiable savings through clinical standardisation by reducing item complexity for implants and consumables whilst promoting cost-effective generic and innovator drug utilisation. 	<ul style="list-style-type: none"> Achieved a total of YTD savings of RM89.0 million
Category Strategy Expansion and Empanelment 	<ul style="list-style-type: none"> Broadened supplier panels across medical equipment, facility services and IT. 	<ul style="list-style-type: none"> Attained the standardisation of 182 out of 230 medical equipment types Increased competitiveness and price transparency
Establishment of the Shared Services and Supply Chain ("SSSC") Framework 	<ul style="list-style-type: none"> Developed an integrated framework to centralise procurement, optimise manpower and improve operational efficiency. 	<ul style="list-style-type: none"> Completed the manpower baseline for Group Procurement and all hospital/subsidiary purchasing units

ESG INTEGRATION INTO SUPPLY CHAIN

This year, we integrated sustainability-related requirements, including principles from ISO 20400:2017 Sustainable Procurement – Guidance, into tender specifications for hospital development and expansion projects. These principles provide an internationally recognised guidance on embedding environmental, social and governance considerations into procurement decisions across the sourcing lifecycle.

By incorporating considerations such as environmentally responsible materials, energy-efficient systems and compliance with green building objectives at the procurement stage, we ensure that sustainability expectations are clear from the outset. This approach helps align contractors and suppliers with the Group’s long-term environmental direction, while supporting asset performance, regulatory readiness and resilience over the lifecycle of hospital facilities.

Each year, newly registered suppliers are required to complete an ESG-integrated questionnaire before onboarding. This helps us identify potential ESG risks early and determine whether suppliers meet our sustainability expectations before entering formal arrangements.

881 suppliers assessed and completed the ESG-integrated questionnaire*

100% of new suppliers are screened using ESG criteria since 2023

*Scope limited to suppliers newly registered in 2025, as the ESG-integrated questionnaire is administered at the point of supplier registration.

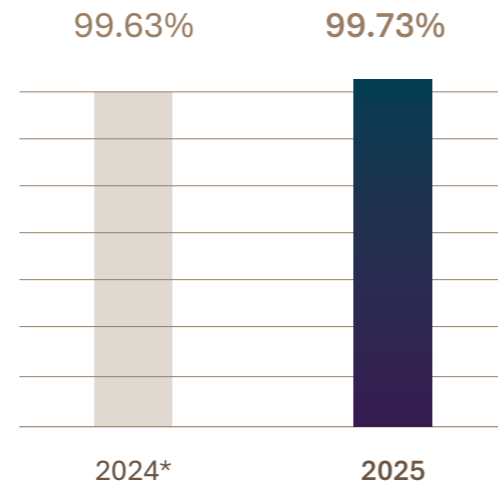
The screening outcomes will be progressively analysed to identify high-risk areas, enabling targeted supplier engagement, improvement plans and alignment with KPJ’s sustainability expectations.

EMPOWERING LOCAL SUPPLIERS

Working closely with local suppliers is about more than proximity or cost efficiency. It is about sustaining access to essential medical goods, supporting local capabilities and strengthening continuity of care for the communities we serve.

By prioritising local sourcing where feasible, we build a more responsive and resilient supply base while contributing to domestic economic participation. Long-term relationships with local suppliers also enable closer collaboration, faster issue resolution and better alignment with our quality, safety and sustainability expectations.

Percentage of Spending on Local Suppliers (%)




*The FY2024 percentage of spending on local suppliers has been restated following refinement of the reporting approach during the FY2025 reporting cycle. The updated figure reflects improved alignment with the intended disclosure scope and calculation basis.

OUTLOOK

At KPJ, we recognise that long-term resilience, affordability of care and responsible resource use require a shift beyond traditional procurement. There, we are progressively transitioning towards a future-ready supply chain operating model that delivers end-to-end visibility, stronger integration and scalable efficiencies across subsidiaries, enabling more informed decision-making, optimised manpower deployment and greater resilience to future industry and regulatory pressures.

In the near term, our focus remains on mastering procurement discipline and cost optimisation. Our strategic roadmap is deliberately designed to position KPJ for a step-change towards a centralised, digitally integrated supply chain ecosystem from 2027 onwards. In parallel, KPJ is progressively embedding ESG considerations into sourcing and capital investment decisions to ensure that sustainability factors are integrated alongside commercial and technical evaluations, and will strengthen supplier management practices through enhanced profiling and structured engagement, enabling better visibility of ESG hotspots and fostering long-term resilience across the value chain, while continuing to support safe, affordable and reliable healthcare delivery.

7 Appendices



GHG Emissions Methodology
Independent Assurance Statement
GRI and SASB Content Index
IFRS Content Index

Appendices

GHG EMISSIONS METHODOLOGY

KPJ defines the organisational boundary for GHG emissions using the operational control approach, reflecting how the Group manages and oversees our operations.

Emissions are reported for activities where KPJ or our subsidiaries have the authority to establish and implement operating policies and procedures.

In line with this approach, we account for GHG emissions from operations under our operational control, regardless of ownership interest, and exclude emissions from operations where such control is not held. This ensures emissions reporting is aligned with operational responsibility.

The organisational boundary is established in accordance with the GHG Protocol, with emissions categorised as direct and indirect. To support consistent data collection, each subsidiary appoints a Sustainability Champion who submits monthly ESG data to Group Sustainability, including information required for emissions calculations.

Scope	Emission Source	Description of Activities
Scope 1 Direct GHG Emissions	Stationary Combustion	Combustion of diesel in stationary gensets, liquified petroleum gas ("LPG") used in kitchen and dietary unit and medical gases used in medical usage and operation.
	Mobile Combustion	Combustion of petrol and diesel in ambulance, cars, motorbikes, and other company-owned vehicles.
	Fugitive Emissions	Medical gases that are directly released within a healthcare facility (e.g., from anaesthetic gases used in operating rooms, nitrous oxide used for sedation and medical carbon dioxide gas) would typically fall under Scope 1 emissions because they are directly emitted as part of the hospital's operations.
Scope 2 Electricity Indirect GHG Emissions	Purchased Electricity	Electricity consumption for general usage at offices, buildings and hospitals.

Scope	Emission Source	Description of Activities
Scope 3 Other Indirect GHG Emissions ¹	Waste Generated in Operations	Municipal solid wastes/ general wastes and scheduled wastes generated at current operating buildings and hospitals which are transported and disposed of via landfilling.
	Water Consumption	Water consumption for general usage at offices, buildings, and hospitals.
	Business Travel	Emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties such as aircraft.
	Employee Commuting	Emissions from the daily transportation of employees between their homes and KPJ offices, buildings, and hospitals using personal vehicles, public transportation, carpooling, ride-hailing services, or other non-company-owned modes of transport.

¹Selected Scope 3 categories are reported based on relevance and data availability, with plans to progressively expand as data maturity improves

EMISSION FACTORS

SCOPE 1			
Emission Source	Emission Factor (EF)	Unit	Source of EF
Stationary Combustion - Diesel Genset	2.7	kgCO ₂ e/litre	GHG Protocol Calculator
Stationary Combustion - LPG Cooking Gas	2.984	kgCO ₂ e/kg	GHG Protocol Cross Sector 2017

SCOPE 1			
Emission Source	Emission Factor (EF)	Unit	Source of EF
Mobile Combustion - Fleet Vehicle (Diesel)	2.51233	kgCO2e/litre	UK Government GHG Factors for Company reporting 2021
Mobile Combustion - Fleet Vehicle (Petrol)	2.19352	kgCO2e/litre	
Oxygen	2.1	kgCO2e/m3	Anaesthesiology, Carbon Footprint of General, Regional, and Combined Anaesthesia for Total Knee Replacements, page 981 table 2
Anaesthetic (Nitrous Oxide)	298	GWP	Anaesthetic gas how-to guide. A guide to climate-smart anaesthesia care, page 16
Anaesthetic (Sevoflurane)	130	GWP	
Anaesthetic (Desflurane)	2,540	GWP	
Medical CO2	1	GWP	PRAXAIR Carbon dioxide Safety Data Sheet P-4574, page 5 and 6
Ethonox	135	GWP	AFROX SAFETY DATA SHEET (SDS) Entonox, page 3 and 4
Medical Air	0.51	kgCO2e/m3	Anaesthesiology, Carbon Footprint of General, Regional, and Combined Anaesthesia for Total Knee Replacements, page 981 table 2
Conoxia	2.1	kgCO2e/m3	
SCOPE 2			
Electricity Semenanjung 2024	0.74	kgCO2e/kWH	Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional)
Electricity Sabah 2024	0.539	kgCO2e/kWH	
Electricity Sarawak 2024	0.199	kgCO2e/kWH	
Electricity Semenanjung 2023	0.76	kgCO2e/kWH	

SCOPE 2			
Emission Source	Emission Factor (EF)	Unit	Source of EF
Electricity Sabah 2023	0.545	kgCO2e/kWH	Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional)
Electricity Sarawak 2023	0.206	kgCO2e/kWH	
Electricity Semenanjung 2022	0.769	kgCO2e/kWH	
Electricity Sabah 2022	0.531	kgCO2e/kWH	
Electricity Sarawak 2022	0.199	kgCO2e/kWH	Grid Emission Factor (GEF) by ST (2021)
Electricity Sabah 2021	0.525	kgCO2e/kWH	
Electricity Sarawak 2021	0.199	kgCO2e/kWH	
SCOPE 3			
Waste Generated - Clinical	1.81	kgCO2e/kg	Cenviro Sustainability Report 2020
Waste Generated - Scheduled	1.46	kgCO2e/kg	
Waste Generated - General	0.724	kgCO2e/kg	Devados et al 2021 Municipal solid waste mangement; Measuring Emission. Guide for organisation 2023, page 108 table 74
Waste Generated - Food	2.11	kgCO2e/kg	Measuring Emission. Guide for organisation 2023, page 108 table 74
Waste Generated - Recycled	0.1	kgCO2e/kg	Cenviro Sustainability Report 2020
Water Consumption	0.419	kgCO2e/m3	MGTC

SCOPE 3				
Emission Source	Emission Factor (EF)	Unit	Source of EF	Remarks
Business Travel - Air	0.306	kgCO2e/km	PwC Template; Measuring Emission. Guide for organisation 2023, page 69 table 37 (with radiative forcing multiplier)	
Business Travel - Land - Petrol	0.2231	kgCO2e/km	PwC Template; Measuring Emission. Guide for organisation 2023, page 62, table 25	
Business Travel - Land - Diesel	0.2382	kgCO2e/km		
Business Travel - Land - Hybrid	0.1761	kgCO2e/km		
Business Travel - Land - EV	0.02	kgCO2e/km		
Employee Commute - Petrol	0.252	kgCO2e/km	PwC Template; Measuring Emission. Guide for organisation 2023, page 57, table 20	
Employee Commute - Diesel	0.268	kgCO2e/km		
Employee Commute - Hybrid Petrol	0.199	kgCO2e/km		
Employee Commute - Hybrid Diesel	0.241	kgCO2e/km		
Employee Commute - PHEV (Petrol) – Petrol consumption	0.0922	kgCO2e/km		
Employee Commute - PHEV (Petrol) – Electricity consumption	0.00953	kgCO2e/km		
Employee Commute - PHEV (Diesel) – Diesel consumption	0.112	kgCO2e/km		
Employee Commute - PHEV (Diesel) – Electricity consumption	0.00957	kgCO2e/km		
Employee Commute - Land - EV	0.02	kgCO2e/km		

SCOPE 3				
Emission Source	Emission Factor (EF)	Unit	Source of EF	Remarks
Employee Commute - Rail	0.0325	kgCO2e/pkm	Gemas-Johor Bahru EDTP: The Upgrade That Will Move Millions of Malaysians In collaboration with Ministry of Transport Malaysia	
Employee Commute Motorcycle (petrol) < 60CC	0.053	kgCO2e/km	PwC Template; Measuring Emission. Guide for organisation 2023, page 57, table 19	
Employee Commute Motorcycle (petrol) >= 60CC	0.106	kgCO2e/km		
Employee Commute Motorcycle (electric) < 60CC	0.0035	kgCO2e/km		
Employee Commute Motorcycle (electric) >= 60CC	0.00697	kgCO2e/km		
Employee Commute Public Bus (Diesel)	0.0446	kgCO2e/pkm	Green Technology Application for the Development of Low Carbon Cities (GTALCC), United Nations Development Programme Country: MALAYSIA PROJECT DOCUMENT	
Employee Commute Public Bus (Electric)	0.037926	kgCO2e/pkm		

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 2025. 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 2025.

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 the KPJ Healthcare's Sustainability Report and Integrated Annual Report 2025.

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 1-2 and the Report to Management, with further details provided therein.

Sustainable Performance Information (subject matter)
Our Climate Journey - Climate Change Resilience (Energy Consumption only)
Protecting Our Environment - Resource and Waste Management (Water Consumption only)
Fostering Our People - Diversity, Inclusion and Human Rights (excluding Health and Safety)
Fostering Our People - Employee Engagement and Development
Upholding Good Governance - Governance, Ethics and Integrity
Upholding Good Governance - Supply Chain Management

The verification was carried out by SIRIM QAS International in March 2026, 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's Sustainability Report and Integrated Annual Report 2025.
- The review excluded all financial-related data, as these are subjected to the company's financial audit.

- The scope of this review covers energy consumption only, hence excludes the GHG emissions and all associated data contributing to Scope 1, Scope 2 and Scope 3 emissions, and any other information relating to KPJ Healthcare's GHG accounting and reporting.
- 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, hospitals and operations.
- The verification team did not assess or verify any data related to contractors or third parties.

Conclusion

SIRIM QAS International, the Conformity Assessment Body (CAB) in Malaysia, is accredited to ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 for the provision of management system certification, product certification, and testing services across its full scope of operational activities. Building on this foundation, SIRIM QAS International is accredited as a Validation and Verification Body (VVB) under ISO/IEC 17029:2019 and ISO 14085:2020, enabling it to provide independent, impartial, and technically robust validation and verification services in accordance with internationally recognized standards. 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, the Sustainability Report was subsequently reviewed and revised by KPJ Healthcare. It is confirmed that changes that have been incorporated into the final version of the report have addressed all issues. Based on the scope of the assessment process and evidence obtained, the following represents SIRIM QAS International's opinion:

- The level of data accuracy included in KPJ Healthcare Sustainability Report 2025 is fairly stated.
- The level of disclosure of the specific 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. Farhanah Ahmad Shah | : | Team Member |
| 3) | Ms. Evelyn Liew | : | Team Member |
| 4) | Mr. Rozamee Ab. Rahman | : | Team Member |

Statement Prepared by:

AERNIDA BINTI ABDUL KADIR
Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 30 March 2026

Statement Approved by:

WAN SHAHMA BINTI MIOR AHMED SHAHIME
General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 3 April 2026

Note: 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 (30 March 2026).

Appendix 1 - Sustainability Performance Data

Category	2025	2024
Energy Consumption		
Electricity	1,234,567	1,123,456
Gas	12,345	11,234
Water	123,456	112,345
Water Management		
Water consumption	123,456	112,345
Water recycling	10,000	9,000
Diversity, Inclusion and Human Rights (excluding Health & Safety)		
Female employees	45%	43%
Employee turnover	15%	14%
Employee Engagement and Development		
Employee satisfaction	85%	83%
Training hours	1,200	1,100
Governance, Ethics and Integrity		
Number of ethics training sessions	10	9
Supply Chain Management		
Supplier sustainability score	80%	78%

Appendix 2 - The topics and subject matters covered in this assessment are tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UNSUBSTANTIATED
Energy Consumption				
Electricity, Petrol and LPG data				
Clear data				
Water Management				
Water data				
Diversity, Inclusion and Human Rights (excluding Health & Safety)				
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 (30 March 2026).
 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, unavailable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.

GRI AND SASB CONTENT INDEX

We have disclosed requirements of the Global Reporting Initiative (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 2025 to 31 December 2025 with reference to the GRI Standards.

RI 1 USED GRI 1: Foundation 2021

APPLICABLE GRI Not Applicable

SECTOR STANDARD

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 2: General Disclosures	2-1	Organizational details		6 to 8	Section 0: Basis of this Report
	2-2	Entities included in the organization's sustainability reporting		6 to 8	Section 0: Basis of this Report
	2-3	Reporting period, frequency and contact point		6 to 8	Section 0: Basis of this Report
	2-4	Restatements of information		6 to 8 98 to 109 180 to 187	Section 6: Our Climate Journey Section 6: Resource and Waste Management Section 6: Sustainable Supply Chain
	2-5	External assurance		6 to 8 196 to 197	Section 0: Basis of this Report Section 7: Independent Assurance Statement
	2-6	Activities, value chain and other business relationships	<p>Quality of Care & Patient Satisfaction: HC-DY-250a.2 Number of serious reportable events]</p> <p>Quality of Care & Patient Satisfaction: HC-DY-250a.3 [Hospital-acquired condition rates per hospital]</p> <p>Quality of Care & Patient Satisfaction: HC-DY-250a.6 [Number of (1) unplanned and (2) total readmissions per hospital]</p>	14 to 23	Section 2: About KPJ

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 2: General Disclosures	2-7	Employees		132 to 141	Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)
	2-8	Workers who are not employees		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	2-9	Governance structure and composition		56 to 67	Section 4: Governance
	2-10	Nomination and selection of the highest governance body		56 to 67	Section 4: Governance
	2-11	Chair of the highest governance body		56 to 67	Section 4: Governance
	2-12	Role of the highest governance body in overseeing the management of impacts		56 to 67	Section 4: Governance
	2-13	Delegation of responsibility for managing impacts		56 to 67	Section 4: Governance
	2-14	Role of the highest governance body in sustainability reporting		56 to 67	Section 4: Governance
	2-15	Conflicts of interest		370 to 437	Integrated Annual Report 2025: Section 7
	2-16	Communication of critical concerns		370 to 437	Integrated Annual Report 2025: Section 7
	2-17	Collective knowledge of the highest governance body		34 to 65	Integrated Annual Report 2025: Section 2
	2-18	Evaluation of the performance of the highest governance body		370 to 437	Integrated Annual Report 2025: Section 7
	2-19	Remuneration policies		370 to 437	Integrated Annual Report 2025: Section 7
	2-20	Process to determine remuneration		370 to 437	Integrated Annual Report 2025: Section 7
	2-22	Statement on sustainable development strategy		36 to 39	Section 4: Sustainability Framework and Roadmap
	2-23	Policy commitments		36 to 39	Section 4: Sustainability Framework and Roadmap
2-24	Embedding policy commitments		36 to 39 56 to 67	Section 4: Governance Section 4: Sustainability Framework and Roadmap	

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 2: General Disclosures	2-25	Processes to remediate negative impacts	Fraud & Unnecessary Procedures: HC-DY-510a.1 [Total amount of monetary losses as a result of legal proceedings associated with medical fraud]	56 to 67	Section 4: Governance
	2-26	Mechanisms for seeking advice and raising concerns		56 to 67 156 to 161	Section 4: Governance Section 6: Governance, Ethics and Integrity
	2-27	Compliance with laws and regulations		6 to 8 156 to 161	Section 0: Basis of this Report Section 6: Governance, Ethics and Integrity
	2-28	Membership associations		14 to 23	Section 2: About KPJ
	2-29	Approach to stakeholder engagement		44 to 47	Section 4: Stakeholder Engagement and Materiality
	2-30	Collective bargaining agreements		14 to 23	Section 6: Diversity, Inclusion and Human Rights
GRI 3: Material Topics 2021	3-1	Process to determine material topics		44 to 47	Section 4: Stakeholder Engagement and Materiality
	3-2	List of material topics		44 to 47	Section 4: Stakeholder Engagement and Materiality
GRI 201: Economic Performance 2016	3-3	Management of material topics			Integrated Annual Report 2025: Section 4
	201-1	Direct economic value generated and distributed			Integrated Annual Report 2025: Section 4 and 6
	201-2	Financial implications and other risks and opportunities due to climate change		74 to 97	Section 5: Our Climate Journey

¹The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans		142 to 155	Section 6: Employee Engagement and Development
GRI 203: Indirect Economic Impacts 2016	3-3	Management of material topics		74 to 97, 122 to 131	Section 5: Our Climate Journey Section 6: Community Outreach
	203-1	Infrastructure investments and services supported		74 to 97, 122 to 131	Section 5: Our Climate Journey Section 6: Community Outreach
	203-2	Significant indirect economic impacts		122 to 131	Section 6: Community Outreach
GRI 204: Procurement Practices 2016	3-3	Management of material topics		180 to 187	Section 6: Sustainable Supply Chain
	204-1	Proportion of spending on local suppliers		180 to 187	Section 6: Sustainable Supply Chain
GRI 205: Anti-corruption 2016	3-3	Management of material topics		156 to 161	Section 6: Governance, Ethics and Integrity
	205-1	Operations assessed for risks related to corruption		156 to 161	Section 6: Governance, Ethics and Integrity
	205-2	Communication and training about anti-corruption policies and procedures		156 to 161	Section 6: Governance, Ethics and Integrity
	205-3	Confirmed incidents of corruption and actions taken		156 to 161	Section 6: Governance, Ethics and Integrity
GRI 302: Energy 2016	3-3	Management of material topics		74 to 97	Section 5: Our Climate Journey
	302-1	Energy consumption within the organization	Energy Management: HC-DY-130a.1 [(1) Total energy consumed, (2) Total percentage grid electricity, (3) Total percentage renewable]	74 to 97	Section 5: Our Climate Journey
	302-3	Energy intensity		74 to 97	Sustainability Performance Data (Climate Change Resilience)
	302-4	Reduction of energy consumption		74 to 97	Section 5: Our Climate Journey Sustainability Performance Data (Climate Change Resilience)

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 303: Water and Effluents 2018	3-3	Management of material topics		98 to 109	Section 6: Resource and Waste Management
	303-1	Interactions with water as a shared resource		98 to 109	Section 6: Resource and Waste Management
	303-2	Management of water discharge-related impacts		98 to 109	Section 6: Resource and Waste Management
	303-3	Water withdrawal		98 to 109	Section 6: Resource and Waste Management Sustainability Performance Data (Resource and Waste Management)
	303-4	Water discharge		98 to 109	Sustainability Performance Data (Resource and Waste Management)
	303-5	Water consumption		98 to 109	Section 5: Our Climate Journey Sustainability Performance Data (Resource and Waste Management)
GRI 305: Emissions 2016	3-3	Management of material topics		74 to 97	Section 5: Our Climate Journey
	305-1	Direct (Scope 1) GHG emissions		74 to 97	Section 5: Our Climate Journey Sustainability Performance Data (Climate Change Resilience)
	305-2	Energy indirect (Scope 2) GHG emissions		74 to 97	Section 5: Our Climate Journey Sustainability Performance Data (Climate Change Resilience)
	305-3	Other indirect (Scope 3) GHG emissions		74 to 97	Section 5: Our Climate Journey Sustainability Performance Data (Climate Change Resilience)
	305-4	GHG emissions intensity		74 to 97	Section 5: Our Climate Journey Sustainability Performance Data (Climate Change Resilience)
	305-5	Reduction of GHG emissions		74 to 97	Section 5: Our Climate Journey Sustainability Performance Data (Climate Change Resilience)
GRI 306: Waste 2020	3-3	Management of material topics	Waste Management: HC-DY-150a.1 [Total amount of medical waste: percentage (a) incinerated, (b) recycled or treated and (c) landfilled]	98 to 109	Section 6: Resource and Waste Management
	306-1	Waste generation and significant waste-related impacts		98 to 109	Section 6: Resource and Waste Management
	306-2	Management of significant waste-related impacts	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]	98 to 109	Section 6: Resource and Waste Management
	306-3	Waste generated		98 to 109	Section 6: Resource and Waste Management Sustainability Performance Data (Resource and Waste Management)

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 306: Waste 2020	306-4	Waste diverted from disposal		98 to 109	Section 6: Resource and Waste Management Sustainability Performance Data (Resource and Waste Management)
	306-5	Waste directed to disposal		98 to 109	Section 6: Resource and Waste Management Sustainability Performance Data (Resource and Waste Management)
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics		180 to 187	Section 6: Sustainable Supply Chain
	308-1	New suppliers that were screened using environmental criteria		180 to 187	Section 6: Sustainable Supply Chain Sustainability Performance Data (Sustainable Supply Chain)
	308-2	Negative environmental impacts in the supply chain and actions taken		180 to 187	Section 6: Sustainable Supply Chain Sustainability Performance Data (Sustainable Supply Chain)
GRI 401: Employment 2016	3-3	Management of material topics	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]	132 to 141	Section 6: Diversity, Inclusion and Human Rights
	401-1	New employee hires and employee turnover			Sustainability Performance Data (Diversity, Inclusion and Human Rights)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	401-3	Parental leave		132 to 141	Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	Workforce Health & Safety: HC-DY-320a.1 [Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees]	132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-1	Occupational health and safety management system		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-2	Hazard identification, risk assessment, and incident investigation		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-3	Occupational health services		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-4	Worker participation, consultation, and communication on occupational health and safety		132 to 141	Section 6: Diversity, Inclusion and Human Rights

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
	403-5	Worker training on occupational health and safety		132 to 141	Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)
	403-6	Promotion of worker health		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-8	Workers covered by an occupational health and safety management system		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-9	Work-related injuries		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	403-10	Work-related ill health		132 to 141	Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)
GRI 404: Training and Education 2016	3-3	Management of material topics		142 to 155	Section 6: Employee Engagement and Development
	404-1	Average hours of training per year per employee		142 to 155	Section 6: Employee Engagement and Development Sustainability Performance Data (Employee Engagement and Development)
	404-2	Programs for upgrading employee skills and transition assistance programs		142 to 155	Section 6: Employee Engagement and Development
	404-3	Percentage of employees receiving regular performance and career development reviews		142 to 155	Section 6: Employee Engagement and Development Sustainability Performance Data (Employee Engagement and Development)
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	405-1	Diversity of governance bodies and employees		132 to 141	Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)
	405-2	Ratio of basic salary and remuneration of women to men		132 to 141	Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 406: Non-discrimination 2016	3-3	Management of material topics		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	406-1	Incidents of discrimination and corrective actions taken		10 to 13 132 to 141	Section 1: Sustainability Highlights of 2025 Section 6: Diversity, Inclusion and Human Rights Sustainability Performance Data (Diversity, Inclusion and Human Rights)
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		132 to 141	Section 6: Diversity, Inclusion and Human Rights
GRI 408: Child Labor 2016	3-3	Management of material topics		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	408-1	Operations and suppliers at significant risk for incidents of child labor		132 to 141	Section 6: Diversity, Inclusion and Human Rights
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics		132 to 141	Section 6: Diversity, Inclusion and Human Rights
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		132 to 141	Section 6: Diversity, Inclusion and Human Rights
GRI 413: Local Communities 2016	3-3	Management of material topics	Access for Low-Income Patients: HC-DY-240a.1 [Discussion of strategy to manage the mix of patient insurance status]	122 to 131	Section 6: Community Outreach
	413-1	Operations with local community engagement, impact assessments, and development programs		122 to 131	Section 6: Community Outreach Sustainability Performance Data (Community Outreach)
	413-2	Operations with local community engagement, impact assessments, and development programs		122 to 131	Section 6: Community Outreach
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics		122 to 131	Section 6: Community Outreach
	414-1	New suppliers that were screened using social criteria		180 to 187	Section 6: Sustainable Supply Chain Sustainability Performance Data (Sustainable Supply Chain)
	414-2	Negative social impacts in the supply chain and actions taken		180 to 187	Section 6: Sustainable Supply Chain Sustainability Performance Data (Sustainable Supply Chain)

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics		110 to 121	Section 6: Service Quality and Safety
	416-1	Assessment of the health and safety impacts of product and service categories		110 to 121	Section 6: Service Quality and Safety
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		110 to 121	Section 6: Service Quality and Safety Sustainability Performance Data (Service Quality and Safety)
GRI 417: Marketing and Labeling 2016	3-3	Management of material topics		110 to 121	Section 6: Service Quality and Safety
	417-1	Requirements for product and service information and labeling	<p>Management of Controlled Substances: HC-DY-260a.1 [Description of policies and practices to manage the number of prescriptions issued for controlled substance]</p> <p>Pricing & Billing Transparency: HC-DY-270a.1 [Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure]</p> <p>Pricing & Billing Transparency: HC-DY-270a.2 [Discussion of how pricing information for services is made publicly available]</p> <p>Pricing & Billing Transparency: HC-DY-270a.3 [Number of the entity's 25 most common services for which pricing information is publicly available, percentage of total services performed (by volume) that these represent]</p>	110 to 121	Section 6: Service Quality and Safety Sustainability Performance Data (Service Quality and Safety)

GRI AND SASB CONTENT INDEX (CONT'D)

GRI Standard	Disclosure Code	Disclosure Title	SASB Mapping	Page Number(s)	Reference
GRI 418: Customer Privacy 2016	3-3	Management of material topics		110 to 121	Section 6: Service Quality and Safety
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>Patient Privacy & Electronic Health Records: HC-DY-230a.2 [Description of policies and practices to secure customers' personal health data records and other personal data]</p> <p>Patient Privacy & Electronic Health Records: HC-DY-230a.3 [(1) Number of data breaches, (2) percentage involving (a) personal data only and (b) personal health data, (3) number of customers affected in each category, (a) personal data only and (b) personal health data]</p> <p>Patient Privacy & Electronic Health Records: HC-DY-230a.4 [Total amount of monetary losses as a result of legal proceedings associated with data security and privacy³]</p>	110 to 121	Section 6: Service Quality and Safety

²The disclosure shall include a description of corrective actions implemented in response to data breaches

³The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

IFRS S1 AND S2 CONTENT INDEX

KPJ Healthcare Berhad has reported the information cited in this content index for the period 1 January 2025 to 31 December 2025 with reference to the IFRS S1 and S2 Standards.

As part of our sustainability journey, we are adopting the IFRS Sustainability Standards (IFRS) beginning in 2025, with a commitment to progressively enhance our disclosures in the years ahead.

IFRS S1 REQUIREMENTS			
Theme	IFRS S1 Recommended Disclosure	Sections(s) Reference	Page Reference
Governance	27(a) The governance body(s) (which can include a board, committee or the equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Section 4: Sustainability Governance	58 to 67
	27(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:	Section 4: Sustainability Governance	58 to 67
Strategy	Strategy and decision-making		
	33(b) The progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information.	Section 4: Sustainability Framework and Roadmap	32 to 43
Risk Management	44(a) The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks.	Section 4: Sustainability Risk Management	68 to 73
	44(b) The processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities.	Section 4: Sustainability Risk Management	68 to 73
	44(c) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Section 4: Sustainability Risk Management	68 to 73

IFRS S1 REQUIREMENTS			
Theme	IFRS S1 Recommended Disclosure	Sections(s) Reference	Page Reference
Metrics and Targets	46(a) Information relevant to the cross-industry metric categories of greenhouse gases.	Section 5: Our Climate Journey	76 to 97
	46(b) Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Section 5: Our Climate Journey	76 to 97
	51(a) The metric used to set the target.	Section 5: Our Climate Journey	76 to 97
	51(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	Section 5: Our Climate Journey	76 to 97
	51(c) The period over which the target applies.	Section 5: Our Climate Journey	76 to 97
	51(d) The base period from which progress is measured.	Section 5: Our Climate Journey	76 to 97
	51(e) Any milestones and interim targets.	Section 5: Our Climate Journey	76 to 97
	51(f) If the target is quantitative, whether it is an absolute target or an intensity target.	Section 5: Our Climate Journey	76 to 97

IFRS S1 AND S2 CONTENT INDEX (CONT'D.)

IFRS S2 REQUIREMENTS			
Theme	IFRS S1 Recommended Disclosure	Sections(s) Reference	Page Reference
Governance	6(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.	Section 4: Sustainability Governance	58 to 67
	6(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Section 4: Sustainability Governance Section 5: Our Climate Journey	58 to 67
Strategy	9(a) The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Section 5: Our Climate Journey	80 to 91
	9(b) The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	Section 5: Our Climate Journey	80 to 91
	9(c) The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan.	Section 5: Our Climate Journey	80 to 91
	Climate-related risks and opportunities		
	10(a) Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Section 5: Our Climate Journey	80 to 91
	10(b) For each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	Section 5: Our Climate Journey	80 to 91
10(c) For each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Section 5: Our Climate Journey	80 to 91	

IFRS S2 REQUIREMENTS			
Theme	IFRS S1 Recommended Disclosure	Sections(s) Reference	Page Reference
Strategy	10(d) How the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Section 5: Our Climate Journey	80 to 91
	Business model and value chain		
	13(a) A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	Section 5: Our Climate Journey	80 to 91
	13(b) A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Section 5: Our Climate Journey	80 to 91
	Strategy and decision-making		
	14(a) How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.	Section 5: Our Climate Journey	80 to 91
Climate resilience			
Risk Management	22(a) The entity's assessment of its climate resilience as at the reporting date.	Section 5: Our Climate Journey	80 to 91
	22(b) How and when the climate-related scenario analysis was carried out.	Section 5: Our Climate Journey	80 to 91
	25(a) The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks.	Section 4: Sustainability Risk Management	80 to 91

IFRS S1 AND S2 CONTENT INDEX (CONT'D.)

IFRS S2 REQUIREMENTS			
Theme	IFRS S1 Recommended Disclosure	Sections(s) Reference	Page Reference
Risk Management	25(a) The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	Section 4: Sustainability Risk Management	80 to 91
	25(b) The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Section 4: Sustainability Risk Management	80 to 91
Metrics and Targets	Climate-related metrics		
	29(a) Information relevant to the cross-industry metric categories of greenhouse gases.	Section 5: Our Climate Journey	92 to 97
	Climate-related metrics		
	33(a) The metric used to set the target.	Section 5: Our Climate Journey	92 to 97
	33(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	Section 5: Our Climate Journey	92 to 97
	33(c) The period over which the target applies.	Section 5: Our Climate Journey	92 to 97
	33(d) The base period from which progress is measured.	Section 5: Our Climate Journey	92 to 97
	33(e) Any milestones and interim targets.	Section 5: Our Climate Journey	92 to 97
33(f) If the target is quantitative, whether it is an absolute target or an intensity target.	Section 5: Our Climate Journey	92 to 97	

IFRS S2 REQUIREMENTS			
Theme	IFRS S1 Recommended Disclosure	Sections(s) Reference	Page Reference
Metrics and Targets	34(c) The metrics used to monitor progress towards reaching the target.	Section 5: Our Climate Journey	92 to 97
	35 An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Section 5: Our Climate Journey	92 to 97
	36(a) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Section 5: Our Climate Journey	92 to 97
	36(c) Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	Section 5: Our Climate Journey	92 to 97

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