



SUSTAINABILITY SUKUK FRAMEWORK

**POINT ZONE (M) SDN BHD (“ISSUER”)
KPJ HEALTHCARE BERHAD (“GUARANTOR”)**

January 2022

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1. BACKGROUND

1.1 Company History

1.1.1 Point Zone Sdn Bhd (“PZSB”)

PZSB was incorporated on 20 November 2009 as a wholly-owned subsidiary of KPJ Healthcare Berhad (“**KPJ**”) to provide treasury management services to KPJ and its group of companies (“**KPJ Group**”).

1.1.2 KPJ

KPJ is one of Malaysia's leading private healthcare service providers in Malaysia. KPJ is listed on the Main Market of Bursa Malaysia since 1994. KPJ's first hospital, KPJ Johor, commenced its construction in 1979 and was officially opened to the public in 1981 as the first private specialist hospital in the state of Johor. Celebrating its 40th anniversary in 2021, KPJ has now grown to become the largest private healthcare provider in Malaysia in terms of bed capacity.

Driven by KPJ's core values of Safety, Courtesy, Integrity, Professionalism and Continuous Improvement, KPJ's integrated network consists of more than 28 specialist hospitals located nationwide as well as 2 hospitals in Indonesia and 1 hospital in Bangladesh and Thailand respectively. KPJ also operates senior and assisted living care centres in Kuala Lumpur, Sibu, Kuantan, Kota Kinabalu and Queensland Australia which offer both short and long term care. KPJ's hospitals are mostly accredited by reputable accreditation bodies where 19 of their existing hospitals are accredited by the Malaysian Society for Quality in Health (MSQH) and 4 hospitals are accredited by the Joint Commission International (JCI). KPJ Group is currently supported by 1,322 medical specialists on board and treats on average of more than 2.9 million patients annually.

KPJ's competitive advantage lies in the extensive reach and presence in the highly competitive private healthcare industry. Given the strategic locations of the hospitals in various parts of the nation, KPJ Group's hospitals are easily accessible and offer a diverse range of medical specialist services, many of which are major firsts in the nation's healthcare industry.

1.2 Vision, Mission and Sustainability Values

VISION

The Preferred Healthcare Provider

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

MISSION

Deliver Quality Healthcare Services

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

SUSTAINABILITY VALUES

At KPJ, the sustainability agenda is guided by four sustainability values as follows:-

Preventive Healthcare	Universal Healthcare Coverage
<p>We have endeavoured to collaborate with the government and healthcare insurers to improve on preventive healthcare offerings available for the people of Malaysia. We focus on the following:</p> <ul style="list-style-type: none">• Growing our immunisation and vaccination coverage• Helping to improve the health, nutrition knowledge, behaviour and attitude of the community towards healthcare• Infection prevention and control and preparedness for COVID-19 in healthcare setting• Empowering patients to make informed decisions through technology• Encouraging breast-feeding as the best choice for the nourishment of infants and young children	<p>We aim to provide healthcare for all, and to achieve this, we are collaborating with the government and healthcare insurers and nongovernment organisations (NGOs) to offer the best packages and to cover a wider scope. We are using the low price and high-volume models to make healthcare affordable for low and middle income families. In this way, we can bring vaccines, diagnostic tests, pharmaceuticals, supplements and family planning to the people who need it, thus carrying out our responsibility as a corporate citizen.</p>
-Resilient Healthcare	Environmentally Sustainable Healthcare
<p>The COVID-19 pandemic has shown how healthcare system flaws can have serious consequences for people's health, economic progress, government confidence, and social cohesion. Containing and reducing the virus's spread and infection rate in the country is still important. Hence, it is vital for us to assist the Government in strengthening the healthcare system, including administering COVID-19 vaccinations.</p>	<p>We aim to build environmentally sensitive hospitals, and streamline our processes to become more efficient, so that we can reduce, reuse and recycle water, raw materials, non-renewable minerals, energy, hazardous waste, and non-hazardous waste.</p>

KPJ's sustainability values form the foundation of the sustainability commitment which have been firmly embedded into the fabric of the organisation to drive the sustainability initiatives in all the business operations, comprising hospitals, retirement and aged care centres and a university college. With KPJ's sustainability commitment and initiatives, they are focused on providing the highest standards of clinical governance and access to quality healthcare, it is KPJ's duty and honour to deliver safe and excellent clinical services.

2. SUSTAINABILITY AT KPJ GROUP

2.1 Sustainability Journey


KPJ embarked on the sustainability journey back in 2016 by embedding sustainability development agenda into their business' strategic thrusts to ensure sustainable business growth that contributes to the socioeconomic well-being of the communities and the nation. During the same year, KPJ made their debut as a constituent of the FTSE4Good Bursa Malaysia Index that tracks performance of listed companies demonstrating strong Environmental, Social and Governance (ESG) practices. KPJ's commitment towards sustainability agenda was further evidenced with the introduction of the first Sustainability Statement in 2016 as part of KPJ Group's Annual Report.




In 2018, KPJ had published their first edition of a standalone Sustainability Report which outlined the details of KPJ Group's initiatives within the Economic, Environmental and Social spheres together with the commitment to support the United Nations Sustainable Development Goals (UN SDGs) by embedding the UN SDGs into the company's business goals. The alignment of KPJ Group's sustainability goals with the UN SDGs is a direct manifestation of the efforts to champion the sustainable socioeconomic development agenda for the nation as a key component of their long-term strategic outlook.















KPJ has complied with Bursa Malaysia's sustainability-related Listing Requirements, FTSE4Good Bursa Malaysia Index, and have also mapped its sustainability issues (materiality) based on the Global Reporting Initiative ("GRI") Standards.

2.2 Sustainability Goals and Alignment with UN SDGs

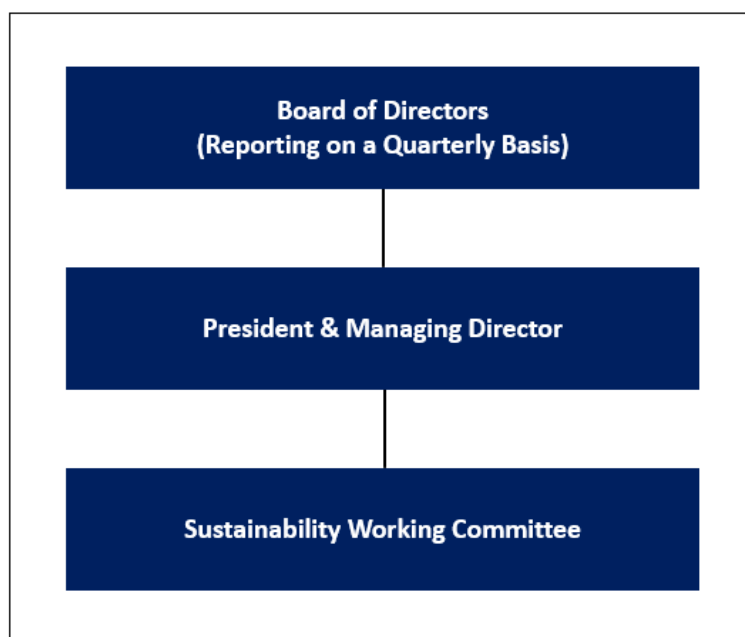
KPJ contributes to national and global sustainable development agenda by embedding sustainability in its business strategy and operations. KPJ Group's sustainability initiatives and impacts have been aligned with 15 prioritised UN Sustainable Development Goals (UN SDGs) as follows:-

Sustainability Goals	KPJ Sustainability Initiatives	United Nations SDGs
Adherence to regulatory requirements	<ul style="list-style-type: none"> Compliance Delivering Safe and Excellent Clinical Services 	 
Anti - corruption	<ul style="list-style-type: none"> Ethics and Integrity 	

Responsible products and services	• Patient Satisfaction	
	• Delivering Safe and Excellence Clinical Care	 
	• Driving Efficiency with Innovation and Technology	
	• Access to Quality Healthcare	
	• Waste Management	

Sustainability Goals	KPJ Sustainability Initiatives	United Nations SDGs
Anticompetitive behaviour	• Ethics and Integrity	
Energy and resources management	• Waste Management	
	• Water Management	
	• Energy Management	  
Community investment	▪ Community Outreach	 
Safety and health	▪ Occupational Health and Safety	
Workforce inclusion and diversity	▪ Employee Engagement, Diversity and Inclusion	 
Talent management	▪ Training and Career Development	
	▪ Employee Engagement, Diversity and Inclusion	 

2.3 Sustainability Governance



KPJ's sustainability commitments are driven by a robust governance framework to ensure high level of integrity and transparency in all their internal and external interactions. KPJ's sustainability governance structure is helmed by their Board of Directors ("**Board**") which sets the fundamental sustainability agenda of KPJ Group. The implementation of the sustainability agenda will then be spearheaded by their President and Managing Director ("**PMD**") and the members of the Sustainability Working Committee ("**SWC**").

The PMD and SWC shall report to the Board on a quarterly basis. To ensure compliance of their internal checks and measures, their sustainability reporting, sustainability performance and disclosures are closely monitored internally, by their Risk & Governance Committee.

3. SUSTAINABILITY SUKUK FRAMEWORK

The Sustainability Sukuk Framework ("**Framework**") is established to provide guidelines for issuance of all Sustainability Sukuk Wakalah (as defined below) by PZSB for KPJ Group, pursuant to the Islamic Medium Term Notes Programme of up to RM3.0 billion under the principle of Wakalah Wakalah Bi Al-Istithmar ("**Sukuk Wakalah Programme**").

In line with KPJ's ambition towards embracing and supporting the United Nation Sustainable Development Goals ("**UN SDG**"), this Framework is aligned with the following guidelines, frameworks or standards, as amended from time to time (collectively, the "**Sustainability Guidelines/Frameworks**"):

- a) the Securities Commission Malaysia's ("**SC**") Sustainable and Responsible Investment Sukuk ("**SRI Sukuk**") framework under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission on 9 March 2015 and revised on 30 June 2022;

- b) ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum (“**ACMF**”) on November 2017;
- c) ASEAN Social Bond Standards issued by the ACMF on October 2018;
- d) ASEAN Sustainability Bond Standards issued by the ACMF on October 2018;
- e) Green Bond Principles 2021 (with June 2022 Appendix 1) issued by the International Capital Markets Association (“**ICMA**”);
- f) Social Bond Principles 2021 (with June 2022 Appendix 1) issued by ICMA;
- g) Sustainability Bond Guidelines 2021 issued by ICMA; and
- h) Such other guidelines or frameworks or standards, whether or not having the force of law, in relation to SRI Sukuk / sustainability / social / green Sukuk / bonds issued from time to time;

“**Sustainability Sukuk Wakalah**” refers to any Sukuk Wakalah issued pursuant to the Sukuk Wakalah Programme which is in compliant with the relevant Sustainability Guidelines/Frameworks.

The Framework takes into account the following four (4) core components in alignment with the Sustainability Guidelines/ Framework:-

- a) Use of proceeds;
- b) Project evaluation and selection;
- c) Management of proceeds; and
- d) Reporting.

3.1 Use of Proceeds


The proceeds from any issuance of the Sustainability Sukuk Wakalah under this Framework (“**Sustainability Sukuk Wakalah Proceeds**”) shall be utilised to finance and/or re-finance¹, in whole or in part, new or existing assets, businesses, projects and/or products within the eligible categories and criteria as outlined under Table 1 below (“**Eligible Assets**”).






For the avoidance of doubt, any proceeds from Sustainability Sukuk Wakalah issued by PZSB as the Issuer pursuant to the Sukuk Wakalah Programme can be used by KPJ Group for its operations related to the provision of healthcare services which include but not limited to, capital expenditures and working capital, refinancing of existing borrowings, operating expenses and other expenses related to the Eligible Assets, so long as the proceeds from the Sustainability Sukuk Wakalah issuances are not used to fund new or existing assets, businesses, projects and/or products falling outside of the Eligible Assets.


^[1] The Sustainability Sukuk Wakalah Proceeds under the Framework can be utilised to finance new Eligible Assets and/or to refinance existing Eligible Assets. Eligible Assets are considered as to be “financed” from the Sustainability Sukuk Wakalah Proceeds when the relevant Eligible Asset is financed after the issuance of the Sustainability Sukuk Wakalah. Eligible Assets are considered to be “refinanced” from the Sustainability Sukuk Wakalah Proceeds when the relevant Eligible Asset was financed before the issuance of the Sustainability Sukuk Wakalah. Any expected look-back period (if applicable) for Eligible Assets to be refinanced shall be determined upon further consultation with MARC.






KPJ may include additional green and/or social eligible categories from time to time subject to such additional eligible categories to be aligned with the relevant Sustainability Guidelines/Frameworks.


Table 1

Eligible Sustainability Project Category	Eligibility Criteria - Description	Environmental and/or Social Objectives	Alignment with UN SDG Targets
<p>Access to Essential Services</p>	<p>Quality Healthcare Services</p> <p>Projects and/or such other business activities including procurement of equipment and investments in relevant technologies, in relation to the provision of essential quality healthcare services which includes but not limited to the following:-</p> <ul style="list-style-type: none"> ▪ Construction of new hospitals and/or expansion of existing hospitals which includes the relevant working capital requirements for the operation of hospitals ▪ To increase the Ambulatory Care Centres (ACC) ▪ To improve access to pharmacies ▪ To increase the number of Senior & Assisted Living Care (SALC) centres ▪ To increase the number of confinement centres ▪ To grow and develop the medical air services ▪ To create an integrated digital health ecosystem and facilitate services such as telemedicine, e-prescription and home delivery systems to broaden access to quality healthcare services especially for the remote communities. ▪ To support the research and development of vaccines and medicines for the communicable and non-communicable diseases <p>Target Population: People in need of medical care</p>	<p>Increase and improve medical care capacity for people in need of medical support</p>	

	<p>Healthcare Services to The Underprivileged (“B40”) and Disabled Communities</p> <ul style="list-style-type: none"> ▪ To continue the initiatives in reaching to the B40 communities and people with disabilities through affordable health facilities such as Klinik Waqaf An-Nur (KWAN), which provide outpatient treatment and care services as well as dialysis treatment at subsidised prices. ▪ To build a healthy society within the B40 and the disabled communities through education and healthcare awareness programmes ▪ To collaborate on any potential public-private or private-private partnership to provide affordable healthcare services to the B40 and the disabled communities in Malaysia <p>Target Population: Underserved or Vulnerable People in need of medical care</p>	<p>Increase and improve medical care capacity for vulnerable people in need of medical support</p>	 
<p>Socioeconomic Advancement & Empowerment</p>	<p>Education</p> <ul style="list-style-type: none"> ▪ Education sponsorship for underprivileged students in nursing and health sciences <p>Employment</p> <ul style="list-style-type: none"> ▪ Job opportunities for sponsored underprivileged students of KPJ University College (“KPJUC”) to be employed by KPJ Group <p>Supply Chain</p> <ul style="list-style-type: none"> ▪ To integrate small medium enterprises (“SMEs”) within KPJ Group’s list of vendors into KPJ Group’s supply chain networks to facilitate access to potential vendor financing schemes offered by KPJ Group’s list of financiers ▪ To promote gender equality by increasing the number of women-owned SMEs into KPJ Group’s list of vendors 	<p>Improve opportunities for social participation to various vulnerable groups and mitigate economic inequality by offering wider employment opportunities</p>	  

	<p>Target Population: Underprivileged students, unemployed, women and/or sexual and gender minorities, and other excluded and/or marginalised populations or communities</p>		
<p>Green Building</p>	<p>Capital investments for new and/or existing hospitals to be built as environmental friendly hospitals and non-hospital buildings to achieve the green building requirements as set out by acceptable (locally and internationally) green building standards or guidelines, including but not limited to the following:-</p> <ul style="list-style-type: none"> ▪ LEED¹ (minimum Gold) ▪ BREEAM² (minimum Excellent) ▪ GBI³ (minimum Gold) ▪ GreenRE⁴ (minimum Gold) ▪ BCA Green Mark⁵ (minimum GoldPlus) ▪ WELL Building Standard⁶ (minimum Gold) <p>¹ Leadership in Energy and Environmental Design (LEED), as amended from time to time, developed by the United States Green Building Council.</p> <p>² Building Research Establishment Environmental Assessment Method (BREEAM), as amended from time to time, developed by the Building Research Establishment based in England, UK.</p> <p>³ Green Building Index (GBI), as amended from time to time, developed by Malaysian Institute of Architects and Association of Consulting Engineers Malaysia.</p> <p>⁴ GreenRE, as amended from time to time, developed by the Real Estate and Housing Development Association of Malaysia (REHDA).</p> <p>⁵ Green Mark certification scheme, as amended from time to time, developed by Building and Construction Authority (BCA) of Singapore.</p> <p>⁶ WELL Building Standard (WELL), as amended from time to time, developed by International WELL Building Institute</p>	<p>Support energy transition to a low-carbon economy; develop low-carbon buildings and improve energy efficiency of buildings.</p>	
<p>Energy efficiency</p>	<p>Invest in resource efficient buildings, production processes, equipment, logistics and services which could result in significant improvement in the overall carbon footprint and energy consumption per patient annually, which include but not limited to the following:</p>	<p>Support energy transition to a low-carbon economy; develop low-carbon buildings and improve energy</p>	

	<ul style="list-style-type: none"> ▪ to engage a certified provider of consultancy services in the healthcare sector such to ensure efficient energy management in KPJ hospitals ▪ improvement to Air Conditioning Mechanical Ventilation (ACMV) systems for hospitals and non-hospital buildings ▪ improvement to lighting systems by replacing conventional light bulbs with LED lights for hospitals and non-hospital buildings ▪ to implement Scheduled and Planned Preventive Maintenance for hospitals and non-hospital buildings ▪ to conduct training and awareness programmes on the impact of energy consumption on climate change ▪ to procure medical devices with lower power consumption and improved end of product lifecycle recycling 	efficiency of buildings.	
Sustainable water and wastewater management	<ul style="list-style-type: none"> ▪ To provide adequate supply of safe and clean water for the purpose of cooling, cleaning and washing facilities for the patients and staff ▪ Reduce water consumption in hospitals and other facilities and treat, recycle and reuse wastewater through rain water harvesting 	Efficient resource management through reduction in water consumption	 
Pollution prevention and control	<p>To substantially reduce waste generation through prevention, reduction, recycling and reuse, in line with UN SDG's target 12.5 by 2030. Amongst the initiatives implemented and proposed by KPJ for pollution prevention and control in relation to our waste generation are as follows:-</p> <ul style="list-style-type: none"> ▪ to develop and implement improved processes towards achieving circular economy to reduce, reuse and recycle water, raw materials, non-renewable minerals, energy, other inputs, by-products, hazardous waste, 	Efficient resource management through reduction in waste generation	  

	<p>non-hazardous waste, general waste and packaging</p> <ul style="list-style-type: none"> ▪ recycling non-clinical waste such as paper and other recyclable items ▪ tracking and reporting waste generated by types of hazardous waste (schedule waste) and non-hazardous waste ▪ support the Ministry of Environment and Water and local communities to safely manage medical waste to avoid contamination of water sources 		
Climate change adaptation	<ul style="list-style-type: none"> ▪ To help build resilient healthcare systems able to anticipate, respond to, cope with, recover from and adapt to climate-risks including increased morbidity arising from natural disasters such as heatwaves, floods, droughts and storms ▪ To invest in healthcare solutions to mitigate the impacts of a changing climate which include food-borne and water-borne diseases, increased air pollution, undernutrition, and heat-related mortality, exhaustion and stroke 	Adapt to climate change and assess the risks and opportunities relating to different climate change scenarios	 <p>6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION</p>

3.2 Project Evaluation and Selection

KPJ Group's strategic direction on sustainability is spearheaded by its PMD and guided by the Board. The evaluation and selection of Eligible Assets to be funded by the Sustainability Sukuk Wakalah Proceeds shall be in compliance with this Framework.

The key process for evaluation and selection of Eligible Assets is as follows:-

- (a) Review, validation and evaluation of the proposed Eligible Assets in accordance with the Framework;
- (b) Recommendation and approval on the selection of the Eligible Assets will be done by the SWC.
- (c) The SWC shall monitor the Eligible Assets portfolio during the life of the transaction. KPJ Group can decide to replace an Eligible Assets if it no longer meets the eligibility criteria by going through steps (a) – (b) above.

- (d) Reporting on the utilisation of the Sustainability Sukuk Wakalah Proceeds for the Eligible Assets shall be made by the SWC to the PMD and subsequently the Board, on a quarterly basis.

Project Selections are also guided by a set of exclusionary criteria such as:

I. Criteria for Non-Shariah Compliant Business Activities / Products / Goods:

- (a) Riba bearing financial institutions
- (b) Entertainment and gambling establishments
- (c) Non-halal food, beverage and animal-based related activities
- (d) Other suspicious/immoral related activities

II. Unlicensed/illegal products including drugs, hazardous chemicals, weapons and explosive products

- (a) Tobacco-based product or weed (including hookahs)
- (b) Non-valuable asset, e.g. dirt except animal sourced organic fertilizer
- (c) Musical instruments/equipment for non-Shariah compliant activities
- (d) Raw material or equipment for packaging of non-Shariah compliant products

III. Non-Shariah compliant swimming trunk and extreme non-covering aurah designed based clothes

- (a) Idolatry and any ritual material for other religions than Islam

IV. Criteria for Aesthetic Business

- (a) Tattoo
- (b) Plastic surgery without any medical purpose/requirement e.g., breast enhancement, nose reshaping
- (c) Waxing or grooming any private part hair i.e., Brazilian or boyzilian wax service
- (d) Botox injection for beautification purposes
- (e) Placenta injection using human and non-halal animal derived parts
- (f) Lengthening hair using human's hair
- (g) Total removal of eyebrows
- (h) Any services or products that have been blacklisted or prohibited by Kementerian Kesihatan Malaysia or any related authorities i.e., National Pharmaceutical Control Agency

V. Criteria of Mixed Activities Business

- (a) Financing benchmark for company with mixed business activities; Revenue generated from the non-Shariah compliant activities shall be less than 33% from the total revenue of the company

For clarification, the additional exclusion categories/ineligible project shall be aligned with the ACMF's ASEAN Green Bond Standards

- (a) Fossil fuel generations projects
- (b) Activities that pose a negative social impact related to alcohol, gambling, tobacco and weaponry

3.3 Management of Proceeds

The Sustainability Sukuk Wakalah Proceeds shall be allocated by KPJ to the relevant companies within KPJ Group to fund the Eligible Assets selected as per the evaluation and approval process set out above. KPJ Group's Finance Division shall monitor the allocation and management of the Sustainability Sukuk Wakalah Proceeds internally to ensure compliance with this Framework.

Additional Eligible Assets may be added into the portfolio of Eligible Assets, where necessary, to ensure efficient and timely distribution and utilisation of the Sustainability Sukuk Wakalah Proceeds. During the life of Sustainability Sukuk Wakalah, if any of the Eligible Assets cease to be in compliance with this Framework, KPJ will use its best effort to identify new Eligible Assets as replacement and allocate the balance of unutilised Sustainability Sukuk Wakalah Proceeds for such new Eligible Assets as soon as reasonably practicable.

In respect of any unutilised amount of the Sustainability Sukuk Wakalah Proceeds, such amount shall be held by KPJ Group in cash, cash equivalents and/or invested in other Shariah-compliant marketable instruments according to KPJ Group's liquidity policy subject further to the terms and conditions of the Sukuk Wakalah Programme.

In respect of any Sustainability Sukuk Wakalah Proceeds allocated for the purpose of refinancing of completed Eligible Assets, in which case the projects' costs were fully disbursed in the past, no separate management of proceeds by KPJ Group is required.

3.4 Reporting

KPJ adopts strong governance controls and internal checks and measures to ensure accuracy of the data and information reported. KPJ Group focuses on developing robust reporting processes internally which is closely monitored by the SWC and reported to the Board of Directors on quarterly basis.

The Framework will be made publicly available on KPJ's corporate website at www.kpjhealth.com.my, at the point of issuance and throughout the tenure of the Sustainability Sukuk Wakalah issued under the Sukuk Wakalah Programme. KPJ Group is also fully committed to keep the investors of the Sustainability Sukuk Wakalah updated with the latest development on its continuous sustainability initiatives.

KPJ will publish annual reports which will provide information on the allocation and impacts of the Eligible Assets funded by the Sustainability Sukuk Wakalah Proceeds throughout the tenure of the Sustainability Sukuk Wakalah issuance ("**Sustainability Sukuk Report**"). The Sustainability Sukuk Report shall contain (1) an Allocation Reporting and (2) Impact Reporting and will be published together with KPJ's Annual Report which is made available to the public on its corporate website.

(a) Allocation Reporting

The Sustainability Sukuk Report shall contain an Allocation Reporting which entails the following:-

- a list of Eligible Assets under the respective project categories funded or to be funded by the Sustainability Sukuk Wakalah Proceeds and the description thereof;
- aggregate total amount Sustainability Sukuk Wakalah Proceeds allocated and utilised for each project category;
- removal or substitution of Eligible Assets;
- portion of financing and refinancing;
- remaining balance of the unallocated and/or unutilised Sustainability Sukuk Wakalah Proceeds and where such unallocated and/or unutilised amount is placed or invested pending utilisation; and
- confirmation that the utilisation of Sustainability Sukuk Wakalah Proceeds conforms to this Framework.

(b) Impact Reporting

The Sustainability Sukuk Report shall contain an Impact Reporting based on a range of green, social and/or environmental indicators for each Eligible Assets until the maturity of the relevant Sustainability Sukuk Wakalah. The indicators may include where feasible and to the extent possible:-

Eligible Sustainability Project Category	Reporting Indicators
Access To Essential Services	Quality Healthcare Services <ul style="list-style-type: none">▪ Number of new hospitals and/or additional bed capacity▪ Number of new patients▪ Number of new medical and surgical services▪ Material sustainability impacts of technology investments on healthcare service provision▪ Number of ACCs▪ Number of retail pharmacies outlets▪ Number of SALC centres▪ Number of confinement centres and/or number of mothers and babies served▪ Number of remote rural areas which have access to healthcare services▪ Number of patients transported from remote and rural areas▪ Enhancement of the telemedicine and top up medication home delivery service

	<ul style="list-style-type: none"> ▪ Online and mobile appointment booking system ▪ Online pharmacies ▪
	<p>Healthcare Services to The Underprivileged (“B40”) and Disabled Communities</p> <ul style="list-style-type: none"> ▪ Number of KWAN clinics and its total patients treated ▪ Healthcare awareness programmes and public talks ▪ Increase in the proportion of the B40 communities attending regular health screening
Socioeconomic advancement and empowerment	<p>Education</p> <ul style="list-style-type: none"> ▪ Number of underprivileged students receiving scholarships <p>Employment</p> <ul style="list-style-type: none"> ▪ Number of job creations of sponsored underprivileged students being employed by KPJ Group <p>Supply Chain</p> <ul style="list-style-type: none"> ▪ Number of SMEs within KPJ Group’s list of vendors to successfully obtain vendor financing facilities from KPJ Group’s list of financiers ▪ Percentage of women-owned SMEs within KPJ Group’s list of vendors
Energy Efficiency and Climate Action	<p>Green Building</p> <ul style="list-style-type: none"> ▪ Number of green-certified hospitals and non-hospital buildings <p>Energy efficiency</p> <ul style="list-style-type: none"> ▪ Energy Consumption per square-foot of hospitals ▪ Greenhouse gas (GHG) emission per square-foot of hospitals <p>Sustainable water and wastewater management</p> <ul style="list-style-type: none"> ▪ Water consumption per patient <p>Pollution prevention and control</p> <ul style="list-style-type: none"> ▪ Total clinical and non-clinical waste generated per patient <p>Climate change adaptation</p> <ul style="list-style-type: none"> ▪ Reduced number of people suffering from flood-related infections/climate-related health issues ▪ Number of new solutions that reduce climate-related health impact

4. EXTERNAL REVIEW

KPJ has appointed Malaysian Rating Corporation Berhad (“**MARC**”) through MARC Solutions as an independent party to provide a Second Party Opinion (“**SPO**”) on the Framework, prior to issuance of Sustainability Sukuk Wakalah

The SPO shall be published on KPJ’s corporate website at www.kpjhealth.com.my.

5. POTENTIAL EVOLUTIONS

As the sustainability sukuk market will likely be subject to changing market and regulatory context as it evolves, PZSB together with KPJ shall continuously enhance and improve the Framework in accordance with the Sustainability Guidelines/Frameworks and publish any supplementary content to this Framework on KPJ’s corporate website.