



# Delivering What Matters to You



**SUSTAINABILITY REPORT 2021**



# Commemorating 40 Years of Delivering What Matters to Our Stakeholders

KPJ HEALTHCARE BERHAD 

## OUR VISION

### The Preferred Healthcare Provider

Our fundamental purpose is the delivery of exceptional diagnosis, health treatment and care to all our patients. We are dedicated to being the preferred provider of healthcare through the innovative use of technology and by tapping the expertise of experienced consultants as well as well-trained medical and non-medical employees who collaborate to offer the best diagnosis and treatment plans wherever we operate.

## OUR MISSION

### Deliver Quality Healthcare Services

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

## OUR CORE VALUES

### Values That Guide Us

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



Ensuring **Safety**



Exercising **Professionalism** at All Times



Delivering Service with **Courtesy**



Striving for **Continuous Improvement**



Performing Duties with **Integrity**

## DELIVERING WHAT MATTERS TO YOU



**Our Sustainability Report this year, which carries the tagline, "Delivering What Matters to You," aptly sums up how the team in KPJ continues to demonstrate a spirit of excellence by way of our sustainability endeavours, going above and beyond expectations, to deliver what matters to our diverse stakeholders.**

While 2021 marked KPJ's 40th year of existence as a private healthcare operator, we did not dwell on any celebratory activities given the severity of the COVID-19 challenges that we had to contend with. Instead, we commemorated the year by maintaining a laser-focus on doing what we do best – caring for life. As we worked diligently to elevate patient care, we also focused our efforts on championing the agenda of sustainability across our organisation and among our people by balancing out our economic ambitions with social and environmental considerations. As a result of the concerted efforts of our people, the Group made decent strides forward on the Economic, Environmental and Social (EES) fronts in 2021.

Today, a reinvigorated KPJ continues to grow from strength and is well positioned to continue creating sustainable value for our diverse stakeholders by way of our EES efforts. As we move forward as the biggest private hospital group in Malaysia by bed count capacity and a regional healthcare player focused on delivering world-class healthcare services across five nations, we remain committed to upholding the agenda of sustainability and embedding it in greater measure within KPJ.

## NAVIGATION ICONS



This icon indicates where further information or supplementary reports can be found online.

# Inside this Report

## ABOUT THIS REPORT 2

### 2021 KEY HIGHLIGHTS 3

### JOINT LEADERSHIP STATEMENT 4

## OUR SUSTAINABILITY VALUES 11

The 4 Values	11
MPSG and Aligning with UN SDGs	12

## SUSTAINABILITY AT KPJ 14

Sustainability Governance	14
Sustainability Goals	15
Our Strategic Progress	16
Sustainability Materiality	21
Stakeholder Engagement	22

## OUR SUSTAINABILITY IMPACTS 28

### Economic

Ethics and Integrity	30
Compliance	33
Patient Satisfaction	34
Delivering Safe and Excellent Clinical Services	38
Driving Efficiency with Innovation and Technology	43
Access to Quality Healthcare	45
Economic Perspective	49
Data Privacy and Security	55

### Environmental

Waste Management	58
Water Management	60
Energy Management	61
Climate Change	62

### Social

Community Outreach	70
Training and Career Development	74
Employee Engagement, Diversity and Inclusion	83
Occupational Health and Safety	89

## APPENDICES 98

Employees Performance Data	98
Group Directory and Network	102
GRI Content Index	104



**ECONOMIC**



**ENVIRONMENTAL**



**SOCIAL**

PG. 28

PG. 56

PG. 68



This icon indicates where further information on a matter can be found elsewhere in this report.



# About this Report

## SUSTAINABILITY REPORT



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

### OUR COMMITMENT TO UPHOLDING SUSTAINABLE DEVELOPMENT

Today, the agenda of sustainability is gaining greater momentum within the Group as we continue to elevate sustainability efforts on the Economic, Environmental and Social (EES) fronts throughout our organisation. Built upon KPJ's Six Capitals, our EES framework serves as the foundation for the Group's long-term commitment to upholding sustainable development.

### REPORTING SCOPE AND BOUNDARY

This Report, which covers the period 1 January to 31 December 2021, aims to provide a reliable and transparent account of KPJ's sustainability activities throughout the year. It covers the sustainability activities implemented throughout the Group's hospital operations in Malaysia which contributed 96% of the Group's revenue for financial year 2021.

All quantitative environmental data featured in this report is derived from collated data from the Group's 19 Malaysian Society for Quality in Health or MSQH-accredited hospitals.

### REPORTING GUIDELINES

This report has been prepared in accordance with the GRI Standards and closely adheres to the guidelines of Bursa Malaysia's Sustainability Reporting Guide and FTSE4Good Bursa Malaysia Index criteria. The Group's EES efforts also continue to be guided by the United Nation's Sustainability Development Goals (UN SDGs) and we continue to report on our contributions towards specific SDGs.

### ACCURACY AND ASSURANCE

To ensure that the data and information reported is accurate, KPJ has implemented strong governance controls with internal checks and measures to support our reporting process. These internal measures are in turn closely monitored internally by our KPJ Group Management Committee (KGMC) and reported to the Board of Directors on a quarterly basis. The Group continues to focus on strengthening our reporting processes internally and as such have not engaged external assurance for this report. We will continue to review the need for external assurance in the future.

### FEEDBACK

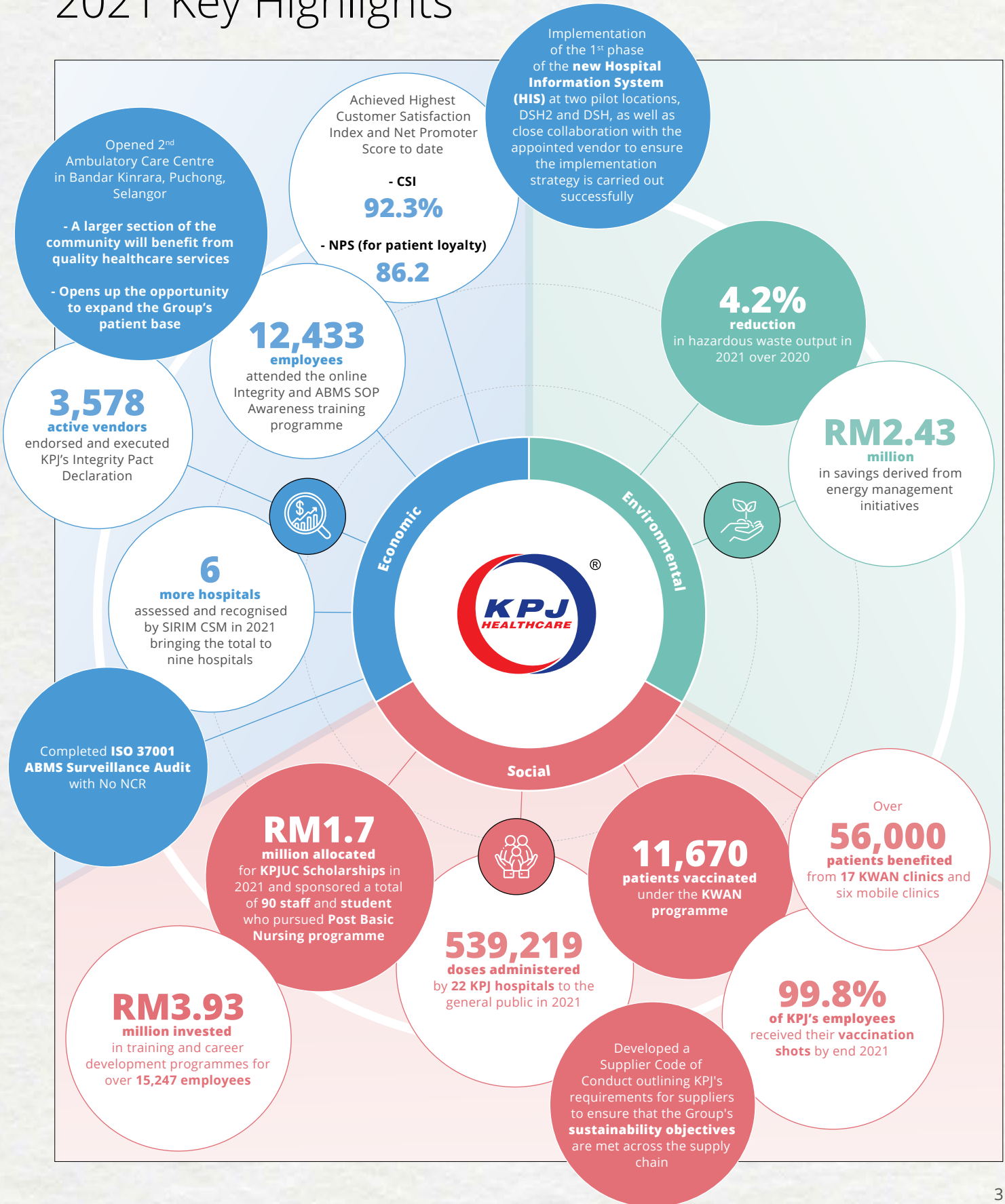
We welcome all feedback or queries regarding our sustainability performance. Please feel free to contact our Sustainability team at [ir@kpjhealth.com.my](mailto:ir@kpjhealth.com.my) in this regard.



**FTSE4Good**

KPJ is a constituent of the Bursa Malaysia FTSE4GOOD index that is designed to track performance and demonstrate strong Environmental, Social and Governance (ESG) practices.

# 2021 Key Highlights



# Joint Statement by the Chairman and President & Managing Director



**Datuk Md Arif Bin Mahmood**  
Chairman  
KPJ Healthcare Berhad

**Dato' Mohd Shukrie Bin Mohd Salleh**  
President & Managing Director  
KPJ Healthcare Berhad



## Dear Valued Stakeholders,

It is our pleasure and privilege to present to you the 2021 Sustainability Report of KPJ Healthcare Berhad (KPJ or the Group). In this fourth standalone report, our team has made every effort to present to you a transparent and concise report that demonstrates our commitment to delivering sustainable economic returns as well as to upholding our social and environmental responsibilities.

### COMMITTED TO CARE FOR LIFE

“The greatest threat to our planet is the belief that someone else will save it” – these are the thought-provoking words of polar explorer-turned-environmentalist Robert Swan, OBE, who in 1986, made the longest unassisted walk ever to the South Pole and three years later, to the North Pole. Swan’s words then, were a clarion call to his generation and ours to come forward to take personal responsibility for the future of the Earth, as the greatest disservice we could all do to all living beings is to expect someone else to shoulder the responsibility for saving our planet. These days, Swan traverses the globe, passionately lecturing and drumming up support for the Antarctic to ensure it avoids the same fate as its northern sister, the Arctic, which is currently being plundered for its natural resources.

Like Robert Swan, driven by our pioneering spirit and mandate to “Care for Life”, KPJ is making clear efforts to ensure that the well-being of individuals and communities in our care, as well as the environment that we operate in, are well taken care of while we diligently deliver a sustainable business performance.

Back in 2020, when the global COVID-19 pandemic hit, public sector hospitals the world over, including Malaysian public sector hospitals, were unable to cope with the sheer volume of positive COVID-19

cases. It was then that KPJ, together with other private sector healthcare providers, took the lead in stepping up efforts to complement public sector hospitals in saving countless lives. Under the public-private partnership with the Ministry of Health (MOH), KPJ’s hospital network began to offer more than 100 types of services and procedures to MOH-decanted non-COVID-19 patients. By increasing the number of non-COVID-19 patients that we could take on from MOH hospitals, it freed up the MOH’s capacity so that they could better manage COVID-19 cases.

KPJ’s hospitals then went on to assume the role of hybrid hospitals (i.e., where both COVID-19 and non-COVID-19 patients are managed at the same hospital) to lend much needed support to MOH hospitals. By proactively enhancing clinical protocols, designating additional resources, dedicating specific areas to allow for better segregation and management of COVID-19 patients, as well as undertaking a review of facilities and support services, our facilities and resources were transformed to accommodate the influx of positive COVID-19 cases – so much so, that in 2021, KPJ became the single largest private services provider to assist the Government in its treatment of decanted COVID-19 cases.

KPJ also played a vital role in supporting the Malaysian Government’s National Immunisation Programme (NIP) when 22 of our 28 hospitals nationwide collaborated with the MOH and ProtectHealth Corporation Sdn Bhd (the executor for private general practitioners’ participation in the NIP) to serve as Vaccination Administration Centres or Pusat Pemberian Vaksin (PPV). We also lent support to two mega PPVs – the first at the Kuala Lumpur Convention Centre (KLCC) and another at Mid Valley, South Key in Johor Bahru for the NIP. On top of this, our hospitals provided supplies and equipment such as ventilators to public hospitals nationwide, while 13 of our Waqaf An Nur (KWAN) clinics and four mobile clinics set up information and registration kiosks to assist with the registration of vaccine recipients. By the year’s end, our 22 hospitals had administered a total of 539,219 doses to the public.

Today, KPJ’s mandate to “Care for Life” ensures that we are laser-focused on caring and saving lives. With 40 years of experience and the largest network of hospitals in the country, coupled with passionate and competent staff and physicians, KPJ has steadfastly built a reputation for serving all its customers and patients in a professional, efficient and prudent manner.

## Joint Statement by the Chairman and President & Managing Director

### FOCUSED ON CREATING SUSTAINABLE VALUE

KPJ's sustainability journey has been a unique one. Being the largest private healthcare provider in the country, we have focused our efforts on providing access to quality and inclusive healthcare while simultaneously ensuring sustainable business growth. Although the last two years of the pandemic have led to "business

unusual", we remain steadfast and focused on putting the necessary building blocks in place so that we are equipped to capitalise on growth when the situation normalises in the not too distant future.

No matter what the state of the economy is, our practices remain grounded in deep-rooted principles of improving the quality of life of

our patients and communities. Our unrelenting focus on providing a strong and robust continuum of care remains a topmost priority as we believe this is the best way to create long-term sustainable value. To realise our goals, we proactively assess the evolution of technology and societal values and execute strategies that will give us the competitive edge in caring for life.



### Strengthening Our Sustainability Governance Approach

**KPJ's sustainability agenda continues to gain prominence throughout the Group. In 2021, to enhance our sustainability framework and practices, we aligned our efforts with the Malaysian Code on Corporate Governance 2021's recommendations. Sustainability risks and opportunities too have been integrated in our decision-making process in order to ensure our long-term success.**

To ensure the smooth and effective execution of all our sustainability efforts across the Group, we set up the cross functional Sustainability Working Committee (SWC). They are also to complement our Management Team in providing feedback on how best to deliver on our ambition of becoming the leader in sustainability in the healthcare industry.



## Joint Statement by the Chairman and President & Managing Director



### Upholding Good Economic Practices

In 2021, KPJ's leadership team introduced the Re-energising KPJ transformation strategy which called for the Group to continuously improve clinical outcomes and service quality, enhance financial performance, and adhere to the highest standards of care. The strategy also mandated the creation of synergies across the Group's businesses to outperform the industry and deliver sustainable total shareholder returns.

Under Phase One – Transforming the Base – major foundational and organisational changes were completed in 2021. With the fundamental building blocks in place, the Group is in a firmer position today to recover from the pandemic and strengthen its performance. Phase Two of the transformation strategy will focus on customers and patient-centric efficiency and growth.

<p>KPJ will maintain a keen focus on the following four strategic areas:</p>					<p><a href="#">For more details of this strategy, please refer to the President &amp; Managing Director's Review in KPJ's Integrated Annual Report 2021.</a></p>
	+	+	+	+	
	<b>Accelerate Growth</b>	<b>Digital Transformation</b>	<b>Drive Efficiency and Excellence</b>	<b>Organisation, People and Culture</b>	

Integrity is one of the core values embraced by our people at every level of our organisation.

In 2021, we undertook several measures to uphold ethical business practices. These included updating the Group's Whistle-Blowing Policy and enhancing the various components of the Anti-Bribery Management System (ABMS) including the ABMS Policy and Guide, Code of Conduct for Employees, Corruption Risk Assessment and Conflict of Interest Policy.

To ensure compliance with ABMS Standard Operating Procedures (SOPs), we introduced the quarterly Compliance Checklist Reporting process, rolled out continuous communications on the KPJ Anti Bribery/ Corruption Policy and its relevant procedures to all levels of employees, and held a series of awareness training workshops on ABMS-related SOPs. We also went on to appoint Integrity Ambassadors at all our subsidiary companies to assist our Integrity Unit to inculcate ethical values amongst our staff. A total of 12,433 employees attended the online Integrity and ABMS SOP Awareness training programmes in 2021.

As testament to the Group's zero-tolerance for corruption stance, we entered into a collaborative relationship with the Malaysian Anti-Corruption Commission (MACC). We also engaged

SIRIM, to provide the assurance that KPJ is operating in full compliance on the integrity and anti-corruption fronts.

A new supplier code of conduct policy is currently being drafted to help improve our current procurement processes and to ensure that all our vendors adhere to the highest ethical standards in their dealings across our supply chain. All these measures aim to ensure KPJ remains a credible and trustworthy organisation and stands out as a model for exemplary corporate behaviour.

To strengthen our position as the healthcare provider of choice in the marketplace, we went all out to maintain our hospital accreditations. To date, 19 KPJ Healthcare hospitals are recognised by the Malaysian Society for Quality in Health (MSQH) while four are accredited by the Joint Commission International (JCI). In 2021, nine of KPJ's hospitals received SIRIM Customer Service Management certification attesting to our good practices on keeping patients satisfied.

To better serve the healthcare needs of individuals and families across communities in a more convenient and cost-effective manner, we opened our second Ambulatory Care Centre (ACC) at Bandar Kinrara, Puchong, Selangor in mid-December 2021. As opposed to setting up a hospital, the ACC model enables us to cater to the specific needs

of specific communities at a more cost-efficient rate. More importantly, the ACC complements the efforts of general practitioners (GPs) in the area as GPs can refer patients to our ACC instead of sending them away to hospitals.

Our efforts on the economic front are also being underpinned by our digital transformation efforts. In 2021, the Group installed a new core IT system for the entire organisation aimed at strengthening the patient-doctor engagement experience. A new state-of-the-art Hospital Information System (HIS) is currently being developed to improve the patient experience and boost the Group's overall operational efficiency. In tapping the one-patient, one-single record feature of the HIS, KPJ will be the first healthcare organisation in Malaysia to have a seamless single-source of accurate patient information across our Group and more. Our new HIS is set to transform our hospital to become more patient-centric.

Our new HIS will be rolled out at our new KPJ Damansara Specialist Hospital 2 (DSH2) which is scheduled to be operational by the third quarter of 2022. With the lessons learnt from the rollout at DSH2, we plan to make the fully-digitalised DSH2 a model for all KPJ's hospitals.



## Joint Statement by the Chairman and President & Managing Director



### Doing Our Best to Care for Our Environment



**4.2%**

less hazardous waste



Targeting to reduce

**5%**

of our greenhouse gas (GHG) emissions



Our planet is facing rising environmental challenges ranging from climate change to increased waste mismanagement and pollution, to the depletion of natural resources and biodiversity. To do our part, KPJ is committed to effectively reducing the impact of our operations on the environment. To this end, we have brought several measures into play.

To mitigate the risk of the potential spread of disease and to reduce our environmental footprint, we have implemented stringent protocols regarding waste management. In 2021, the Group's hospitals produced 4.2% less hazardous waste than the year before. As part of proactive water management initiatives, we are actively exploring how we can best repurpose clean rejected water from our dialysis centre. This initiative will see up to 60% of discharged treatment RO water being reused for gardening, cleaning and flushing water by the end of 2022.

Focusing on the impact of climate change, KPJ has aligned our environmental performance with the requirements of the ISO 14001:2015 Environmental Management System standard. As part our risk mitigation efforts, we are currently developing our climate change adaptation plan which will assess the risks and opportunities relating to different climate change scenarios. For instance, in order to ensure our ability to respond effectively to emergencies due to natural disaster, especially where evacuation is required, our supply chain and stock levels of critical medical supplies must remain robust.

Our climate change mitigation measures will also entail more of our hospitals becoming Green Building Index or GBI-certified. To date, four of our hospitals, namely KPJ Selangor Specialist Hospital, KPJ Seremban, KPJ Ampang Puteri Specialist Hospital's new inpatient block, and KPJ Bandar Dato' Onn Specialist Hospital, are GBI Design Assessment certified. Our new hospital, DSH2 will be the latest addition to the Group's GBI-certified buildings.

As part of our commitment to preserve the environment, we are aiming for low carbon emissions and focusing our efforts on driving the concept of a circular economy throughout the Group. Leveraging on our digital efforts, we plan to streamline the processes at our hospitals, thus reducing paper usage and patient waiting time. For 2022, we are targeting to reduce 5% of our greenhouse gas (GHG) emissions. In managing the energy transition to cleaner energy, we shall explore sustainable energy such as LNG, as well as sustainable energy sources with energy management technologies such as solar photovoltaic systems.

To further reduce our carbon footprint, we have begun to expand our green spaces and are promoting urban farming within our hospital compounds. Down the line, we will look to install electric vehicle charging stations at our hospital carparks and set up food waste composters to convert waste to bio-organic fertiliser. Last but not least, we have kicked off an initiative on responsible sourcing, encouraging our suppliers and working with them to take more responsibility for the impact of their operations on the environment.

## Joint Statement by the Chairman and President & Managing Director



### Empowering Our People and Communities

We have set measures in place within the Group to strengthen our talent pool and succession planning activities. We also continue to bolster our employees' skillsets through diverse training and development programmes. We also continuously engage our employees to ensure they are provided a competitive and more holistic benefits and welfare package. Over the years, as part of our ongoing efforts to improve diversity, equity and inclusion across the Group, we have established equitable medical benefits for all spouses of all employees.

To improve our service delivery efforts relating to the Klinik Waqaf An Nur (KWAN) community outreach

programme, we embarked on a pilot programme to digitalise the services so we can move beyond the current manual practices.

We will continue to serve the people and work with the Government in its efforts to mitigate the effects of the pandemic by continuing to take in decanted patients from public hospitals as well as the NIP.

In line with our efforts to care for the well-being of communities, members of our Briged Waqaf JCorp, volunteers from KPJHQ and our various hospitals, together with personnel from our KWAN mobile clinics, moved swiftly into action to evacuate communities

affected by the devastating floods that hit Selangor in late December 2021. Our teams also actively participated in post-flood clean-up and food distribution efforts. We also provided assistance to some 333 KPJ employees affected by the floods by according them both calamity leave of up to five days and calamity assistance of up to RM1,000 for each employee.

We also extended our responsible sourcing initiative to ensure that our suppliers are upholding labour, health and safety, as well as human rights standards and practices in an ethical, sustainable and socially conscious manner.



## Joint Statement by the Chairman and President & Managing Director

### MOVING FORWARD INTO A SUSTAINABLE FUTURE

Sustainability has become an increasingly important agenda with the nations' clear commitment to the Glasgow Climate Pact at the 26<sup>th</sup> United Nations' Climate Change Conference of the Parties (COP26) in November 2021. The pact calls for signatories to fast-track their actions so as to move closer towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. At the same time, institutional investors are incorporating sustainability criteria into their assessment of companies, thereby compelling companies to embed sustainability considerations into their operations in a more prominent and focussed manner.

Acknowledging how important the agenda of sustainability is to KPJ's long-term value creation efforts, we remain committed to deepening and doubling down on our commitment to embedding sustainability in a greater manner within the Group. Part of the process will entail communicating the clear commitment from the Board and Management across our organisation and cascading it down to the working level teams who will act as the champions of sustainability in every aspect of KPJ's day-to-day activities.

As part of our efforts to address the matters that are material to KPJ, and in line with our aspiration to become the champion for sustainability in the healthcare industry, we have set our sights on achieving three key objectives on the Environmental, Social and Governance fronts:

- + To enable a low carbon and circular economy under our Environmental commitment**
- + To empower our people and communities under our Social commitment**
- + To embed responsible business practices under our Governance commitment**

This will see us shifting our focus and going above and beyond the normal course of business to establish a low-carbon health ecosystem and ensure sustainable value creation throughout our operations.

As mentioned earlier, our Sustainability Working Committee or SWC is tasked with strengthening and driving KPJ's sustainability initiatives at a strategic level, among other things. The SWC is also to incorporate sustainability performance indicators into KPJ's corporate scorecard for the first time in 2022. We have, to date, appointed an external sustainability consultant to help us review and strengthen our sustainability framework, goals and milestones.

Plans are also in the pipeline to take the Group's sustainability practices up several notches by the next reporting cycle. In an effort to ensure accountability throughout the length and breadth of our organisation, we intend to publish our sustainability targets and commitments in our next report. Understanding the fact that climate-related risks can have an adverse impact on our business, we plan to incorporate such elements into our risk management framework in the next reporting year.

We have also aligned our sustainability agenda with the UN's Sustainable Development Goal 3 (SDG 3) i.e., to ensure healthy lives and promote well-being for all at all ages, among other SDGs. At the same time, we are supporting the national objectives under the 12th Malaysia Plan (12MP) i.e., to strengthen security, well-being and inclusivity by revitalising the healthcare system to ensure a healthy and productive nation.

Where 2021 marked the completion of KPJ's foundational work under the Re-energising KPJ transformation strategy, 2022 marks the Group's transition into its execution phase that will encompass these Aspirations: "To have an Integrated Digital Ecosystem, to Raise the Standard of Clinical Excellence, and to be the Champion on Sustainability in Healthcare." In view of this, the agenda of sustainability, will undoubtedly feature prominently in KPJ's undertakings as the Group ventures forth.

**Joint Statement by the Chairman and President & Managing Director**

**ACKNOWLEDGEMENTS**

Many parties have supported us in our sustainability journey and we wish to acknowledge them here.

We wish to convey our deep gratitude to our loyal patients for their trust and confidence in the team at KPJ. On our part, we want to assure you that we are committed to looking after your well-being and to delivering quality healthcare services in an efficient and seamless manner.

Our sincere appreciation goes to our partners, vendors and suppliers, for your kind cooperation in proactively ensuring a disruption-free supply chain so that we can continue to provide the best healthcare products and services. We also wish to record our appreciation to the Malaysian Government, the Ministry of Health, the relevant regulatory agencies, as well as our private and public sector counterparts, for steadfastly working with us and for supporting the private healthcare industry.

To our dedicated team of frontliners, please accept our heartfelt gratitude for so gallantly performing your duties and saving lives. A big thank you from the bottom of our hearts to all the splendid doctors, nurses, medical assistants and staff who selflessly serve our patients and who ensure our daily operations run without any hitches.

Our utmost thanks to our colleagues on the Board for their wisdom and guidance in leading the Group forward on a sustainable pathway. To our parent company, JCORP, our deep appreciation for being a tower of strength and gracious support as we continue on our value creation journey.



**As KPJ moves forward, we call upon all parties to continue extending us your kind support and cooperation as we seek to strengthen the healthcare sector for the sake of the nation and the people. Only by stepping out of our comfort zones and by passionately and conscientiously doing our bit to make this planet a better one, can we be sure of leaving a lasting legacy as well as a hope and a future for the generations to come.**



**Datuk Md Arif Bin Mahmood**  
Chairman  
KPJ Healthcare Berhad

**Dato' Mohd Shukrie Bin Mohd Salleh**  
President & Managing Director  
KPJ Healthcare Berhad

# KPJ's Four Sustainability Values

As KPJ goes about its daily business of helping shape society, businesses and economies through our continuum of health offerings, we acknowledge the need to secure our future and to continue creating long-term shared value for our stakeholders.

To this end, we are committed to conduct our business in a responsible manner by upholding good corporate governance, ethics and integrity, as well as by contributing to the nation's socio-economic and healthcare sectors. In all that we set our hands to we are ensuring that we embed the agenda of sustainability into our business in a greater manner.

KPJ's agenda of sustainability is built upon our four sustainability values that serve as our guiding tenets. Firmly embedded into every level and area of our organisation – be it at our hospitals, our retirement and aged care centres, or our university college, among others – these values continue to drive our sustainability initiatives throughout the length and breadth of our business operations. By leveraging our sustainability agenda, we aim to strengthen our businesses so that we can steadfastly uphold the highest standards of clinical governance and access to quality healthcare as well as fulfil our mandate of delivering safe and excellent clinical services to all.

## THE VALUES AT THE CORE OF KPJ'S SUSTAINABILITY AGENDA

### 1 PREVENTIVE HEALTHCARE



We are committed to working closely with the Malaysian Government and healthcare insurers to continuously improve the preventive healthcare offerings available for the people of Malaysia. Our initiatives include:

- Growing our immunisation and vaccination coverage;
- Helping to improve the health, nutrition knowledge, behaviour and attitude of the community towards healthcare;
- Advocating infection prevention and control and preparedness for COVID-19 in a healthcare setting;
- Empowering patients to make informed decisions through technology; and
- Encouraging breast-feeding as the best nourishment for infants and young children.

### 2 UNIVERSAL HEALTHCARE COVERAGE



In providing universal healthcare for all, we are committed to collaborating with governmental and healthcare insurers as well as non-government organisations (NGOs) to create affordable health packages. Using the low-price and high-volume models, we strive to make healthcare more affordable for the middle- and low-income segments of society. In doing this, we aim to make health services and products such as vaccines, diagnostics tests, pharmaceuticals, supplements and family planning, more accessible to the people who need it. We are committed to provide healthcare service to all.

### 3 RESILIENT HEALTHCARE



We remain committed in supporting the Government's efforts to strengthen our nation's healthcare system. Following the peak of the COVID-19 pandemic, governments in all over the world have come to acknowledge the significant negative impact healthcare system flaws can have on the various societal and economic facets that comprise a nation. While many nations, including Malaysia have prepared to enter the endemic phase, it is crucial that we remain vigilant against the spread of the virus.

### 4 ENVIRONMENTALLY SUSTAINABLE HEALTHCARE



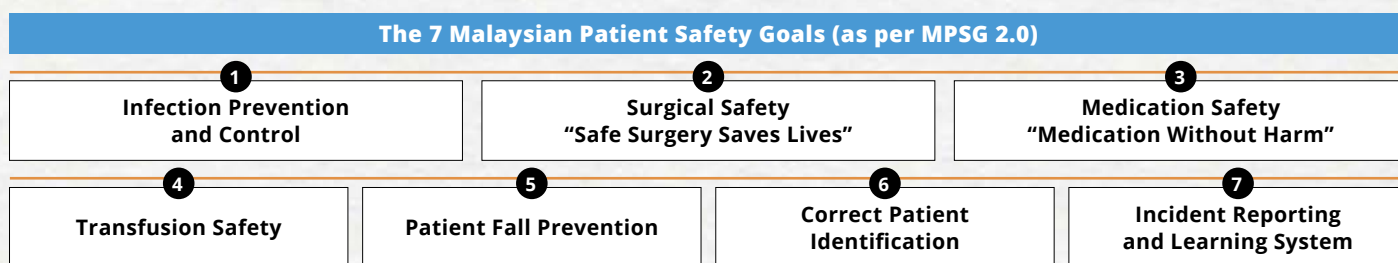
We aim to reduce the negative impact of our operations on the environment through the introduction of more efficient and environmentally sustainable practices within our organisation. As such, we encourage our hospitals to reduce, reuse and recycle water, raw materials, non-renewable minerals, energy,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












# Complying with the MPSG and Aligning with the UN SDGs

## MALAYSIAN PATIENT SAFETY GOALS (MPSG)

The Malaysian Patient Safety Goals (MPSG) were established by the Patient Safety Council of Malaysia in 2013 to regulate standards of excellence in patient safety outcomes at all public and private healthcare organisations within Malaysia. The MPSG has done much to outline priority areas on patient safety and monitor the progress of patient safety initiatives in Malaysia. Initially comprising 13 goals, the new and more concise MPSG 2.0 that was released in January 2022, which now combines global and national goals, calls for the implementation of seven goals and nine KPIs specifically for hospitals. The seven goals mandate the implementation of standardised levels of excellence in medical practices which participating hospitals are required to meet. MPSG 2.0 also incorporates the World Health Organization’s (WHO) Global Patient Safety Challenges (including elements such as hand hygiene compliance, surgical safety, and prevention of medication error) to eliminate avoidable harm in healthcare.

KPJ has committed to operating in compliance with all the seven MPSGs and to submitting its data on compliance to the Patient Safety Council every year.



<b>DEVELOPMENT GOALS</b>		
<b>SUSTAINABILITY GOALS</b>	<b>KPJ SUSTAINABILITY INITIATIVES</b>	<b>UN SDGs</b>
<b>Adherence to Regulatory Requirements</b>	Ethics and Integrity (Materiality Economic 1) Compliance (Materiality Economic 2) Delivering Safe and Excellent Clinical Services (Materiality Economic 4)	  
<b>Anti-Corruption</b>	Ethics and Integrity (Materiality Economic 1)	
<b>Responsible Product and Services</b>	Patient Satisfaction (Materiality Economic 1) Delivering Safe and Excellence Clinical Care (Materiality Economic 2) Driving Efficiency with Innovation and Technology (Materiality Economic 4) Access to Quality Healthcare (Materiality Economic 5) Waste Management (Materiality Environmental 1)	     
<b>Anti-competitive Behaviour</b>	Ethics and Integrity (Materiality Economic 1)	

## Complying with the MPSG and Aligning with the UN SDGs

### ALIGNING OUR SUSTAINABILITY GOALS WITH THE UN SDGS

KPJ's contribution to sustainable development on a national and global scale is reflected in our implementation of the United Nation's Sustainability Development Goals (UN SDGs) within our operational framework since 2018. Today, we have prioritised and aligned our sustainability initiatives and impacts with 14 UN SDGs.

The Group's application of the UN SDGs in our sustainability agenda lines up with the World Health Organization's (WHO) objectives for inclusive and sustainable health. These targets are addressed in UN SDG 3: Good Health and Well-being i.e., To ensure healthy lives and promote well-being for all at all ages.

By aligning our sustainability agenda with the UN SDGs, we are ensuring that we remain on track in our aim to generate sustainable business growth that contributes to the socio-economic well-being of our communities and the nation.

The table below illustrates how KPJ's sustainability goals and initiatives correlate to our prioritised UN SDGs:



### (UN SDGS) SINCE 2018

SUSTAINABILITY GOALS	KPJ SUSTAINABILITY INITIATIVES	UN SDGS
<b>Energy and Resources Management</b>	Waste Management (Materiality Environmental 1)	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Water Management (Materiality Environmental 2)	6 CLEAN WATER AND SANITATION
	Energy Management (Materiality Environmental 3)	7 AFFORDABLE AND CLEAN ENERGY, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
<b>Community Investment</b>	Community Outreach (Materiality People 1)	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING
	Responsible Sourcing (Materiality People 5)	8 DECENT WORK AND ECONOMIC GROWTH
<b>Safety and Health</b>	Occupational Health and Safety (Materiality People 4)	8 DECENT WORK AND ECONOMIC GROWTH
<b>Workforce Inclusion and Diversity</b>	Employee Engagement, Diversity and Inclusion (Materiality People 3)	5 GENDER EQUALITY, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
<b>Human Resource Management</b>	Training and Career Development (Materiality People 2)	4 QUALITY EDUCATION
	Employee Engagement, Diversity and Inclusion (Materiality People 3)	3 GOOD HEALTH AND WELL-BEING, 10 REDUCED INEQUALITIES

# Sustainability Governance

## OUR COMMITMENT TOWARDS A SUSTAINABLE FUTURE

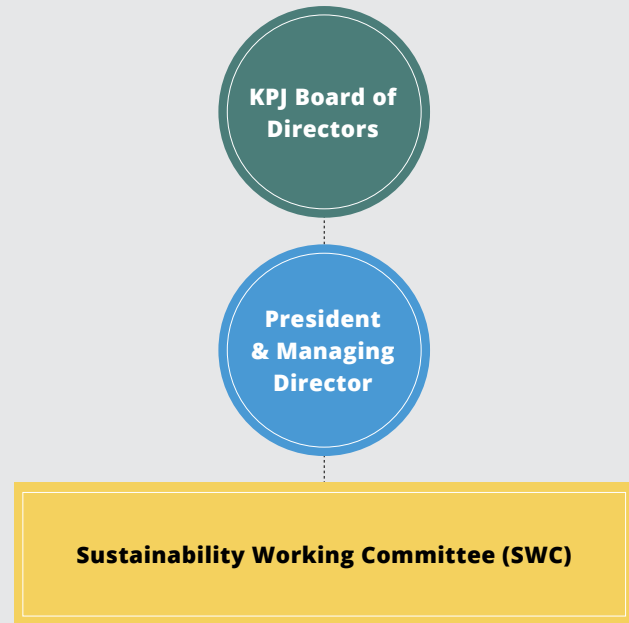


In 2021, we have established a Sustainability Working Committee (SWC) comprised of representatives from all sections of the organisation. The SWC is tasked with strengthening and driving KPJ sustainability agenda at a strategic level as well as identifying and implementing medium and long-term objectives which will help position KPJ as a champion for sustainability in the healthcare industry. The SWC is to report directly to our President & Managing Director (PMD) who will then report the findings and recommendations to the Board of Directors.

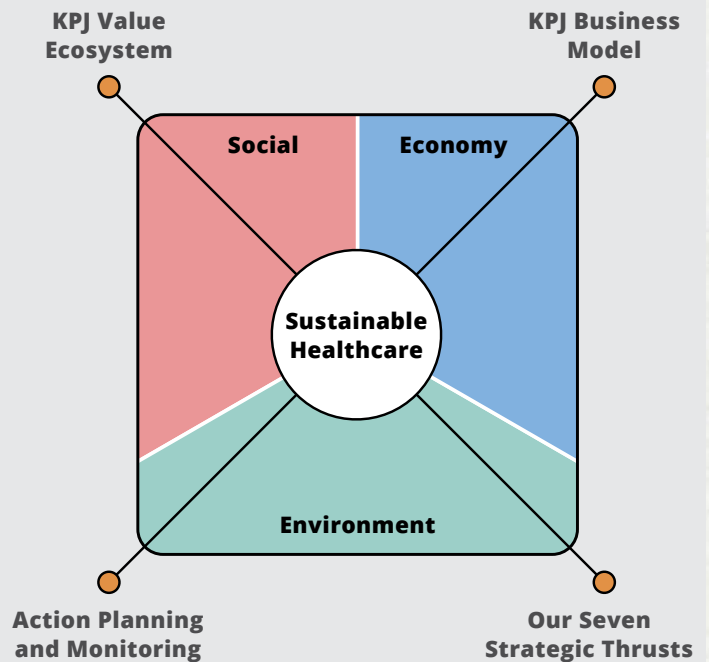
The involvement of KPJ's Top Management will ensure that our sustainability agenda remains intact and is cascaded effectively throughout our organisation. At the same time, the SWC will ensure that the sustainability agenda is prominently integrated into the Group's business strategy to enable a greater performance in our value creation journey.

Last year, KPJ undertook an assessment and development exercise to improve the Group's Corporate Governance Framework. Following this exercise, more stringent reporting processes were introduced, including having the Group Risk and Compliance and Group Integrity Unit report directly to the Board of Directors. Today, the enhanced Corporate Governance Framework is providing more structure and ensuring greater accountability in KPJ's value creation journey.

### SUSTAINABILITY GOVERNANCE STRUCTURE



The chart below illustrates how sustainability practices are linked to our day-to-day business activities.





# Sustainability Goals

**KPJ'S NINE SUSTAINABILITY GOALS** +

**1 ADHERENCE TO REGULATORY REQUIREMENTS**  
We will ensure all regulatory requirements as well as good corporate governance and conduct are adhered to through continuous monitoring

**2 ANTI-CORRUPTION**  
We will fight corruption and preserve the ideas of transparency and accountability

**3 RESPONSIBLE PRODUCT AND SERVICES**  
We will ensure that our products or services have a beneficial impact on people's lives, particularly in terms of privacy, health, and safety

**4 ANTI-COMPETITIVE BEHAVIOUR**  
We will preserve ethical business practices across the Group

**5 ENERGY AND RESOURCES MANAGEMENT**  
We will lower our carbon impact while enhancing resource management


**6 COMMUNITY INVESTMENT**  
Our responsibility to the community, including our suppliers, is to ensure ethical, sustainable, and social practices are upheld

**7 SAFETY AND HEALTH**  
We will anticipate, recognise, evaluate and control hazards arising at the workplace that could impair the health and well-being of our people

**8 WORKFORCE INCLUSION AND DIVERSITY**  
We will build and nurture a diverse and inclusive workforce, including at the Board and Management levels

**9 HUMAN RESOURCE MANAGEMENT**  
We will implement effective talent management strategies to strengthen our workforce and ensure continuous succession planning, with a sharp focus on our consultants and key healthcare professionals

**SUSTAINABILITY GOALS**  
KPJ has nine Sustainability Goals that serve as a guide for the sustainability journey. Based on KPJ's sustainability strategy, these goals are periodically evaluated to ensure the trajectory remained aligned with our business objectives and relevant to market environment. These goals continued to revolve around the Group's commitment to prioritise patient safety and further embed sustainability into our business.



# Our Strategic Progress

Our strategic intent is premised on delivering exceptional healthcare to our patients, through the careful and excellent management of patient journeys, to produce quality patient outcomes as well as create a sustainable pool of returning clients. Dedication to this strategy, bolstered by our aspiration to be the preferred healthcare provider, will ultimately create long-term value for our shareholders.

We are guided by seven Strategic Thrusts which are aligned to our six capitals. These thrusts are aimed at growing the business while improving resilience, growing capacity and embedding innovation.

1

## Our Group Tagline - **CARE FOR LIFE**

As a leading provider of healthcare services, KPJ is committed to offering quality service par excellence across all our business. To achieve this, we leverage on the Group's experienced medical professionals and state-of-the-art facilities.

2

## Our Vision - **THE PREFERRED HEALTHCARE PROVIDER**

Our fundamental purpose is the delivery of diagnosis, professional treatment and care to for all our patients. We are dedicated to being the preferred provider of healthcare through the innovative use of technology and by tapping the expertise of experienced consultants as well as well-trained medical and non-medical employees who collaborate to offer the best for our patients.

3

## Our Mission - **DELIVER QUALITY HEALTHCARE SERVICES**

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

4

## Our Five **CORE VALUES**

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



Ensuring **Safety**



Delivering Service with **Courtesy**



Performing Duties with **Integrity**



Exercising **Professionalism** at All Times







Striving for **Continuous Improvement**

## Our Strategic Progress






## Our Strategic Progress

In 2021, we established strategic foci and targets for each thrust to drive better outcomes and ensure quality healthcare services. Our targets and achievements are as follows:

Strategic Thrust	Strategic Focus 2021	Strategic Focus 2022-2026
 <p><b>CAPACITY BUILDING</b></p>	<p><b>Strengthen Business and Operational Excellence</b></p> <p><b>Achieved</b> Added 146 licensed beds, and recruited 33 new resident consultants.</p> <p><b>Continuous Improvement</b> Private and Public Partnership (PPP) with the Ministry of Health (MOH) on decanting non-COVID-19 cases.</p> <ul style="list-style-type: none"> <li>A total of 6,344 decanted cases were received from MOH hospitals with a total value of RM50 million.</li> <li>56% of the referrals were surgical cases and 34% were medical cases.</li> </ul> <p>Four elective Renal transplant cases were successfully performed at KPJ Tawakkal KL. KPJ provides the facilities and manages the pre- and post-surgery care of the patient and donor.</p> <p><b>Achieved</b> Allocated resources and dedicated wards and ICU beds for COVID-19 positive cases. Treated a total of 2,661 COVID-19 patients.</p>	<p><b>Continue to Strengthen Business and Operational Excellence</b></p> <p><b>In Progress</b> Damansara Specialist Hospital 2 (DSH2), the latest addition to the Group is targeted to open its doors to the public in the third quarter of 2022.</p> <p>To re-energise KPJ's Health Tourism business post-pandemic.</p> <p><b>Continuous improvement</b> Continue the collaboration with MOH on outsourcing services from public hospitals to KPJ.</p> <p>To continue the strategic recruitment of new consultants with sub-specialties.</p> <p>To strengthen our current packages and introduce more packages, customised corporate screening and services to the public (including OSH services).</p> <p>Increase efficiency by embracing the Hub-and-spoke Model.</p> <p>Digital transformation – upgrade to a new integrated, next-generation Hospital Information System (HIS).</p>
 <p><b>ENRICHED CUSTOMER RELATIONSHIPS</b></p>	<p><b>Provide Patient Centric Benefits in Our Services</b></p> <p><b>Achieved</b> Surpassed our target of 90% in our Customer Satisfaction Index.</p> <p><b>Achieved</b> Recruitment of KPJ Care members increased by 30%.</p>	<p><b>Enhance Clinical and Service Quality</b></p> <p><b>Achieved and Continuous Improvement</b> To continuously enhance KPJ Care loyalty to acquire new KPJ Care members and member benefits.</p>
 <p><b>INNOVATION @ THE CORE</b></p>	<p><b>Leverage Technology and Innovation for Quality Care</b></p> <p><b>Achieved</b> Implementation of Telemedicine and Medication Delivery (TMD).</p> <p>Gained significant market reach via social media.</p>	<p><b>Embrace Digitalisation and Technology in an Enhanced Manner</b></p> <p><b>Achieved and Continuous Improvement</b> Increased utilisation of digital platforms to enhance brand loyalty and ensure greater market reach, resulting in better overall performance.</p>
 <p><b>NEW NICHES</b></p>	<p><b>Continuous Growth in Healthcare Industry</b></p> <p><b>Achieved</b> Opened an Ambulatory Care Centre (ACC) in Bandar Kinrara, Puchong, Selangor.</p>	<p><b>Strengthen Business and Operational Excellence</b></p> <p>Location Analysis for ACC Expansion Plan.</p>

## Our Strategic Progress

Strategic Thrust	Strategic Focus 2021	Strategic Focus 2022-2026
 <p><b>HUMAN RESOURCES MANAGEMENT</b></p>	<p><b>Build a Culture of High Performance</b></p> <p><b>Achieved</b> Communication of anti-corruption policy/ABMS to all employees with 91% of employees taking up the e-pledge.</p> <p><b>Achieved</b> Invested RM3.93 million in training and development programmes for employees.</p> <p><b>Achieved</b> Identified top talent via the Talent Validation Programme (TVP) and Talent Development Programme (TDP).</p>	<p><b>Synergise Organisation, People and Culture</b></p> <p><b>Achieved and Continuous Improvement</b> Improve staffing efficiency via manpower audits, job evaluation analysis, career pathing, talent development programmes, as well as undertake reviews of HR and HR-related policies and other initiatives.</p>
 <p><b>BUSINESS IMPROVEMENT</b></p>	<p><b>Improved Sustainability Impact</b></p> <p><b>Achieved</b> Waste: The amount of clinical waste generated per patient was 0.48 kg which was below our target of 0.5kg per patient.</p> <p><b>Achieved</b> Water: The water consumption per employee was 99 m<sup>3</sup> which was below our target of not more than 111 m<sup>3</sup> per employee.</p> <p><b>Achieved</b> Energy: Maintained our average consumption within the target of not more than 27.69 kWh per square foot for four consecutive years.</p>	<p><b>Continuous Improvement in Sustainability Initiatives</b></p> <p><b>In Progress</b> Completion of the pilot project of the new next-generation HIS (Phase 1) at DSH2 by the first quarter of 2022.</p> <p><b>Target</b> 5% reduction on greenhouse gas (GHG) emissions.</p>
 <p><b>SUSTAINABLE VALUE FOR STAKEHOLDERS</b></p>	<p><b>Creating Sustainable Value for Communities We Serve</b></p> <p><b>Achieved</b> 17 KWAN clinics and 6 mobile clinics served 56,291 patients from underprivileged communities nationwide.</p> <p><b>Achieved</b> An investment of RM9.2 million was made in the Outreach Programme for the local community.</p> <p><b>Achieved</b> Dividend payout of 36% (RM23.7 million) of our profit after tax (PAT).</p> <p><b>Achieved</b> Collaboration with the Government to assist in flattening the COVID-19 curve.</p>	<p><b>Synergise Our Organisation, People and Culture</b></p> <p><b>Continuous Improvement</b> Strengthen KWAN mobile clinics by identifying potential partners such as banks or other corporate entities within the Klang Valley.</p> <p><b>Continuous Improvement</b> Designing a Strategic CSR Programme with measurable impact for the local community.</p> <p>Protect shareholders' interests with dividend payout of 40% of PAT.</p> <p><b>Continuous Improvement</b> Collaboration with the Government to cater to the increased demand for healthcare services and a shortage in the provision of certain healthcare services.</p>

## Our Strategic Progress

### IMPACT OF COVID-19 ON STRATEGIC PROCESS

#### 1 Impact on Patients

- Patient numbers increased as we partnered with the MOH to receive decanting patient cases via the Public-Private Partnership.
- Maternity patients opted to deliver at private hospitals. Hence our maternity numbers increased more than 30%.
- Patients began to return to hospitals to resume treatment which had been put on hold as people were hesitant to hospital during visit pandemic.

##### Mitigation Plans:

- Collaboration with pharmaceutical companies to encourage patient engagement via digital platforms.
- Marketing channels are to leverage online and social media platforms more and more to communicate further with patients.

#### 2 Impact on Workforce

- Employees continue to adjust to working from home or in a hybrid working arrangement. To minimise the spread of the virus, job rotation measures have been implemented and staff verification through COVID-19 test results registration is required on a fortnightly basis.

##### Mitigation Plans:

- Regular reminders on surveillance are communicated to employees via KPJ Buzz employee intranet portal and all positive results are verified with PCR tests. These results are then reported and tracked to ensure the safety of employees, patients and all other stakeholders.

#### 3 Impact on Operations

- Manpower shortages incurred by the Pharmaceutical and Manufacturing industries resulted in supply chain interruptions for medicines and other medical/hospital supplies. This was followed by a rise in demand and a lack of supply.
- Business disruption due to the temporary closure of a few hospitals for thorough disinfection as healthcare professionals of key services became COVID-19 positive or were in close contact.

##### Mitigation Plans:

- Ensured efficient management of medicines and healthcare essentials via Pharmaserv and leveraged on Group synergy for the pooling of resources
- Enforced strict compliance with prevention of infection and control SOPs. We also implemented various measures such as swift contact tracing of healthcare personnel, enhanced screening of patients, visitors and staff at points of entry.

#### 4 Impact on Finance

- Increase in number of patients via PPP contributed to higher revenue.
- More than 30% growth of delivery cases, following increased customer preference to deliver in private hospitals.
- Patients returning to hospitals for elective treatment.

##### Mitigation Plans:

- Pharmaceutical companies are collaborating with KPJ for patient engagement using apps and digital platforms.
- Marketing channels are to leverage online and social media platforms more and more to communicate further with patients.

#### 5 Impact on Technology

- Employees consultants were pressed to quickly adopt technology and switch to telemedicine and medication delivery as a result of epidemic as it creates to head opportunities patients.
- Employees continued to work remotely by leveraging technology.

##### Mitigation Plans:

- Invested in the telemedicine and medication delivery and rolled this out to all of our hospitals.
- Organised meetings and discussions on virtual platforms such as Google Meet to minimise the risk of contact among staff.
- Enabled VPN access to employees to remotely access their respective departments and services file servers at the KPJ Corporate office.

#### 6 Impact on Industry

- The general public maintained a cautious response to hospital-based endeavours.
- Stakeholder sentiments were adversely affected due to the continued challenges posed by the pandemic.

##### Mitigation Plans:

- Improved the engagement to restore stakeholders' confidence.
- Worked with the MOH and Association of Private Hospitals Malaysia (APHM) to curb the spread of COVID-19 by accepting decanted patients from public hospitals.
- Supported the National Immunisation Plan (NIP) where KPJ hospitals served as local vaccine centres and Mega PPVs.

# Sustainability Materiality



Materiality is crucial to our sustainability journey as it allows us to recognise the issues that are most important to us and our stakeholders. It also allows us to identify the risks and opportunities associated with our EES impacts as we strive to create long-term value for our stakeholders while guaranteeing continuous business success. Every year, we undertake a materiality assessment to ensure that we continue to satisfy the demands of our stakeholders, reduce risks, and capitalise opportunities.

KPJ's commitment to sustainable development is guided by a strong governance structure that maintains high levels of integrity and transparency in all internal and external dealings. During the year in consideration, The Sustainability Working Committee or SWC was established by KPJ to carry out the Group's sustainability agenda and provide appropriate recommendations to the Board. The PMD and SWC are to report to the Board on a quarterly basis. The SWC has received the Board's mandate to strengthen the Group's workforce capacity and capability. This mandate supports our goal of becoming a sustainable organisation whilst realising KPJ's aspiration to become a champion of sustainability in healthcare.

Meanwhile, KPJ's Risk & Governance Committee or RGC is to ensure full compliance and close monitoring in relation to internal checks and measures, sustainability reporting, sustainability performance and disclosures.

As part of our social responsibility efforts, we have launched a new materiality matter called "Responsible Sourcing", which will be linked to our 2021 sustainability targets. In terms of this new materiality, our goal is to integrate ethical sourcing while continuously improving our supply chain environment.



# Stakeholder Engagement

KPJ's intricate stakeholder ecosystem serves as the foundation to synergistic relationships with our stakeholder groups. Given the diversity in terms of their various capacities and functions, each stakeholder group plays a pivotal role in the Group's operations. We are committed to not only meeting but exceeding the expectations of the various stakeholder groups which we cater to. To this end, we are constantly evolving our processes and operations to ensure we continue to deliver excellent patient-centric medical services in the bid to create long-term value.

In 2021, our stakeholder management efforts revolved around our COVID-19 mitigation and treatment measures as well as our Re-energising KPJ agenda. These measures are detailed in the following individual stakeholder sections.





## Stakeholder Engagement



01

### PATIENTS

Our patients play a central role in KPJ's business growth. Our role is to enhance the quality of life of our patients by providing comprehensive, high-quality healthcare services as we endeavour to be the most trusted provider of healthcare services in Malaysia.

#### Engagement Platform

Method of Engagement	Frequency
Customer Satisfaction Survey	Monthly
Corporate and hospital websites	On-going
Comprehensive integrated social media presence	On-going
Health-related information magazines	Quarterly
Health awareness days	On-going
Service brochures with hospital information	On-going

#### Key Concerns

- Delivery of quality healthcare services
- World class health facilities and technology
- Positive patient experience and outcomes

#### Response

- Monitor Customer Satisfaction Index (CSI)
- Initiate Customer Satisfaction Enhancement programme
- Undertake inclusive dialogue with patients
- Improve patient access and maximise the use of the best technology in patient care

#### Impact on Strategy

Concerns raised can impact KPJ's ability to offer quality healthcare services and the best clinical outcomes. They also affect our ability to create sustainable long-term value for our stakeholders.

#### Link to Strategic Thrusts



02

### EMPLOYEES

With over 15,000 employees, our business relies on our committed workforce to support and drive our healthcare operations and execute our business goals. In turn, we are committed to investing in the welfare of our employees and consultants and to building a strong and mutually beneficial working relationship with them.

#### Engagement Platform

Method of Engagement	Frequency
Townhalls	Annually/ Bi-annually
Employee performance review programmes	Annually
Employee engagement survey	Annually
Staff wellness, engagement and recognition programmes	On-going
Intranet portal	On-going

#### Key Concerns

- Career progression
- Health, safety and human rights
- Work-life balance

#### Response

- Provide effective training and development programmes
- Provide fair and equitable employee benefits and welfare provision as well as recognition
- Ensure compliance with the Group's Code of Ethics and Business Conduct

#### Impact on Strategy

Our employees are our most valuable assets as they directly execute our business success and sustainability agenda objectives. Therefore, KPJ strives to provide a safe, motivating, and rewarding work environment at all times as part of our corporate responsibility efforts.

#### Link to Strategic Thrusts



## Stakeholder Engagement



03

### CONSULTANTS

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

#### Engagement Platform

Method of Engagement	Frequency
Townhalls	Annually/ Bi-annually
Medical conference	Annually
Partner relationship programme	Annually
Consultant management meeting	Bi-Annually
Meetings of the clinical committees	Quarterly

#### Key Concerns

- Quality healthcare services
- Top-notch equipment and facilities
- A safe, motivating and rewarding workplace

#### Response

- Enable well-trained clinical and support staff
- Provide state-of-the-art equipment, updated systems and convenient facilities
- Offer attractive new packages and services
- Ensure compliance with the Group's Code of Ethics and Business Conduct

#### Impact on Strategy

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

#### Link to Strategic Thrusts



04

### INVESTORS AND SHAREHOLDERS

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

#### Engagement Platform

Method of Engagement	Frequency
Investor and analyst briefing	Quarterly
Financial results	
Corporate website	On-going
General meetings (Annual General Meeting/ Extraordinary General Meeting)	Annually
Investor meetings	Annually/ bi-annually

#### Key Concerns

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

#### Response

- Ensuring improved hospital operations and support companies to optimise financial performance
- Ensuring adherence to corporate governance best practices and ensuring compliance with policies
- Timely reporting of results, data, and statistics pertaining to operational and financial performance

#### Impact on Strategy

Shareholder value creation

#### Link to Strategic Thrusts



## Stakeholder Engagement



05

### GOVERNMENT AND REGULATORS

Healthcare is one of the most regulated industries compared to other industries. Therefore, maintaining a strong relationship with government bodies and regulators is a crucial role for us since our business model depends on compliance with agencies such as the Ministry of Health (MoH), Department of Occupational Safety and Health (DOSH), Department of Environment (DOE), Bomba, Ministry of Human Resources (MOHR), Ministry of Higher Education (MOHE) and Malaysia Medical Council (MMC).

#### Engagement Platform

Method of Engagement	Frequency
License applications	Biennial/ annually/ as required
Facilities inspection	As required
Healthcare conference	Annually

#### Key Concerns

- Regulatory compliance
- Fair and ethical business practices
- Involvement in public facilities

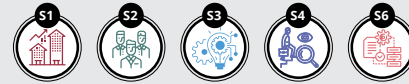
#### Response

- Strengthen governance policies, standards, frameworks, and adherence to the regulatory requirements.
- Implement regular internal and external audit and reviews
- Support the Public-Private Partnership or PPP programme

#### Impact on Strategy

KPJ factors the relevant government policies and requirements into all its internal policy and procedures, strategic plans and decision-making processes.

#### Link to Strategic Thrusts



06

### BUSINESS PARTNERS

We have business partners in different kinds of industries such as funding agencies, banks, insurance, media agencies, and many others. Their function is to provide mutually beneficial support for the growth of our business.

#### Engagement Platform

Method of Engagement	Frequency
Regular meetings	Weekly/ monthly/ quarterly/ annually
Contract negotiations and renewals	
Media releases/media announcements	
Quarterly briefing sessions	
Media relationship programmes	

- Competitive pricing offered via promotional packages
- Revising contracts and agreements and arranging panels for new KPJ hospitals with major corporate clients
- News updates on print/broadcast/digital platforms to increase brand prominence and promote services

#### Response

- Corporate Client Management (CCM) is a fundamental part of our customer service philosophy, particularly in relation to our business partner and their activities and performance.
- Relay accurate and truthful information through our media platforms and constantly monitor all related news regarding KPJ

#### Key Concerns

- Clinical quality and healthcare delivery improvements are offered at reasonable prices

#### Impact on Strategy

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

#### Link to Strategic Thrusts



## Stakeholder Engagement



07

### ACCREDITATION BODIES AND INDUSTRY ASSOCIATION

KPJ has 19 hospitals with MSQH accreditation and four hospitals accredited by the Joint Commission International (JCI). KPJ is also a member of the Association of Private Hospitals, Malaysia or APHM, which plays an important role in achieving the objective of raising the standards of medical care in the country. Other key industry associations which we participate in are the National Specialist Register (NSR), Malaysia Medical Association (MMA), Malaysia Healthcare Travel Council (MHTC) and the Malaysian Medical Council (which registers and governs doctors who practice medicine in Malaysia).

#### Engagement Platform

Method of Engagement	Frequency
Members of KPJ's Management Team serve in various roles including as President and Treasurer of the MSQH, and Vice President of the APHM	Annually - MSQH's AGM
KPJ's Medical Director and Senior Management serve as Board members of the APHM	Annually - APHM Conference
KPJ's Chief Nursing Officer serves as the Chairman of the Nursing Committee of the APHM	Regular Meeting
Participation in conferences	On-going

#### Key Concerns

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

#### Response

- KPJ has complied with the MSQH 5<sup>th</sup> Edition Accreditation Standard in relation to hospital accreditation
- KPJ is involved via its hospitals in support of initiatives conducted by the APHM

#### Impact on Strategy

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

#### Link to Strategic Thrusts



## Stakeholder Engagement



08

### SUPPLIERS AND VENDORS

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

#### Engagement Platform

Method of Engagement	Frequency
Regular meetings with medical and non-medical suppliers	Weekly, monthly, quarterly and annually
Tender, bidding, quotation, and contract negotiations	
Product demonstrations and evaluations	
Training and collaboration at events	

#### Key Concerns

- Compliance with applicable regulatory requirements and quality standards

- Availability of products and services and ability to provide continuous support
- Fair and transparent negotiations
- Active communication with suppliers

#### Response

- Streamlining and centralising our procurement processes to improve efficiency and cost-effectiveness
- Reporting performance and monitoring to improve efficiency throughout the supply chain
- Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ's Corporate Integrity Agreement (CIA) and the KPJ Safety, Health and Environmental (SHE) Policy
- Developed Supplier Code of Conduct

#### Impact on Strategy

Our suppliers and vendors are key partners in helping us achieve our objective of offering quality healthcare services.

#### Link to Strategic Thrusts



09

### LOCAL COMMUNITIES

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

#### Engagement Platform

Method of Engagement	Frequency
Community outreach programme i.e., KWAN	Daily/ monthly/ as required
Baby hatches	
Other Ad-hoc CSR programmes	

#### Key Concerns

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

#### Response

- Continuous investments in identified community engagement programmes, in line with WHO's promotions and initiatives
- Expanding reach of social healthcare services, targeting urban poor, and rural areas
- Eight of our KWAN Clinics are MSQH-accredited, which ensures we provide quality healthcare and services to our communities
- KPJUC conducts in-campus interviews for employment placements as per our hospitals' requirements and assists future graduates with job opportunities
- Contributions of KPJ medical consultants on a pro bono basis to serve non-COVID-19 patients referred by the MOH

#### Impact on Strategy

Our engagements with local communities provide a platform for us to showcase our good corporate citizenship practices.

#### Link to Strategic Thrusts



# Economic



## Economic



Economic sustainability is critical to KPJ's business model since a strong, stable and sustainable financial and economic system underpins not only the Group but also a sizeable section of the healthcare ecosystem. As a responsible corporate entity, KPJ is committed to continuously increasing shareholder value while safeguarding the well-being of patients and employees across our hospitals. We are also continuously improving the quality of our products and services as well as preserving our environment. All of our efforts not only demonstrate our commitment to achieve sustainable economic growth for the long-term, but also enable us to remain resilient and relevant to the markets that we operate in.

Materiality Environmental	Link to Our Seven Strategic Thrusts	Key Stakeholders
<b>Ethics and Integrity</b> +	Superior Customer Service Business Process Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>Government &amp; Regulators</li> <li>Employees &amp; Consultants</li> <li>Intermediaries</li> <li>Shareholders</li> <li>Suppliers</li> </ul>
<b>Compliance</b> +	Business Process Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Intermediaries</li> <li>Accreditation Bodies and Association</li> <li>Government and Regulators</li> <li>Suppliers</li> <li>Employees and Consultants</li> </ul>
<b>Patient Satisfaction</b> +	Superior Customer Service	<ul style="list-style-type: none"> <li>Patients</li> <li>Intermediaries</li> <li>Employees and Consultants</li> <li>Shareholders and Investors</li> </ul>
<b>Delivering Safe and Excellent Clinical Services</b> +	Superior Customer Service Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>Patients</li> <li>Shareholders and Investors</li> <li>Intermediaries</li> <li>Accreditation Bodies and Association</li> <li>Government and Regulators</li> <li>Local Communities</li> </ul>
<b>Driving Efficiency with Innovation and Technology</b> +	Innovation @ The Core Business Process Improvement 	<ul style="list-style-type: none"> <li>Patients</li> <li>Suppliers</li> <li>Intermediaries</li> </ul>
<b>Access to Quality Healthcare</b> +	New Niches 	<ul style="list-style-type: none"> <li>Patients</li> <li>Employees and Consultants</li> <li>Local Communities</li> </ul>
<b>Economic Performance</b> +	Capacity Building Business Process Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>Shareholders and Investors</li> <li>Intermediaries</li> <li>Suppliers</li> </ul>
<b>Data Privacy and Security</b> +	Superior Customer Service Innovation @ The Core 	<ul style="list-style-type: none"> <li>Patients</li> <li>Employees and Consultants</li> <li>Shareholders and Investors</li> </ul>

### INTEGRITY INITIATIVES



#### INTEGRITY TALK

**12,433**

Employees attended



#### CORPORATE INTEGRITY AGREEMENT

**3,578**

Vendors and Suppliers signed



The Group completed the **ISO 37001 ABMS Surveillance Audit**

with No NCR

## Our Sustainability Impacts

## Economic

Initiatives	Performance Indicators
<ul style="list-style-type: none"> <li>• Anti-Bribery Management System (ABMS)</li> <li>• Corporate Integrity Pledge</li> <li>• Code of Ethics and Business Conduct - Work Ethics and Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>• e-Integrity Pledge (e-pledge)</li> <li>• Corporate Integrity Agreement</li> <li>• Awareness Training</li> <li>• Whistle-Blowing Policy</li> <li>• Incidents Related to Fraud, Bribery or Corruption</li> <li>• Reported Cases via the Whistle-Blowing Channel</li> <li>• ISO 37001:2016 ABMS Certification</li> </ul>
<ul style="list-style-type: none"> <li>• Compliance Programmes and Training</li> <li>• Annual Compliance Certification</li> </ul>	<ul style="list-style-type: none"> <li>• Governed by by Audit Committee, Medical Advisory Committee and Risk and Governance Committee Terms of References</li> </ul>
<ul style="list-style-type: none"> <li>• Service Quality Management (SQM)</li> <li>• Customer Feedback</li> <li>• KPJ Service Quality Coach Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Services Workshops</li> <li>• SQM Portal</li> <li>• KPJ Customer Relation Manager (KPJ CRM)</li> <li>• Customer Satisfaction Index</li> <li>• Net Promoter Score</li> </ul>
<ul style="list-style-type: none"> <li>• Malaysian Patient Safety Goals (MPSG)</li> <li>• Quality Nursing</li> <li>• Nurses Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Certification, Accreditation and Standards</li> <li>• Accreditation of Joint Commission International (JCI) and Malaysian Society for Quality in Health (MSQH)</li> <li>• Clinical Indicator</li> </ul>
<ul style="list-style-type: none"> <li>• New hospital information system (nHIS)</li> </ul>	<ul style="list-style-type: none"> <li>• Technology Initiatives</li> </ul>
<ul style="list-style-type: none"> <li>• Ambulatory Care Centre (ACC)</li> <li>• Improving Access to Pharmacies</li> <li>• Eye Center</li> <li>• Stroke Center</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitation Services</li> <li>• Group Wide Packages</li> <li>• Baby-Friendly Hospital (BFH)</li> <li>• Customer Satisfaction Index</li> <li>• Planetree Hospitals</li> <li>• Health Tourism Patient visit number</li> </ul>
<ul style="list-style-type: none"> <li>• ACC</li> <li>• Procurement</li> <li>• Biomedical and Commissioning Services</li> </ul>	<ul style="list-style-type: none"> <li>• Pharmaceutical and Medical Products Supply Chain</li> <li>• Corporate Client Management (CCM)</li> <li>• Capacity Expansion</li> <li>• Employment Opportunities for KPJUC Graduates</li> <li>• Amount Invested in New Equipment</li> <li>• Cost Reduction Strategy via Procurement</li> </ul>
<ul style="list-style-type: none"> <li>• KPJ's Privacy and Data Protection Policy</li> <li>• Annual Independent Security Review</li> <li>• Security Operation Centre (SOC)</li> </ul>	<ul style="list-style-type: none"> <li>• ISO/IEC 27001 Certification</li> <li>• Number of Breaches of Customer Privacy</li> </ul>



Materiality Economic 1 and 2 should be read together with the Group's Corporate Governance Overview Statement in the KPJ Healthcare Berhad Integrated Annual Report 2021, on pages 130 to 150, and KPJ's Corporate Governance Report 2021 on our corporate website at [www.kpjhealth.com.my](http://www.kpjhealth.com.my)



## Economic



### MATERIALITY ECONOMIC 1:

#### ETHICS AND INTEGRITY

As testament to our commitment to ethical practices, all staff sign and acknowledge the Group's Corporate Integrity Pledge. Our employees are also guided by KPJ's Code of Ethics and Business Conduct as well as our Code of Conduct.



These key documents transparently outline the Group's expectations of each and every staff member's behaviour and conduct. In addition to this, all employees are expected to reiterate the Service Pledge declaration at corporate town halls and at annual staff gatherings at KPJ hospitals nationwide.

Since 2014, we have incorporated the e-integrity pledge or e-pledge in our Employee Self Service (ESS) portal to instil a culture of self-declaration and eliminate any conflict of interest, corruption and mismanagement. For all external stakeholders, they have to sign and comply with the Corporate Integrity Agreement (CIA) declaration. Apart from these initiatives, KPJ Healthcare is focused on serving all communities and maintaining the highest ethical standards. The Company also does not make any donations to political parties.

Further to this, the Group, guided by the Malaysian Anti-Corruption Commission Act 2009, has strengthened efforts to prevent any possibility of incidents that could lead to unethical or untruthful practices. There are four main offences stipulated in the MACC Act 2009 which are:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>✓ Soliciting/Receiving Gratification (Bribe) [section 16 and 17(a) MACC Act 2009];</li> <li>✓ Offering/Giving Gratification (Bribe) [section 17(b) MACC Act 2009];</li> </ul> | <ul style="list-style-type: none"> <li>✓ Intending to Deceive (False Claim) [Section 18 MACC Act 2009]; and</li> <li>✓ Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009].</li> </ul> |
|--|--|

We aim to counter these offences through stringent enforcement of the ISO 37001: 2016 standards Anti-Bribery Management System (ABMS). To this end, we have established the Anti-Bribery Management System Committee and Integrity Unit. These units monitor and ensure that the ABMS is implemented throughout our organisation. They are also obligated to consistently report to the Risk and Governance Committee (Board Committee) to drive continuous improvement.

Our Code of Behaviour and Business Ethics, which is based on moral and religious principles, remains our principal framework to ensure good values are practiced daily by employees. The Group also promotes a channel of reporting as per our Whistle-Blowing Policy for any instances of impropriety, bribery and corruption.



## Economic

### ANTI-BRIBERY MANAGEMENT SYSTEM (ABMS)

During the year under review, KPJ initiated several ABMS-linked activities. These initiatives were implemented in compliance with the ISO 37001: 2016 standard ABMS certification, which the Group attained on 23 October 2020. This three-year certification permits KPJ to manage any corporate liability risks that may occur in its business dealings as well as to satisfy the requirements of Corporate Liability, Section 17A MACC Act 2009 (Amendment 2018) which came into effect on 1 June 2020.

The Group continues to abide by the 10 ABMS Standard Operating Procedures (SOPs) which we established in August 2020. The SOPs are in line with the ISO 37001:2016 standards that also meet the Guidelines on Adequate Procedures (Pursuant to Subsection (5) of Section 17A under the MACC Act 2009). The 10 SOPs are as follows:

- **Bribery Risk Assessment;**
- **Core Process;**
- **Anti-bribery control and monitoring;**
- **Detection, Investigation and Verification of Bribery;**
- **Integrity Pact Implementation Guideline;**
- **Donations and Sponsorships;**
- **Conflicts of Interest;**
- **Anti-Bribery Management System Manual;**
- **Gift, Entertainment and Corporate Hospitality Policy; and**
- **Whistle-Blowing procedure.**

The ABMS SOPs advocate ethical and responsible behaviour and aim to mitigate any conflict of interest in ongoing or potential business dealings between the Group, suppliers, and service providers.

The Integrity Pact is a tool for preventing corruption in the procurement process. It comprises a set of declaration processes by KPJHB employees, procurement committees involved in procurement activities, as well as suppliers. All suppliers, vendors and other related third-parties are required to sign the Corporate Integrity Agreement (CIA), to ensure transparency in building mutually beneficial working relationships.

Apart from that, KPJ conducts anti-corruption and bribery risk assessments as well as maintains a bribery risk register that is reviewed periodically every 12 months to ensure it remains relevant, while any incidents that occur within the organisation are captured and added to the risk register. The risk register categorises different risks according to severity – either low, moderate, major, or extreme – and assigns appropriate forms of anti-corruption and bribery controls and mitigations for each risk, depending on the severity. We have taken precautionary procedures as a mitigation plan for those areas certified as high-risk areas.

Furthermore, due diligence shall also be carried out with regard to any business associates intending to act on the Group's behalf as an agent or in other representative roles, to ensure that the entity is not likely to commit an act of bribery or corruption in the course of its work with the Group. This includes a search through relevant databases and involves the execution of the Corporate Integrity Declaration.

In 2021, we introduced the quarterly Compliance Checklist Reporting as a control mechanism in monitoring adherence to ABMS SOPs. KPJ also began collaborating with the Malaysian Anti-Corruption Commission (MACC) in 2021 as testament to the Group's zero-corruption stance. As part of our collaboration with MACC, we conducted online awareness training sessions on integrity which were held in September and October 2021. The sessions were titled "Corporate Liability, Section 17A MACC Act 2009: Its Mitigation on Corruption" and "Taklimat Integriti dan Pencegahan Rasuah" respectively. A series of engagements with the MACC has also been lined up for 2022. Furthermore, the Group's determination to combat corruption was further upheld when the Chairman of KPJ signed the Anti-Bribery and Anti-Corruption (ABAC) policy.

To further integrate the ABMS SOP culture into the organisation, KPJ rolled out continuous communications on the KPJ Anti Bribery/ Corruption Policy and its relevant procedures to all levels of employees.

## Economic



### MATERIALITY ECONOMIC 1:

#### ETHICS AND INTEGRITY

In 2021, the Integrity Unit (IU) held a series of awareness training workshops on ABMS-related SOPs. We also appointed Integrity Ambassadors in all our subsidiary companies to aid the IU in instilling and promoting ethical values amongst staff. A total of 12,433 employees attended the online Integrity and ABMS SOP Awareness training programme in 2021. On-going awareness and refresher training workshops have also been planned for the first and second quarters of 2022 to provide updates on any relevant changes or new information on related SOPs.

We engaged a qualified and independent party to obtain the assurance that KPJ is operating in compliance with its policies and procedures related to integrity and corruption.

In early November, the Group successfully completed the ABMS Surveillance Audit with SIRIM. SIRIM was appointed as a qualified and independent party to communicate to all stakeholders that KPJ is in full compliance with matters related to integrity and anti-corruption. There were no 'non-conformity reports' with one 'Opportunity for Improvement (OFI)' recorded.

As for external stakeholders, the Group's Integrity Pact Declaration was endorsed and executed by 3,578 active vendors to the Group.



#### WHISTLE-BLOWING POLICY

Since 2013, the Group has institutionalised a Whistle-Blowing Policy which serves as a channel for employees as well as external stakeholders to report any wrongdoings without fear of career-impacting reprisals and blowback. In 2021, KPJ received five reports from the whistle-blowing channel, all of which we investigated in accordance with the Whistle-Blowing Policy. Whistle-blowing reporting can be easily done via [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my) by all employees, public, vendors/suppliers, and stakeholders.

For more information, please visit <https://kpj.listedcompany.com/whistleblowing.html>

## Economic



### MATERIALITY ECONOMIC 2:

#### COMPLIANCE

The emergence of the pandemic has thrown fresh light on the importance of good corporate governance in Corporate Malaysia. As a leading healthcare provider, KPJ has a stronger impetus to ensure a transparent and positive culture of compliance with the Group. As a listed company, KPJ places great importance on resilient and robust internal and external compliance mechanisms.

Our corporate governance initiatives come under the leadership of the Board of Directors, whose vast corporate experience spanning decades comes in as extremely important in the overseeing of compliance, corporate governance matters and related initiatives such as training, investigations and monitoring. Supported by the Audit Committee, Medical Advisory Committee and Risk and Governance Committee, the Board is in charge of measuring and reporting on the effectiveness of our compliance programmes and key improvement activities.

As part of the Group's commitment to accountability, the Group's leaders submit annual reports to our President & Managing Director (PMD) to state that all required policies in their businesses have been implemented. Internally, KPJ managers and employees are required to complete their annual compliance certification. This process is facilitated with communication tools that include the relevant instructive content via our intranet, regular updates via email and social media, as well as during physical workshops.

The Board of Directors assumes overall responsibility for establishing the Group's compliance with the relevant regulatory requirements, codes, guidelines, and legislation. The Board has put in place a sound governance structure, risk management framework, and internal control system pursuant to the Malaysian Code of Corporate Governance 2017 to ensure effective oversight.

Private healthcare is an important component of Malaysia's healthcare system. The Private Healthcare Facilities and Services Act 1998 [Act 586] and its regulations is the formulation of public policy for private healthcare providers and their services in Malaysia. The Private Medical Practice Control Section (CKAPS) of the Medical Practice Division under the Ministry of Health is the regulator responsible for the control, regulation, and monitoring of private healthcare operators.

As a healthcare service provider, clinical risk is one of the largest concerns facing the Group. In order to deliver the best possible clinical outcomes, KPJ has established a strong clinical governance framework that upholds patient safety as our topmost priority. KPJ's Medical Advisory Committee (MAC) is the central clinical committee that is responsible for the Group's clinical governance framework and guidelines for sound and ethical medical practices. The MAC reviews the Group's clinical governance, which includes policies, guidelines, SOPs, and clinical compliance framework for the approval of the Board to inculcate a safe, ethical environment and promulgate good clinical governance practices.

Accreditation is another means of demonstrating our commitment to high standards and ensures that we have been assessed against internationally recognised standards and that we operate in accordance with the highest levels of quality and service. Measurement of quality requires a reference standard and in KPJ, the Malaysian Society for Quality in Health (MSQH) and Joint Commission International (JCI) standards are used to benchmark our services, reassuring our patients of the outstanding care provided by our consultants and nurses.

KPJ Healthcare carries out its own internal hospital survey conducted by KPJ Clinical services, hospital nursing managers, dieticians and pharmacists. The survey evaluates compliance with Ministry of Health standards/guidelines, MSQH and JCI standards, Malaysian Medical Council (MMC) Guidelines and KPJ Governing Policies. In 2021, a total of 27 hospitals were surveyed in 13 service areas, with an average result of 93.5%. Please refer to KPJ's Corporate Governance Overview Statement, the Audit Committee Report, the Statement of Risk Management and internal Control, and the Medical Advisory Committee Report for more in-depth perspectives on the Group's compliance and governance practices and processes.

## Economic



### MATERIALITY ECONOMIC 3:

#### PATIENT SATISFACTION

Healthcare and excellent customer satisfaction naturally go hand in hand in order for us to operate a successful and sustainable business within the highly-competitive healthcare sector. As such, customer satisfaction remains a topmost priority at all KPJ hospitals. At each of our hospitals, our ethos is to focus on enhancing our medical care standards with world-class quality service delivery.

#### STRATEGIC PRIORITIES FOR PATIENT SATISFACTION

The Group's strategic priorities for customer satisfaction in 2021 saw KPJ build upon the good momentum gained from the year before with our Service Quality Management (SQM) initiatives. With the overriding focus centred on achieving service excellence to ensure quality and sustainable growth, our efforts mainly comprised the seamless adoption of digitalisation and technology and the further inculcation of the tenets of leadership and talent into our service culture.



#### SQM Objective +

To enhance KPJ's competitiveness through service delivery improvement programmes and strengthen customer loyalty through customer engagement

#### Strategic Priorities +

1. Enhance each hospital's ambience and physical layout
2. Implement world-benchmarked predictive analysis
3. Roll out focused survey questions
4. Implement an online survey
5. Enable virtual tours of hospitals
6. Enable open channels of communication with fast response

#### Goals +

1. To achieve Customer Satisfaction Index of >90
2. Digitised Service Quality Management
3. To provide premier customer service
4. To provide 6-star service experience

#### Key Outcomes +

1. A customer-centric organisation
2. Omni-communications
3. Staff premier mindset
4. 6-Star service

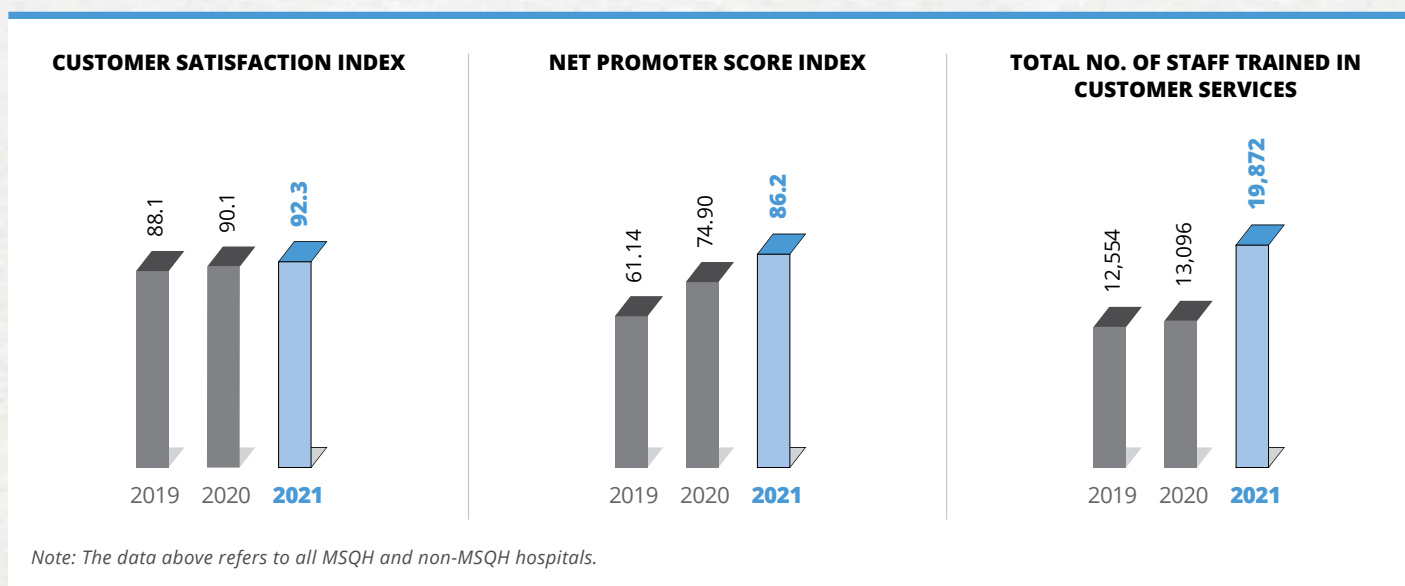
## Economic

### CUSTOMER FEEDBACK

We pride ourselves on our provision of best-in-class care and quality services that match the high expectations of customers. To maintain this high standard, KPJ frequently asks our customers for voluntary feedback regarding their hospital stay. This valuable data assists us in our efforts to deliver enhanced and tailor-made healthcare services for our patients.

Another evaluation tool that the Group employs is our Service Quality Management (SQM) Audits which are compulsory in the organisation so as to ensure our compliance with best-in-class practices. The objective of the SQM programme is primarily to enhance KPJ's competitiveness through service delivery improvement programmes and to boost future customer retention and loyalty. The outcomes of these SQM audits are invaluable performance indicators for our hospitals.

For the year under review, the Customer Satisfaction Index (CSI) for our hospitals posted an impressive performance, as a result of our various intensive customer-centric action steps and service quality.



### KPJ SERVICE QUALITY COACH (SQC) PROGRAMME

The Group's SQM efforts are supported by our Service Quality Coaches (SQC) who are specially trained to conduct Standard People Practice (SPP) workshops for all employees. Since its inception in 2016, this programme has successfully produced a total of 65 committed SQCs up to the end of 2021. KPJ SQCs base their training on the SPP manual which outlines the best practices in customer service. The SPP manual is available in video form on the SQM Portal.

### CUSTOMER SERVICE WORKSHOPS

Our SPP workshops are aimed at enhancing our customer service proficiencies through communicating values such as culture and diversity via the language of caring and joy at the workplace. The training subject matter includes how to provide premium service delivery and practice the Language of Love.

Due to the restrictions imposed by the COVID-19 pandemic, SQM was at times unable to conduct physical workshops in 2021. To this end, the SQM workshops were made available on digital platforms such as Zoom and Google Hangouts.

Economic



**MATERIALITY ECONOMIC 3:**

**PATIENT SATISFACTION**

**SQM PORTAL**

KPJ's SQM Portal is an online information hub that houses all SQM-related data which includes surveys and training materials. The platform features three main components and one support component. These components and their primary functions are illustrated in the following list:

<p><b>1</b></p> <p><b>Patient Communication Management System (PCMS)</b></p> <p>The PCMS manages patient complaints and enquiries. It also monitors service level standards to ensure responses are timely and effective.</p>	<p><b>2</b></p> <p><b>SQM External Survey</b></p> <p>The SQM External Survey tracks the CSI and measures patient loyalty (or Net Promoter Score, NPS) through automated online surveys.</p>	<p><b>3</b></p> <p><b>Service Initiative System</b></p> <p>The Service Initiative System permits our hospitals to digitally share any service enhancements and service innovation initiatives and enables other hospitals to gain additional insights and help carry out their own efforts focusing on improving customer experience.</p>	<p><b>4</b></p> <p><b>Online Training Materials (OTM) Page</b></p> <p>The OTM page contains SQM references and related media such as Online Portal user guides, SPP training videos, quality Initiatives by KPJ's group of hospitals and recently, New Normal SPP videos. We will further develop this page to include additional service delivery reference materials that will be of use to SQM and hospital frontliners.</p>
---	---	---	---

The SQM portal is consistently updated and improved. Improvements made in 2021 include the KPJ Dashboard which displays the CSI in real time. The Dashboard also enables all SQM customer surveys and feedback to be uploaded online, in real time. The prompt input of data helps the Group to devise strategies for improvement in a more efficient manner.

Frontline staff are also now equipped with handheld devices to better integrate hospital operations into Big Data for prompt, positive outcomes. Data points are fed into the SQM portal thereby speeding up the migration of information into contactless channels within the Cloud. This information is then transferred to KPJ's Integrated Dashboard system for senior management to monitor the company's performance in real-time. This enhancement thus provides the Group with a 24/7 online reference.

The SQM Application Portal has also been equipped with additional training modules that include the SPP videos and COVID-19 SOP videos. Moving forward, we are looking to further develop our existing online reference and knowledge base.

## Economic

### KPJ CUSTOMER RELATION MANAGEMENT (KPJ CRM)

KPJ Care is a KPJ CRM loyalty programme that provides its members with offers and benefits from KPJ hospitals, and partner/merchants.

We continue to closely collaborate with merchants and third-party vendors to offer discounts and promotions to KPJ Care members. Our collaborative partners include our very own KPJ Healthshoppe, JX Pharmacies, and other tenants at 28 KPJ hospitals, totalling about 86 outlets. In 2021, our merchants working closely with us, contributed to the Vaccination Administration Centres or Pusat Pemberian Vaksin (PPV) programmes at hospitals, the PPV Mega KL, and the KPJ Flood Relief Initiative.

KPJ CRM aims to continue rewarding patient loyalty, enhance engagement with patients and potentially increase the perception of service quality of our healthcare services. As part of the KPJ CRM Loyalty Programme, the KPJ Wellness & Lifestyle Programme offers a prepaid product in the form of a subscription-based health screening programme to the public. As at end December 2021, the programme had recorded a total of 4,549 active subscribers.

Our digitalisation efforts for KPJ Care during the year in review included the activation of online registration. This improvement made it easier for patients and customers to apply for the KPJ Care Membership. KPJ Care also embarked on a digital leads creation, recruitment and engagement drive via social media. A special pricing tier for members for Care Essential Screening was also introduced during the campaign.

In addition to regular and prompt message updates, we have also amplified our online engagements with our members via KPJ Care Facebook, KPJ Care monthly E-News, weekly Sembang Santai Bersama KPJ (Facebook Live session with Specialist Consultants and Allied Health Practitioners), and KPJ Care Contests. These initiatives saw the KPJ Care member population increase to 142,805 members as compared to 106,288 members in the preceding year. The majority of our members range between the ages of 31 to 50.

### MOVING FORWARD IN SQM

To enhance SQM of KPJ, we organised SQM Engagement Days, Customer Appreciation Days as well as improved our Prihatin Service – all these served to foster closer rapport with our most important stakeholder, the customer.

Due to the easily-transmitted nature of the COVID-19 virus,

all physical engagements with our customers remain on hold. All engagements organised in 2021 were conducted virtually. Moving forward, we are looking to reinstate events such as our SQM Engagement Day and our Prihatin service. The Prihatin service is an initiative from SQM that has been spearheaded by KPJ Tawakkal for the last three years. It is a service where we manage customer's waiting time by presenting them with refreshments or assisting them in any inquiries.

Furthermore, there are several projects still in the pipeline for SQM in collaboration with GHRM, TMO and Group Operations. These include Premier Customer Service enhancements, an SQM Application Portal specifically for Customer Interaction, SQM Engagements and Marketing activities. These work-tracks have the ultimate objective of maintaining KPJ's world-class service delivery, some parts of which were slightly delayed in 2021 due to the pandemic, but which we are confident will pick up speed again in 2022.

KPJ continued to collaborate closely with SIRIM in numerous areas to ensure sustainable growth and quality. These included our Customer Service Management (CSM) initiatives and Customer Experiential training and workshops, as well as the Group's Premier Customer Service (PCS) initiative throughout our hospitals.

In 2020, three of the Group's hospitals, namely KPJ Rawang, KPJ Klang and KPJ Sabah, successfully received SIRIM certification following a virtual assessment by SIRIM assessors. The SIRIM Certificate of Recognition for CSM ensures that our hospitals are in compliance with SIRIM's CSM requirements and have established a framework according to SIRIM Standard 6:2016.

In 2021, six more hospitals were assessed and recognised by SIRIM to bring the Group's tally to a total of nine hospitals certified with SIRIM CSM.

There is also a constant pursuit of excellence in the area of enhancing service standards and ensuring the hospitals' environment audits meet and exceed customer expectations with the goal of achieving premium service standards.

KPJ will continue to drive our SQM initiatives and to make continuous improvements to our customer service efforts as part of our goal to strengthen the sustainability of our businesses going forward.

Economic



**MATERIALITY ECONOMIC 4:**

**DELIVERING SAFE AND EXCELLENT CLINICAL SERVICES**

Healthcare and excellent customer satisfaction naturally go hand in hand to operate a successful and sustainable business within the highly-competitive healthcare sector. As such, customer satisfaction remains a topmost priority at all KPJ hospitals. At each of our hospitals, our ethos is to focus on enhancing our medical care standards with world-class quality service delivery.

KPJ is dedicated to providing medical facilities that are both safe and comfortable.

In the name of safety, KPJ has established wide-ranging comprehensive measures, processes and procedures at our hospitals nationwide to help reduce and mitigate clinical incidents. Data shows that our hospitals' incident rates are well within Ministry of Health (MOH) and international benchmarks.

KPJ's clinical responsibility is guided by the Group's Medical Advisory Committee or MAC. The MAC has oversight for the policies, guidelines and evidence-based best practices related to improving clinical governance, clinical compliance, performance and patient safety outcomes as well as new services. More information on the MAC can be found within the MAC Report of KPJ's Integrated Annual Report 2021 on pages 162 to 173.

**MALAYSIAN PATIENT SAFETY GOALS (MPSG)**

The Patient Safety Council of Malaysia was founded in 2013 with the purpose of assisting public and private healthcare organisations to improve patient safety outcomes throughout the country. Following their establishment, the Council developed the Malaysian Patient Safety Goals (MPSG) to monitor Patient safety status. The original version of the MPSG consisted of 13 goals for hospitals with intensive care units (ICUs) and 11 goals for hospitals without ICUs. The newly-improved MPSG Version 2.0 is a combination of global and national indicators, comprising seven goals and nine KPIs consisting mainly of 'outcome-based indicators.' MPSG 2.0 is especially useful in aiding healthcare facilities in the implementation and surveillance of KPIs in an objective, systematic and standardised manner.

The Group submits its performance data on the MPSGs to the Malaysia Patient Safety Council annually. We are pleased to report that our performance data has shown improvements in our compliance over the years as per the following table.





## Economic

## OUR COMMITMENT TOWARDS ACHIEVING MSPG 2.0 GOALS

No	MSPG 2.0	Target	Initiatives
1	<b>Infection Prevention &amp; Control</b> 1. Hand Hygiene Compliance Rate Educating patients to ask healthcare professionals and providers whether they have washed their hands before touching the patient - #hand hygiene done? 2. Rate of Catheter Associated Blood Stream Infection (CABSI) (Point prevalence survey)	>75% Compliance ≤ 5 per 100 admissions	Hand hygiene campaign: Training on CABSI Care bundle to mitigate the infection.
2	<b>Surgical Safety "Safe Surgery Saves Lives"</b> 3. Number of "Wrong Surgeries performed" 4. Number of "Unintended Retained Surgical Items" (URSI)	Zero Cases of URSI	Enforcing current processes: 1. Stop entry to OR if there is no site marking for the identified surgery. 2. Team approach to do a time out procedure effectively. 3. Swab counts based on the protocol using ViGO (Visual Gauze Organiser) trays.
3	<b>Medication Safety "Medication Without Harm"</b> 5. Number of Medication Errors Related to Severe Harm or Death	Zero cases	Educating patients about their medication thus creating awareness.
4	<b>Transfusion Safety</b> 6. Number of Incorrect Blood Component Transfused (IBCT)	Zero cases	Conduct cross audits using the National Nursing audit (NNA) tool for all blood transfusions. Team approaches at every check point; check using two identifiers to verify the correct patient gets the correct blood component.
5	<b>Patient Fall Prevention</b> 7. Rate of Patient Fall at Inpatient/Outpatient Clinics	Less than 5 per/1,000 patients/ per day Outpatient & Primary Healthcare Facility - ≤5%	Fall prevention campaigns.  Road shows on lesson learnt from other fall incidents.  Identified a hospital as champion among the Group to revamp the fall prevention processes.  Technology approaches as tools to mitigate falls.  Educating patients and their family on their limitations and the precautions needed.
6	<b>Correct Patient Identification</b> 8. Number of incidents caused by wrong patient being identified (detected through incident reporting and investigations)	Zero cases	A proactive measure to educate patients on admission; the two identifiers that healthcare professionals/providers should ask before rendering care or administering any treatment.
7	<b>Incident Reporting and Learning System</b> 9. Implementation of Patient Safety Incident Reporting and Learning System	Yes/No	Workshops to instil the importance of incident reporting and effective RCA to identify risk specific reduction action plans (RRAP).

## Economic



### MATERIALITY ECONOMIC 4:

#### DELIVERING SAFE AND EXCELLENT CLINICAL SERVICES

#### CLINICAL DASHBOARD

The clinical dashboard project was started in mid-2020, with the purpose of monitoring and eventually publishing the clinical safety and performance data of the Group. The data in question is also being used to monitor hospital KPIs. Currently, there are five indicators being monitored and the data collection is based on the following five domains:

No	Clinical Quality Indicator	Indicators	Domains
1	<b>“Know, Check, Explain, Ask”</b>	Medication Error	Safety
2	<b>“Prevention of Inpatient Falls”</b>	Patient Falls	Safety
3	<b>“Prevention of I.V Phlebitis”</b>	IV Phlebitis	Safety
4	<b>“Recognise a Heart Attack: Save a Life”</b>	PCI within 90 minutes	Safety
			Responsiveness
			Efficiency
			Effectiveness
5	<b>“Time to Treatment” A&amp;E Quality Indicator”</b>	A&E patient’s treatment initiated by a doctor within 20 minutes	Responsiveness

Our hospitals submit their collated statistics using Google Excel Sheets, which will then auto-populate the Power BI application, to allow for real time data monitoring. The CEO/GM of each hospital has been appointed to monitor and manage the Risk Reduction Action Plans (RRAP). The RRAP is required to certify patient satisfaction is maintained at a high level in order to ensure hospital KPIs are not affected. The target for Clinical Indicators for the Group has been set at 90%. In 2021, the average KPI achievement recorded for 27 hospitals was 90%.

The Group has also organised various activities and campaigns at the hospital level, in order to monitor outcomes and all associated improvements of each indicator. Moving forward, a groupwide campaign beginning at KPJ HQ has been planned for consequent implementation in our hospitals nationwide. The campaign includes the following activities:

- 10 thousand steps/day
- Promote services and facilities within the hospitals; Cathlab, PCI etc
- Encourage good diet

- Triage - Emergency Department Patient Journey
- Why Am I Waiting in the Emergency Department?
- Fire Drill - The Office US
- Sepsis: First Response - Educational Video
- JUST A NORMAL DAY At Sunway Accident \* Emergency Department
- EMS Code Stroke
- EMS Code STEMI

- To develop a medication safety video and share this via multimedia and video walls/ televisions at hospitals
- Medication safety talk by Clinical Pharmacists
- To develop a medication calculation module and to conduct training for the nurses and pharmacy staff.
- To engage with external parties to conduct an independent medication survey in the hospitals

- Forum
- Innovations suggestion scheme
- Sharing best practices within the hospital and hospitals within the Group

## Economic

### KPJ NURSES ON THE FRONTLINE AGAINST THE COVID-19 PANDEMIC

Since its onset, the COVID-19 pandemic has had a dramatic and often devastating impact, both physical and psychological, on all healthcare professionals and providers. Nurses have had to, and they still continue to play critical roles within the setting of the COVID-19 pandemic. They continue to be at the frontline of patient care from the point of entry – screening every individual to mitigate the risk of exposure to others – to assisting in screening for COVID-19 tests and managing patients in the designated COVID-19 wards till discharge.

Nurses have also helped by taking up the challenge of sustaining the caring component in medical care while maintaining social distancing. To ensure patients do not feel stigmatised or ignored, our nurses have undertaken numerous measures to communicate effectively with the patient using platforms such as WhatsApp, video conferencing or Google Meet.

During the COVID-19 pandemic phase, our nurses went above and beyond the call of duty by working under stressful conditions, remaining on standby for any outbreak response and being exposed to hazards that put them at risk of infection. Just like any other healthcare organisation, KPJ faced a critical shortage of nurses as many either contracted the virus or were exposed and had to undergo quarantine measures. Throughout all this, KPJ Management strove to ensure that our nurses, our critical line of defence, felt supported and received the care and encouragement that they needed.

### QUALITY NURSING

Project Infuze is a quality improvement programme organised by Infusion Nurses Society (INS) Malaysia. Project Infuze aims to standardise and implement national intravenous policies and procedures in hospital practices through the adoption of best practices and compliance with operational guidelines. To this end, the programme educates trained nurses on the practice of infusion therapy. The effectiveness of the programme in each participating hospital will be evaluated through an audit exercise by recognised and reputable auditors who will measure the programme's compliance with best practices. INS Malaysia will then reward and recognise the healthcare organisation that display the best practices.

To date, eight KPJ hospitals have embarked on this project to implement and establish evidence-based best practices in infusion therapy. The next phase in the project will see our hospitals prepare for a third-party audit.

In championing best practices in infusion therapy, INS Malaysia endeavours to diminish intravenous or IV-related complications and to lessen operational costs through the reduction of the average length of stay in hospitals. Furthermore, by standardising IV care, IV related practices are elevated, thus reducing inefficiencies and increasing significant patient satisfaction.

As of end December 2021, the IV thrombophlebitis rate at KPJ hospitals was 0.03%, which is well below the INS target of 0.5%.

Moving forward, our strategies include the enhancement of vascular access management (VAM) and the improvement of vigilant monitoring of IV sites in our hospitals. We will also be kicking-off IV campaigns which will leverage video presentations, online platforms, as well as brochures on IV site health education. We are also looking to organise bedside training sessions and internal audits. Our mitigation measures against infections will include the incorporation of more evidence-based practices as well as the sharing of a list of solutions/medication most likely to cause IV phlebitis.



## Economic



### MATERIALITY ECONOMIC 4:

#### DELIVERING SAFE AND EXCELLENT CLINICAL SERVICES

#### CERTIFICATION, ACCREDITATION AND STANDARDS

KPJ is dedicated to upholding the highest healthcare standards in our delivery of excellence in all aspects of patient care in our hospitals. Similarly, we are committed to meeting all criteria required by local and international regulatory bodies to certify the standards of our healthcare facilities and related services. As an aspiring world-class organisation, KPJ has strong linkages with accreditation bodies in supporting international cross-sector initiatives. This is vital in helping the Group achieve global alignment in sustainable business behaviour as per our commitment to fulfilling SDG Target 17.14.

#### Accreditation by Joint Commission International (JCI) and Malaysian Society for Quality in Health (MSQH)

KPJ Healthcare treats 2.9 million patients annually with the organisation employing 1,322 medical specialists. The Group maintains a regional presence as well. Besides the 28 hospitals under our ambit in Malaysia, we also operate two hospitals in Indonesia, one in Bangladesh and one in Thailand. KPJ also runs two Ambulatory Care Centres (ACCs). As of 2021, there are 17 Klinik Waqaf An-Nur (KWAN) and six mobile clinics across Malaysia. It is to be noted that eight of our KWAN Clinics are MSQH-accredited, which ensures we provide quality healthcare and services to our communities.

KPJ's hospital accreditations are obtained from internationally acknowledged bodies, namely the Malaysian Society for Quality in Health or MSQH, and the Joint Commission International or JCI. These accreditations put our hospitals on par with international hospital accreditation standards.

KPJ prioritises the maintenance of our hospital accreditations in order to remain a leader in the marketplace, thus ensuring our reputation as the healthcare provider of choice.

All hospitals with MSQH and JCI accreditations have to undergo stringent surveillance surveys by the respective surveyors and audit teams to ensure compliance with accreditation standards and requirements before the accreditation certification can be renewed, usually every three years.

**TO DATE, 19 KPJ HEALTHCARE HOSPITALS ARE RECOGNISED BY THE MSQH WHILE FOUR ARE ACCREDITED BY THE JCI. OUR HOSPITALS ALSO HOLD THE FOLLOWING CERTIFICATIONS:**

- 19 of our hospitals are recognised as Baby-Friendly Hospitals (BFH). The BFHI Global Criteria guidelines were prepared by United Nations Children's Fund (UNICEF), the World Health Organization (WHO), with assistance from Wellstart International.
- 18 hospitals are certified with IMS certification that includes the ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management, ISO 14000:2015 Environmental Management System and ISO 22000:2018 Food Safety Management System.
- 18 hospitals certified with ISO 18001:2007 OSHAS have completed the conversion to the ISO 45001:2018 Occupational Health and Safety Management System.
- 8 KWAN clinics are MSQH accredited.
- Two of our hospitals, namely KPJ Ampang Puteri and KPJ Damansara, were certified with the Gold-Level Excellence in Person-Centred Care from Planetree International, the first and only in the Asia Pacific region. The hospitals underwent recertification in the first quarter of 2022.

As we forge ahead and lay down strong foundations to achieve our aspirations, the Group will continue to maintain national and international accreditation to remain a leader in the healthcare sector and to support health tourism initiatives.

## Economic



### MATERIALITY ECONOMIC 5:

#### DRIVING EFFICIENCY WITH INNOVATION AND TECHNOLOGY



As one of the Group's Seven Strategic Thrusts, Innovation is one of the key drivers in KPJ's transformation plan. Combined with technology, Innovation also forms the foundation for the Group's efforts to achieve SDG 9: Industry, innovation and infrastructure, which involves our participation in national research and the development and manufacturing of essential medical products.

KPJ leverages innovation and technology as part of our commitment to enhancing our healthcare services. Additionally, by strengthening our digital infrastructure, we are securing the long-term viability of the Group's capacity to create value.



#### NEW HEALTH INFORMATION SYSTEM

KPJ's digital transformational journey saw the Group installing a new core IT system for the entire organisation. This significant addition to our digitalisation process will explore ways to make the patient-doctor engagement more meaningful. The new Hospital Information System (HIS) will be improved for better patient experience as well as to boost our overall operational excellence.

Using the latest technology, the new HIS will be able to provide a wide range of solutions not limited to predictive, preventive, curative, promotive and rehabilitative aspects. The system will be embedded with Artificial Intelligence (AI), connectivity of the Internet of Things (IoT), and better research capabilities with its root cause analysis function. The new generation healthcare platform's built-in data

science engine will continuously run algorithms in the background and provide real-time financial and clinical risk insights. The new HIS will be implemented with single-source patient information across the Group and KPJ will be the first organisation in Malaysia using this one patient-one single record system.

Ultimately, this system will be streamlined with an emphasis on enhancing the customer's experience, centred on the patient- and doctor- journey, and improving operational excellence. To this end, the new HIS will offer an enhanced, user-friendly system for customers including reducing patient waiting times for registration, admission, discharge as well as payment. The new doctor-centric system will enable doctors to easily access patient information and functions via mobile devices.

## Economic



### MATERIALITY ECONOMIC 5:

#### DRIVING EFFICIENCY WITH INNOVATION AND TECHNOLOGY

The paperless system will also feature functions such as the ability to back-date episodes. It will also facilitate quick revenue cycles and claims management as well as operate just-in-time supply chains for medicine and medical products. The following outlines the range of benefits that the new HIS will bring us:

#### An enhanced customer experience via these features:

- The ability to engage with and schedule appointments online as well as tele-consult with patients and between doctors;
- Helps reduce and/or minimise patient waiting times during the registration, admission, discharge, and payment processes;
- Provides a single ticket/queue, single payment approach;
- Enables fast and efficient payment and claims clearance; and
- Enables patient education, patient health management, and post-visit follow-ups.

#### Enhanced quality of healthcare services through the following:

- Provides doctors and general practitioners (GPs) a portal for easy access to patient information and functions (via mobile devices);
- Enables GP referrals – ability to allow external/panel doctors to make online referrals to KPJ consultants;
- Reminds/alerts doctors about appointments, allergies and contraindications, abnormal and/or unread results, etc;
- Presents a simple, user-friendly, uncluttered, and intuitive User Interface (UI); and
- Provides easy CPOE and results management functions and access to information at the doctor's fingertips.

#### Improves operational efficiency with these functions:

- Covers front- and back-of-house functions – paperless, ability to back-date episodes (especially during the A&E process), efficient revenue cycle and claims management, as well as just-in-time supply chain for medicine and medical products;
- Ease of data entry and display, automatic data population (where applicable);
- Flexible and prompt generation of structured and ad-hoc reports to federal, state, authorities, and senior management; and
- Ability to accommodate open clinic sessions/scheduling catering for residential, sessional, and visiting doctors. This function relates to optimising use of clinics, rostering of doctors on duty, and appointment booking.

Not limited to just the Hospital System, the new is also equipped with the following core features and functionalities:

- Patient Registration
- Scheduling
- Admission Discharge Transfer
- Electronic Medical Record (EMR)
- Laboratory Information System
- Radiology Information System
- Blood Transfusion Information System
- Enterprise Resource Planning (ERP)
- Billing

By integrating the new into our operational framework, KPJ looks forward to these advantages and benefits:

- Robust Clinical System
- Better Patient Engagement
- Improved Efficiency
- Agile Decision Support
- Integrated Systems
- Single Source of Truth
- Connected Facilities
- Pervasive Intelligence
- Platform Economy
- Zero Trust Value Chain

The first phase of the new HIS is scheduled to be rolled out at the new leading-edge KPJ DSH2 by the third quarter of 2022 and thereafter at KPJ Damansara Specialist Hospital by 2023.

## Economic



### MATERIALITY ECONOMIC 6:

#### ACCESS TO QUALITY HEALTHCARE

Quality healthcare is a basic human right and KPJ is committed to delivering accessible, world-class medical care to the communities in which we operate. Our firm advocacy for universal access to healthcare is demonstrated in our constant efforts to widen our delivery channels to underserved communities as well as to amplify our reach for the general public. The Group's focus on accessible quality healthcare is in alignment with UN SDG 3: Good Health and Well-Being – to ensure healthy lives and promote well-being for all at all ages.

#### AMBULATORY CARE CENTRE (ACC)

The KPJ Ambulatory Care Centre (ACC) at Bandar Kinrara, Puchong, is a medical specialist outpatient centre that focuses on providing comprehensive and continuous primary healthcare by Family Medicine specialists (FMS).

The ACC provides services to a wide stratum of the community, from individuals to families regardless of age, gender and disease. Utilising the latest technology and digital platforms, the ACC delivers a new approach in widening modern healthcare accessibility. Medical care services proffered by the ACC include diagnosis, observation, consultation, treatment, intervention and rehabilitation services. It also offers outpatient and even day-care services. The ACC operates from 9 am to 10 pm daily and is open on the weekends. More information on the ACC can be obtained on page 51 under Economic Perspectives.

#### HEALTH TOURISM

Over the years, Malaysia has established a name for itself as a veritable health tourism destination. With the country's offering of world-class healthcare services, Malaysia's medical tourism sector saw significant uptake and growth before the outbreak of the COVID-19 pandemic. Following the arrival of the pandemic and the ensuing border-closures, players in this burgeoning economic sector have been forced to pivot their business models. With most international borders remaining closed during the duration of 2021, Malaysian health tourism operators shifted their focus from international visitors to long-stay foreign visitors and expatriates. In support of this shift, the Malaysian Healthcare Travel Council worked closely with the Government to improve the process flow of accepting health traveller patients in Malaysia through medical evacuation flights.

KPJ's Health Tourism business is expected to recover in 2022 following re-opening of borders in April 2022. KPJ has taken the initiative to re-appoint all potential agents who are active in sending and referring patients before and during the

pandemic. Most of our agents are from Indonesia, China, Bangladesh, Somalia and MENA, among other nations. Aside from the appointment of the agents, we are also actively building our rapport with international insurers, third-party administrators (TPAs), medical evacuation companies, corporate clients, professional associations, the media and digital platforms, among others.

With the borders having opened, we plan to re-activate our information centres in selected areas such as Jakarta, Surabaya, Batam, Medan and Aceh. The appointment of the information centres will be made in stages depending on demand and flight availability.

Besides Indonesia, we are also looking forward to establishing contact with target markets such as Bangladesh, China and the MENA region.

#### Health Tourism Hospitals

As at end December 2021, KPJ hospitals earned sales of RM989,000 from tending to travellers who came to Malaysia for medical treatment during the pandemic. Most patients were treated at KPJ Damansara, KPJ Ampang Puteri, KPJ Johor, KPJ Tawakkal and KPJ Puteri. The Group has 10 health tourism hospitals, each with its own specific target markets. While ASEAN currently remains the biggest target market for KPJ, our marketing efforts in the Middle East have resumed now that the borders have reopened. Similarly, we have prepared marketing campaigns in preparation for the opening of Chinese borders which is expected to take place in 2023.

In the meantime, the Group has been focusing its energies in building its market share in the expatriate health tourism segment, which has seen robust growth since the onset of COVID-19. Our medium to long-term objective is to be the premier hospital provider for the expatriate community in the country. For more information about KPJ's health tourism efforts, please refer to KPJ's Integrated Annual Report 2021 on page 85.

## Economic



### MATERIALITY ECONOMIC 6:

#### ACCESS TO QUALITY HEALTHCARE

#### EYE CENTRE

The KPJ Pusat Pakar Mata Centre for Sight (KPJCFS) is one of the leading eye specialist centres in Malaysia which offers high-quality and affordable eye care and treatment. KPJCFS Ophthalmologists are specialised in refractive surgery (LASIK), cataract, retina diseases, oculoplastic surgery, as well as the diagnosis and treatment of corneal diseases and conditions.

We currently have three KPJCFS branches in operation:

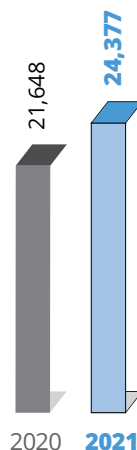
- Pusat Bandar Rawang – 2004
- Taman SEA, Petaling Jaya – 2006
- Jalan Pahang, KL @ THC – 2013

While there were no new centres added to the KPJCFS family in 2021, the company’s Rawang branch is currently undergoing renovation works as part of its expansion efforts.

In 2021, KPJCFS embarked on a promotional campaign which comprised aggressive digital marketing and telemarketing efforts as well as Lasik roadshows. KPJCFS also collaborated with key insurance players, local retail companies and GPs in a bid to spread awareness of its services. These efforts contributed to the increase in customers that our eye centres experienced during the year in review.

For more information on KPJCFS, please refer to the Operations Review found in KPJ’s Integrated Annual Report 2021.

#### TOTAL NUMBER OF CUSTOMERS WHO VISITED THE EYE CENTRES



#### STROKE CENTRE

KPJ’s Stroke Centre at KPJ Damansara Specialist Hospital began operating with a fully-fledged team in November 2020. Operating as a one-stop facility, the centre offers comprehensive care which ranges from the treatment of newly-diagnosed patients to post-stroke rehabilitation with accredited treatment options and therapies centred on patient needs.

The centre also provides a full range of therapy-based stroke rehabilitation services such as physiotherapy, occupational therapy and speech therapy, to help people achieve their optimum level of functioning.

In terms of facilities and teams, KPJ’s Stroke Centre features the following:

- Inpatient hospital beds;
- An ICU;
- A dedicated radiology service which offers competence in neuroimaging, full access to state of the art CT and MR scans, and an angiography room;
- A team of 24 state-registered nurses;
- A team of trained acute stroke neuro-interventionists;
- A dedicated stroke unit and a stroke team; and
- A department of Neurosurgery.

Due to the various MCO measures and operational restrictions of 2021, the Stroke Centre experienced a decline in the number of treatment cases. To increase awareness of the centre and its services, the centre engaged in a roadshow, signed a letter of understanding with KPJ hospitals for referrals and ran a digital campaign which showcased its re-launch. It also developed brochures for the roadshow, infographics to increase public awareness about strokes, and highlighted its success stories.

In addition to its publicity campaign, the centre’s key initiatives for 2021 included its General Practitioner Symposium and its awareness campaign which comprised an educational video titled “How to differentiate Strokes and Heart Attacks” as well as internal and external CME and health talks. The centre also continued its networking ventures with government hospitals, various associations, NGOs and funding bodies.



## Economic

### REHABILITATION SERVICES

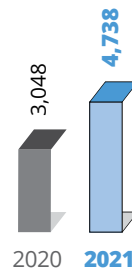
The Group's rehabilitation centres offer a full range of therapies and programmes to help people of all age groups to achieve their optimum level of functionality. To date, KPJ has two rehabilitation centres located at our Kuantan Care & Wellness Centre (KCWC) and the Tawakkal Health Centre respectively.

The KPJ iRehab (Physiotherapy & Occupational Therapy), located at KCWC, is equipped with a gymnasium and cutting-edge technology equipment to restore one's mobility, functionality and ability.

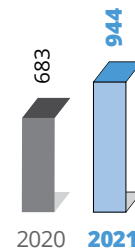
Having begun its operations in May 2019, iRehab's team currently comprises one occupational therapist and four physiotherapists. The centre provides the following services:

- **Stroke rehabilitation**
- **Orthopaedics rehabilitation inclusive of:**
  - Neck pain
  - Lower back pain
  - Sports injuries
  - Knee pain
  - Ligament sprain
  - Plantar fasciitis
- **Return-To-Work Programme (occupational therapy)**
- **Physical assessments**

**KCWC – NO. OF OUTPATIENTS:**



**KCWC – NO. OF CASES:**



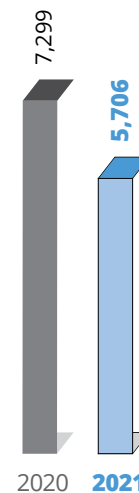
KCWC offered the following packages in 2021:

- Post-natal rehabilitation – helps new mothers to recover effectively following pregnancy and delivery;
- Pecen Rehab – aimed at improving the quality of life in older people through the restoration of functionality or the enhancement of residual functional capabilities;
- Paediatrics occupational therapy – specialises in developing skills in children with special needs (such as Autism, Dyslexia, ADHD, Down Syndrome, Cerebral Palsy, behavioural disorders and speech delays);
- Physiotherapy packages – to restore the physical, sensory and mental capabilities that were lost due to injury, illness or disease.

Housed at the Tawakkal Health Centre, the KPJ KL Rehabilitation Centre focuses on intensive and interactive Neurological/Stroke rehabilitation programmes. The centre provides a multi-disciplinary approach to rehabilitation that combines rehabilitation, physiotherapy, occupational therapy, speech therapy and clinical psychology.

The centre's in-house team currently comprises four physiotherapists and three occupational therapists. The centre also outsources two speech therapists and one psychologist. To simplify the booking process for appointments and treatments with therapists and doctors, the centre introduced a Rehab Whatsapp line for patients in 2021.

**NO. OF OUTPATIENTS**



## Economic



### MATERIALITY ECONOMIC 6:

#### ACCESS TO QUALITY HEALTHCARE

#### JX PHARMACY AND KPJ HEALTHSHOPPE

The Group's retail line comprises the JX Pharmacy and the KPJ Healthshoppe. In 2021, both entities continued to see brisk business, particularly after they actively engaged in digital marketing activities. These activities included health talks via Facebook Live which were organised in collaboration with KPJ Hospital professionals, KPJ Wellness and various vendors.

The response to these digital marketing activities saw our retail outlets expand their list of Logistics Management Division vendors by adding Borzo and D-Two as same/next day delivery partners. This initiative was actioned in a bid to address the rising demand for same-day delivery capabilities.

To improve customer and vendor reach and engagement, every branch was provided with a dedicated customer care line.

The year in review also saw our retail outlets continue to expand their operations onto digital platforms to improve brand awareness and consumer reach. As part of this exercise, 13 out of 15 KPJ Healthshoppe outlets listed their health-related items on the Foodpanda Shops Platform, thus making their goods more accessible to the general public.

Furthermore, in response to the pandemic situation, our retail line launched the "KPJ Must Have Kit" and the "COVID Aid Kit" both of which contain the essentials items needed during the pandemic.

#### GROUPWIDE PACKAGES

KPJ offers special packages at competitive and affordable pricing. These packages are made known to the general public via interactive, personalised marketing strategies on social media.

Among the special packages offered by KPJ in 2021 were the Post-COVID Screening packages and the Mammography & Breast Ultrasound special promotion which was unveiled in conjunction with "Pink October" month. In addition to these, the year-end promotions, which began in November, featured the "Balik Kampung" package, "Umrah" package and Diabetic Screening special package. The Group also regularly offers promotional packages for our maternity, cataract, mammogram and ultrasound, endoscopy and health screening services.

To increase patients, revenue and promote hospitals during the pandemic period we introduced the following package promotions:

Promotional Packages Offered in 2021	Total Earnings
<b>Post-COVID Package</b>	The total conversion for Post COVID-19 screenings saw 245 packages sold for RM82,026
<b>Pink October</b>	The total revenue generated from the campaign was RM277,447 from 2,447 packages sold
<b>Balik Kampung</b>	The total revenue recorded at the final week of December was RM5,030 from 60 packages sold
<b>Diabetic</b>	The total number of conversions in the final week of December was 1,581 packages sold for a total of RM60,756
<b>Haji/Umrah/ Travellers</b>	The total revenue recorded in the final week of December was RM36,177 from 102 packages sold
<b>Year End Sale</b>	The total revenue recorded at the final week of December was RM725,847 from 1,362 packages sold

#### BABY-FRIENDLY HOSPITAL

KPJ continues to align itself with the baby-friendly hospital initiative (BFHI) that was launched by the World Health Organization (WHO) and United Nations Children's Fund (UNICEF). Our partnership is in support of healthcare providers offering the best level of care for infant feeding and mother-baby bonding. To this end, each expectant mother is required to attend classes on breastfeeding and caring for infants before her baby is due. KPJ's 19 BFHI-certified hospitals also conduct routine activities which promotes awareness on infant care to our maternity patients and our staff.

In line with BFHI requirements, all maternity ward staff in our BFHI-certified hospitals are required to receive training from the MOH. However, the series of MCOs due to the spike in COVID-19 cases in April 2021 presented challenges to our hospitals' efforts to meet the training hours target set by BFHI.

Moving forward, KPJ Perlis Specialist Hospital and KPJ Klang Specialist Hospital will continue their initiatives to attain BFHI certification, a process which was initiated in the fourth quarter of 2020.

## Economic



### MATERIALITY ECONOMIC 7: ECONOMIC PERSPECTIVE



KPJ's aspirations to deliver gold-standard healthcare and to support national economic growth comes on the back of our commitment to create long-term, sustainable value for our stakeholders. Our endeavours in this area are aligned with SDG Target 8.1 which aims to sustain per capita economically growth in accordance with national circumstances.

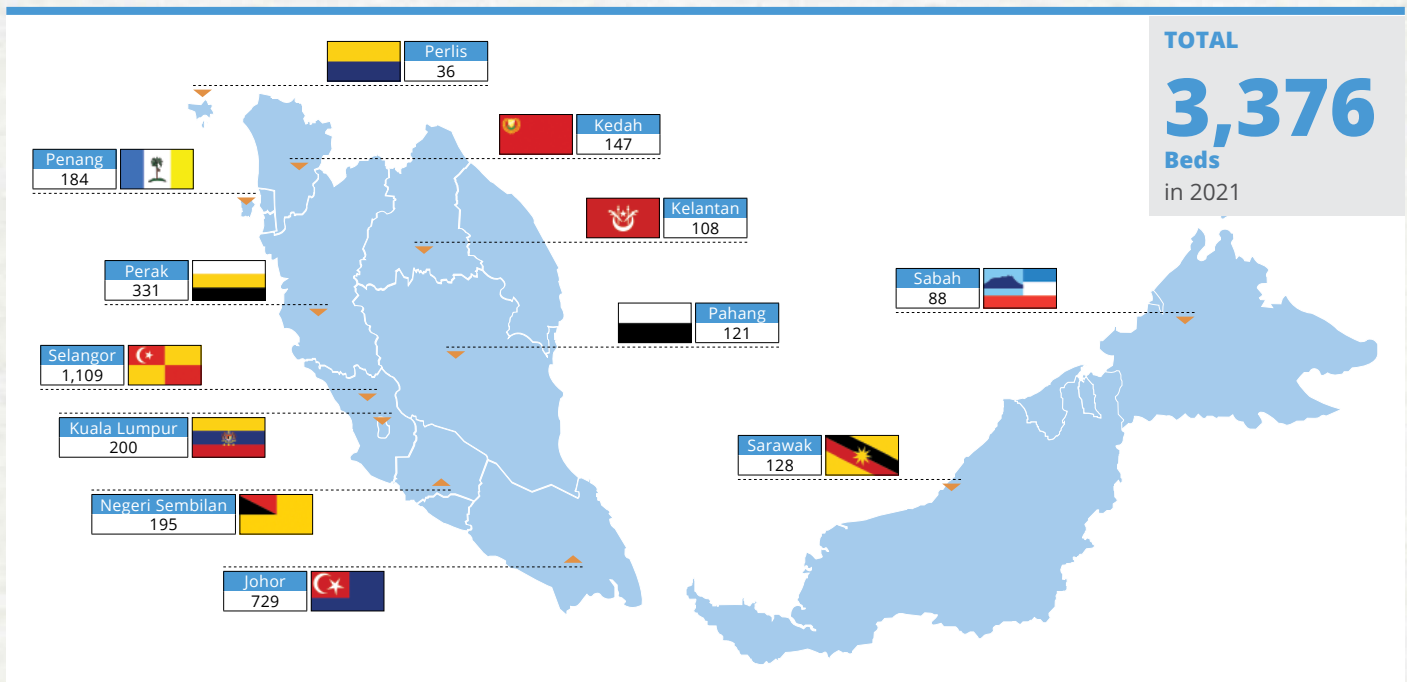
We deem it vital that while we work tirelessly to create lasting value for our shareholders in the name of business sustainability, we also need to positively impact other stakeholders and communities. Our initiatives in this vein include capacity expansion and tangible economic outcomes like higher value jobs, a wider equitable healthcare access and more impactful public-private partnership programmes.

As a key private healthcare service provider, KPJ continues to play a significant role in helping to strengthen the nation's healthcare infrastructure. Our efforts contribute not only to optimising our health system for the battle against the virus, but also against national health challenges such as an ageing population and other non-communicable co-morbidities which traditionally strain the nation's healthcare system.

#### CAPACITY EXPANSION

For our expansion strategy for 2021, KPJ set aside RM406.0 million. This budget covered the addition of another 146 operational beds to our operations at KPJ BDO, KPJ Pasir Gudang, and Sri Manjung, as well as enhancements to our IT infrastructure and equipment. It also included the overall renovation and commissioning cost of DSH2, KPJ Puteri and the KPJ Penang Annexe Block, with all three hospitals projected to be operational by 2022. The Group implemented these enhancements so that we are better prepared to spur local demand and promote health tourism when we enter the endemic phase of the pandemic down the road.

#### Bed Distribution by Region



Economic



**MATERIALITY ECONOMIC 7:**

**ECONOMIC PERSPECTIVE**

**Additional Beds:**

146

**Total beds:**

3,376

**>30 Beds Expansion:**

- KPJ Bandar Dato Onn
- KPJ Pasir Gudang
- KPJ Sri Manjung Specialist Centre

**2021**

**Beds added to the Group's Hospital Network**

**2022**

**Additional Beds:**

320

**Total beds:**

3,696

**>30 Beds Expansion:**

- Damansara Specialist Hospital 2 (New Hospital)
- KPJ Puteri
- KPJ Penang
- KPJ Perdana
- KPJ Sabah

**Damansara Specialist Hospital 2 (DSH2)**

DSH2 has been planned and designed as a 300-bed facility with tertiary care capabilities. Equipped with state-of-the-art equipment, KPJ's new smart hospital will spearhead the Group's digital transformation.

As the premier flagship hospital for KPJ, DSH2 will focus on offering services in the following medical fields:

- Cardiovascular
- Neuroscience
- Orthopaedic including Spine Surgery
- Urology
- Minimally Invasive Surgery (Advanced Laparoscopic procedures)
- Imaging - Interventional Radiology including primary Thrombectomy
- IVF Fertility Center

To date, renovation progress is currently at 85% with the hospital expected to be officially launched in the second half of 2022. DSH2 will be in operation with an initial 60 beds by the third quarter of 2022.

**KPJ Penang Specialist Hospital**

The expansion at KPJ Penang Specialist hospital will feature a new block with an extra 151 beds. Currently 97% completed, the hospital will have a total capacity of 355 beds upon completion. The new block is scheduled to be ready for customers in July 2022. The expansion also includes another 32 clinics and two operating theatres in the new block. The new wing will be positioned as a centre of excellence for cardiac, orthopaedic and paediatric medicine.

**KPJ Puteri Specialist Hospital (Johor Bahru)**

To address the continued high demand for hospital beds, KPJ Puteri is currently undergoing an expansion exercise. As space constraints in the existing block have caused limitations for further expansion, the hospital has begun the construction of a new Annex Building. The new block will house an addition of 167 new beds, bringing KPJ Puteri's total bed capacity to 241 beds. The new block will also provide space for an additional 13 clinics and six operating theatres. The project has been completed and it is expected to be operational in May 2022.

**KPJ Perdana Specialist Hospital**

After more than 20 years in operation, KPJ Perdana Specialist Hospital will be expanding its hospital facilities to include more outpatient and inpatient centres. The renovation also comprises the conversion of the existing clinics area at the hospital's Level 2 building into wards which can accommodate an additional 43 beds and other facilities. Currently in progress, the renovation project is expected to be complete by the fourth quarter of 2022.

## Economic

### Expansion of Healthcare Access - Ambulatory Care Centres (ACCs)

KPJ's Ambulatory Care Centres or ACCs are multidisciplinary units located in strategic urban sectors to offer outpatient healthcare services. Comprising specialist clinics, diagnostic and rehabilitation services as well as outpatient care type of services, the ACCs aim to widen access to healthcare services for the local communities in sub-urban areas and increase brand awareness for KPJ. The ACCs are an outworking of the Group's aim to provide accessible healthcare to more communities while contributing to the economic growth of these areas. Furthermore, our ACCs are committed to serving individuals and families, women and men.

In January 2011, the first ACC, KPJ Tawakkal Health Centre in Kuala Lumpur, opened its doors to the public. This ACC offers comprehensive services such as a dental centre (via KPJ KL Dental Specialist Centre), a rehab centre (via KPJ KL Rehabilitation Centre), an outpatient clinic, a pharmacy, a minor operation theatre and a day ward. It also offers services such as elderly care (via KPJ Senior Living Care), haemodialysis and diagnostic imaging, among others. Our second ACC in Bandar Kinrara, Puchong, Selangor has an eye centre, dental facilities and an operation theatre for minor surgery. The benefit of having these ACCs is that they can create a new stream of patients who can then be referred to other hospitals within the Group.

KPJ ACC Bandar Kinrara, Puchong (KACC) is a medical specialist outpatient centre that will focus on providing comprehensive and continuous primary healthcare by Family Medicine Specialists or FMS. The team at KACC will also include ophthalmology, ENT physicians, dental, surgeons, gastroenterologists, and supported by certified medical officers. The Centre received its operational licence from the MOH on 13 December 2021. Strategically located in Bandar Kinrara, Puchong, KACC operates daily from 9 am to 10 pm.



### CONTRIBUTING TO EMPLOYMENT-RICH ECONOMIC GROWTH

KPJ continues to indirectly contribute to the nation's economy through the creation of new jobs via our nationwide network expansion of hospitals. Having begun in 2020, the expansion will be unfolded over the course of two years, with most projects set to see completion in 2022. The knock-on effect from funds invested in these construction activities also remains a notable economic contributor. The number of jobs we generate is based on our manpower to bed ratio, which is 4:1. By creating new employment opportunities, we ensure both the continuation of quality clinical employees and job security for KPJUC graduates.

#### CONTRIBUTING TO EMPLOYMENT-RICH ECONOMIC GROWTH



##### KPJ'S WORKFORCE

A total of

**1,438**  
new hires joined

in 2021



##### RESIDENT CONSULTANTS

**33**

have joined the Group



##### POST-BASIC NURSING PROGRAMME

KPJ sponsored a total of

**90** staff

in 2021

Economic



**MATERIALITY ECONOMIC 7:**

**ECONOMIC PERSPECTIVE**



**HEALTHCARE AVAILABILITY AND AFFORDABILITY**

KPJ also met the unique challenge of ensuring there was adequate medical supplies to meet customers’ needs during the pandemic. We worked closely with Pharmaserv Alliances Sdn Bhd (PASB), our centralised wholesaler and distributor of pharmaceuticals and medical supplies, to establish a strong distribution channel to ensure an uninterrupted supply of drugs. Collaborating with the Group’s Biomedical and Commissioning Services, Pharmaserv also succeeded in reducing procurement costs which then enabled KPJ to provide more competitive services to customers. This arrangement also benefited our KWAN\* clinics which serve the underprivileged as lower medicine costs enable us to reach a wider segment of low-income groups.

➔ For more information on KWAN clinics, please turn to Community Outreach on pages 70 to 72 of this report.

**COST REDUCTION STRATEGY VIA PROCUREMENT**

In addition to our in-house capabilities, the Group relies on suppliers from diverse industries to meet our needs as the largest private healthcare operator in Malaysia. These suppliers help us to fulfil our medical to non-medical operational requirements as well as the daily essential needs of our hospitals.

With thousands of suppliers in our procurement system, we are constantly exploring ways to enhance our procurement process. We aim to accomplish this through the production of a more robust management system which will improve cost efficiency by 20% to 25%. This includes refining and segmenting regional clusters for better accountability and efficiency in our supply chain.

In 2021, we spent about RM1.24 billion on total procurement, with the average amount spent by individual hospitals calculated at RM457 million. We aim to reduce the decentralised spending from its current tally of 37% to 20%, which can result in savings of some RM8 million to RM13 million.

**PHARMACEUTICAL AND MEDICAL PRODUCTS SUPPLY CHAIN**

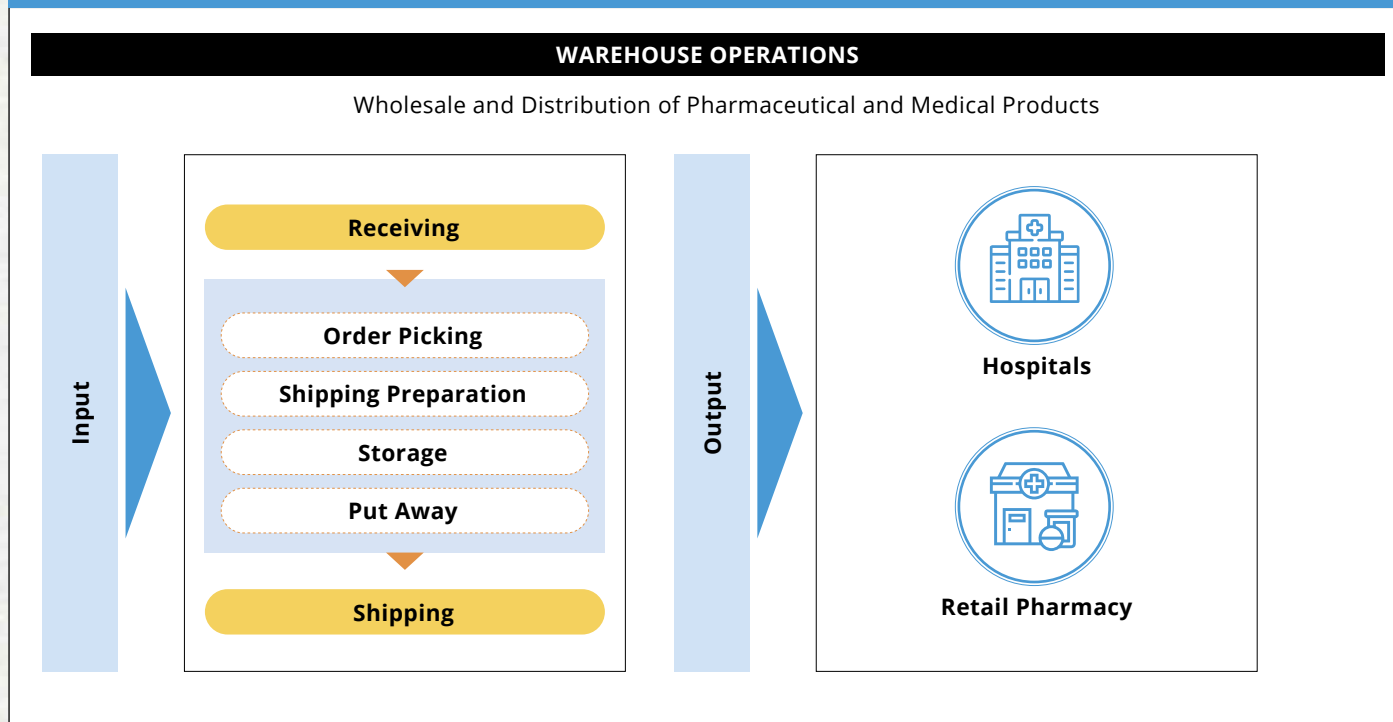
As a subsidiary of the Group, Pharmaserv Alliances Sdn Bhd (Pharmaserv) is held to the same standards of excellence and integrity exhibited by the group. Pharmaserv is accountable and recognises the necessity of an efficient supply chain to ensure there are sufficient drugs and disposable medical devices, especially during a pandemic or any adverse situation that can negatively impact healthcare services and clinical outcomes. Pharmaserv complies with the Good Distribution Practices (GDP) for Pharmaceuticals and Good Distribution Practices for Medical Devices (GDPMD) governed by the MOH in the distribution and handling of medical products. Pharmaserv is also in complete alignment with internal work procedures and governance pertaining to bulk purchases, tenders and contract pricing.

Pharmaserv works closely with all pharmaceutical and medical devices manufacturers and suppliers as this strategy gives Pharmaserv more control over supply chain management and operational activities, which in turn reduces supply chain administration costs.

➔ For more information on Pharmaserv, please refer to KPJ’s Integrated Annual Report on page 77.

## Economic

KPJ's supply chain is shown in the chart below:



Pharmaserv runs a highly regulated ecosystem in which our suppliers and vendors play a crucial role in providing products and services of the highest quality. All products and services procured by the Group must meet the highest internal, regulatory and accreditation agency standards.

All our suppliers are given equal opportunity via our practice of fair and transparent negotiations. Our formal procurement processes include selection by criteria applied in tenders, contracts and supplier agreements. We select our suppliers via an intense, exhaustive process as they need to demonstrate their consistent approach towards sustainable development and applying environmentally friendly practices while possessing a strong business reputation.

In the year under review, Pharmaserv successfully recorded RM20.5 million in cost savings via its tender and contract pricing with key suppliers. Through its centralised logistics

and inventory management system, Pharmaserv has significantly reduced inventory within the Group. This represents a huge savings of inventory cost and space for us.

Our top priority is to meet customer expectations swiftly and efficiently. To this end, Pharmaserv has committed to delivering 98% of hospital orders within 24 hours to Klang Valley hospitals and to keep to a 48-hour timeline for hospitals outside the Klang Valley. This undertaking is carried out via the consolidation of orders and instilling cut-off order times for different hospitals categorised by locations. More efficiency in this channel is expected with the enhancement of our IT systems. Pharmaserv is also migrating to data analytics to enhance its performance in matters of competitive price analysis, insights on products in the market, and customer preference. Having access to improved predictive positive outcomes is expected to translate into bigger savings across the Group.

## Economic



### MATERIALITY ECONOMIC 7:

#### ECONOMIC PERSPECTIVE

#### TREATMENT FUNDING

KPJ acknowledges the various means our patients employ to finance their treatments, e.g., healthcare insurance, corporate expenses, and out-of-pocket expenses. A fair portion of KPJ's patients come from our pool of corporate clients whom provide healthcare benefits for their employees. This target market is a very important revenue stream for KPJ and as such, we centralise the administration and management of these important customers at the Group-level in order to take care of their end-to-end requirements.

The Group's corporate client management (CCM) unit is housed at KPJ headquarters. The unit is responsible for building strategic partnerships, improving client servicing and boosting operational integration with insurance providers and managed care organisations. CCM is the Group's key to delivering excellent customer service with the added objective of increasing account retention and growing our customer base. In this vein, we continue to focus our energies on aligning customer expectations with performance to grow sales growth from the corporate segment.

#### PUBLIC-PRIVATE PARTNERSHIP PROGRAMME TO COMBAT COVID-19 AND DEVELOP ECONOMIC RECOVERY

KPJ continues to work closely with the Government, specifically the MOH hospitals, regarding the decanting of non-COVID-19 cases. This venture is in line with the Government's decree on 20 July 2021 that all non-COVID-19 patients being treated at public hospitals in the Klang Valley would be re-admitted to private hospitals to lessen the strain on public health services.

To ensure affordable rates for decanted patients, MOH has set ceiling charges for the various treatments offered. The various charges per patient is RM45,000 for surgery, RM25,000 for non-surgery treatment, and RM5,000 for follow-up consultancy. Wards and bed charges were also set at a minimum cost.

KPJ contributed 95 additional beds to the partnership programme which saw a total of 364 beds contributed by nine Klang Valley hospitals. All participating hospitals continued to abide by strict COVID-19 policies and related SOPs. Decanted cases were treated after being screened by KPJ's protocols including COVID-19 testing before patients were warded.

General Hospital KL (HKL) decanted four elective kidney transplant cases to KPJ Tawakkal between September to October 2021. The transplant surgery was performed by the HKL Surgeon and team at the KPJ Tawakkal, while KPJ Tawakkal provided the facilities and managed the pre- and post-surgery care of the patient and donor. We are pleased to report that all four kidney transplant cases were successful

As at 31 December 2021, the total contract value awarded by MOH to KPJ hospitals amounted to RM113.9 million for non-COVID-19 medical and surgical cases. In total, 6,344 decanted cases were received from MOH hospitals, with healthcare costs valued at RM50 million which was 44% of the actual total contract value. More than half of these cases (approximately 56%) were surgical cases.

#### Summary of MOH Decanting Cases from 15 April 2021 to 31 December 2021

Region	Total Value (RM)	Total No. Referral Received	Value of Procedures Done to Date (RM)	Percentage Done to Date
Northern	6,170,397	1,299	4,976,876	81%
Central 1	23,179,153	2,010	20,133,422	87%
Central 2	51,390,013	1,255	14,574,879	28%
East Cost	2,675,784	341	2,385,164	89%
Sourthen 1	4,137,600	343	2,226,500	54%
Southern 2	2,723,080	153	1,656,043	61%
East Malaysia	23,652,760	943	4,122,654	17%
<b>As at 31 December 2021</b>	<b>113,928,787</b>	<b>6,344</b>	<b>50,074,537</b>	<b>44%</b>

By the fourth quarter of 2021, decanted cases declined rapidly corresponding with the decreasing COVID-19 infection rates. KPJ's Management continues to keep a close watch on related follow-ups with the authorities and on any potential decanting of cases. At the same time, KPJ is constantly working with the MOH on potential medium to long-term opportunities in order to be of service to the Malaysian Government.



## Economic



### MATERIALITY ECONOMIC 8:

#### DATA PRIVACY AND SECURITY

● ● ●

**Patient and customer data protection is even more important as digitalisation takes precedence in many hospitals in preparation for the new normal in the coming endemic phase of the pandemic. As Big Data takes centre-stage in the healthcare industry, it is more pressing for KPJ to ensure that all business and patient data is handled safely and securely.**

With the real threat of cyber security hacking and ransomware attacks being on the rise in the last two years, the Group has expanded cyber security protection beyond ICT to the whole organisation to ensure end-to-end security across our business processes. This initiative extends to workers using smart devices in order to protect critical data flows. We have incorporated various security and privacy standards and protocols as defences against data breaches and other attacks. This initiative saw the embedding of several layers of security into our network which means all data is secure within our private Cloud and on the Group's computers. As an additional measure, all sensitive systems will require high level security access.

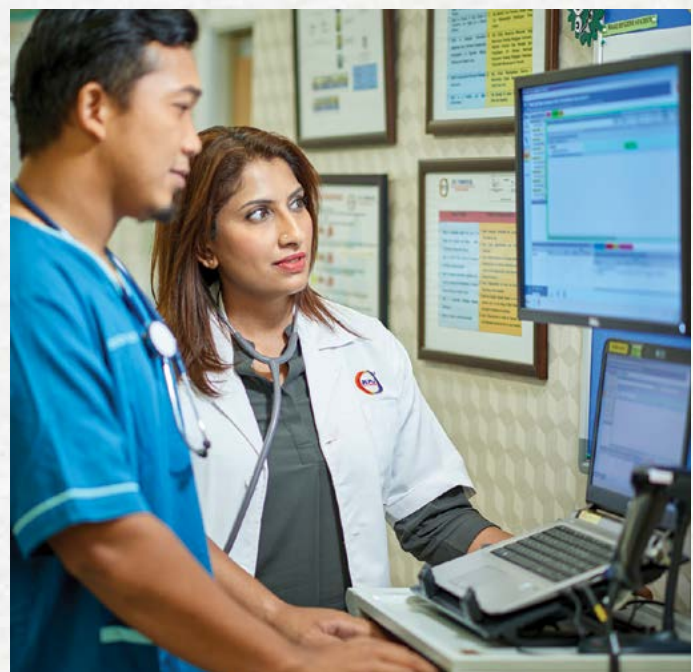
KPJ has also set up a dedicated IT Governance unit within the Group Technology Services. The Group's Chief Technology Officer (CTO) is responsible for the governance and enforcement of IT policies and procedures pertaining to cybersecurity. We have dedicated Security Operation Centre (SOC) that monitors all cyber security threats and attack attempts on 24/7 basis.

As we operate many hospitals across the country, the Group's national data network is constantly being monitored and scaled up to provide the complex support to all data hubs in our hospitals. We have set in place a complex data privacy and security programme designed to optimally manage, monitor, detect and respond to any events which compromise our cyber security. As such, our team has compiled robust data security protocol and policies to ensure data is well protected. We will also continue to work closely with IT specialists to maintain compliance with our data privacy standards and to ensure that we use data in an ethical way. We are pleased to report that there were no data breaches in 2021.

As KPJ is committed to providing the highest standards in all our operations, the Group continues to make preparations to adhere to the ISO/IEC 27001 certification, an international

standard for information security management. In line with these preparations, we have conducted an annual independent security review, which is part of the requirement for the ISO/IEC 27001 certification.

The Group is well aware of the importance of abiding by the Personal Data Protection Act 2010 which helps protect the personal data of all our customers. Furthermore, KPJ's very own Privacy and Data Protection Policy provides another layer of assurance to our stakeholders, namely patients and customers, that their data is fully secure. It is also important to note that the Private Healthcare Facilities Services Act (PFHSA) 1998 and Guidelines of the Malaysian Medical Council (MMC Guideline 002/2006) Medical Records and Medical Reports on Malaysian Medical Council Guidelines on Confidentiality are implemented at our hospitals to safeguard medical data and information.



# Environment



## Environment



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



### ENVIRONMENT HIGHLIGHTS



#### HAZARDOUS WASTE

Reduced Output by

**4.2%**

in 2021 from 2020



#### WATER MANAGEMENT

Recorded

**99m<sup>3</sup>**

**Water Usage per Employee,**  
thus Achieving Target of not more than  
**111m<sup>3</sup>** per employee











#### ELECTRICITY CONSUMPTION

Achieved Target of not more than

**27.69kWh**

**per square foot (sq. ft.)**  
with recorded usage of **22kWh**  
**per sq. ft.** in 2021

## Environment

Materiality Environmental	Link to Our Seven Strategic Thrusts	Key Stakeholders	Initiatives	Performance Indicators
<b>Waste Management</b> 	Business Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees and Consultants</li> <li>• Local Communities</li> <li>• Accreditation Bodies and Associations</li> <li>• Government and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Our Waste Management Practices</li> </ul>	<ul style="list-style-type: none"> <li>• Average of clinical waste generated per patient</li> <li>• GHG emission per patient</li> </ul>
<b>Water Management</b> 	Business Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees and Consultants</li> <li>• Local Communities</li> <li>• Accreditation Bodies and Associations</li> <li>• Government and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive Water Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Average of water consumption per employee</li> <li>• GHG emission per employee</li> </ul>
<b>Energy Management</b> 	Business Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees and Consultants</li> <li>• Local Communities</li> <li>• Accreditation Bodies and Associations</li> <li>• Government and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient Energy Management Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Average electricity consumption per square foot</li> <li>• Activities and initiatives to manage climate change</li> </ul>
<b>Climate Change</b> 	Business Improvement Sustainable Value for Stakeholders 	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees and Consultants</li> <li>• Local Communities</li> <li>• Accreditation Bodies and Associations</li> <li>• Government and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon Emissions Disclosures</li> </ul>	<ul style="list-style-type: none"> <li>• Activities and initiatives to manage and adapt to climate change</li> <li>• GHG emissions per square foot</li> </ul>

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

As a means of reducing our negative impact on the environment, KPJ has established several initiatives to help us track and decrease our ecological footprint. As part of this initiative, all MSQH accredited hospitals within the KPJ Group are required to publish quantitative environmental data. Hospitals are also to conduct mandatory training sessions on environmental awareness for their staff as a means of inculcating healthy practices in their working culture. In turn, employees are also encouraged to adopt a more proactive approach in proposing strategies and methods that will help the Group to adapt accordingly to climate change.

Other initiatives include our hospitals' implementation of regular planned preventive maintenance (PPM) of equipment and facilities. This initiative serves to reduce unplanned energy and water usage while maintaining a smooth cycle of operations.

Our efforts to manage our impacts on climate change come under the ambit of our risk management initiatives under the ISO 14001:2015 (EMS) environmental standard.

### SAFETY, HEALTH AND ENVIRONMENT (SHE)

The KPJ Group has established high standards and requirements in health and safety, fire safety and environmental regulations as a means to ensure the safety and health of our employees, patients, visitors and contractors. All KPJ hospitals comply with the Group's Safety, Health and Environment (SHE) policy which is aligned with the requirements of the Integrated Management System (IMS) quality certification. The IMS certification covers the following standards:

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

To ensure that our operations remain transparent and above board, KPJ conducts internal and external audits annually. Every KPJ Hospital maintains a SHE committee which provides oversight for all SHE matters within the hospital and ensures policy compliance. The Group's SHE policy also covers energy and water consumption, as well as conventional and hazardous waste disposal. The results of these audits will be disclosed in the following sections.

## Environment



### MATERIALITY ENVIRONMENTAL 1

#### WASTE MANAGEMENT

Target 12.5

KPJ's goal to substantially reduce waste generation through prevention, reduction, recycling and reuse by 2030 is in line with UN SDG target 12.5.

As a proprietor of hospitals and medical care services, KPJ recognises that our hospitals and facilities generate large amounts of general and hazardous waste. To mitigate the risk of the potential spread of disease and to reduce our environmental footprint, KPJ has implemented stringent protocols regarding proper waste management.

We have also developed a holistic and efficient operational waste management framework that controls and reduces exposure to sources of infection and health hazards. KPJ's end-to-end waste management process involves the separation and segregation of waste at the source. The process requires clear identification and labelling of waste and the safe handling and storage of waste at hospitals prior to safe transportation to authorised waste depositories for various waste types. Clinical waste (SW404) is transported to the incinerator plant for treatment and the residue will be disposed accordingly based on Department of Environment (DOE) Malaysia guidelines. Non-clinical waste (other than SW404) will be disposed at the treatment facility.

To maintain a clean and safe environment that benefits our patients, employees and the communities in which we operate, the Group has also set the following waste management targets:

#### Short Term



- To monitor the performance of appointed waste contractors by conducting a Vendor Evaluation. This evaluation seeks to assess and ensure waste in hospital premises is handled in a legal and regulatory manner;
- To ensure hospitals' compliance with the Group's waste management policies by undertaking audits and inspections at each respective hospital; and
- To ensure the correct bins for all types of waste are being utilised via ad hoc inspections and cross departmental audits.

#### Long Term



- To reduce generated clinical waste by ensuring there is proper segregation into categories such as General Waste, Scheduled Waste – Clinical Waste (SW404) and Scheduled Waste – Non-Clinical Waste (Other than SW404);
- To implement continuous training and awareness on managing and handling waste; and
- To appoint a Certified Environment Professional in Scheduled Waste Management (CePSWaM) at each respective hospital. The CePSWaM will assist in ensuring waste has been managed appropriately.

KPJ's Waste Management Practices are aligned with the following regulatory guides under these regulatory organisations:

#### Department of Environment or DOE Malaysia

- Environmental Quality Act 1974 (Act 127)
- Guideline on Labelling and Scheduled Waste Storage Container

#### World Health Organization

- Practical guidelines for Infection Control in Healthcare Facilities
- Safe management of waste from healthcare facility

#### Department of Occupational, Safety and Health, Malaysia (DOSH)

- Guidelines for Hazard Identification, Risk Assessment and Risk Control

#### European Union Emissions Standards

- Guidelines for Incinerator Plant

#### Ministry of Health Malaysia

- Private Healthcare and Facilities Act (PHFSA)
- Best practice Healthcare Facility in Malaysia

#### Guideline on the Handling and Management of Clinical Waste in Malaysia

## Environment

### WASTE MANAGEMENT PRACTICES

In line with the Group's aim to reduce our waste generation through the 3R (Reduce, Reuse and Recycle) programme, KPJ's hospitals and subsidiaries have implemented various ongoing 3R campaigns within the scope of their operations. These campaigns are aimed at encouraging our staff to optimise our resources with the objective of conserving the environment for the long run. Some initiatives spearheaded by our hospitals include a move to reduce the demand for material inputs, which eases pressure on the operational budget. Aside from these initiatives, recycling has also enabled the Group to realise savings from the recovery of residual value of spent resources in contrast to spending more money to dispose of them.

The Group also continues to organise continuous training and workshop sessions on Environment and Clinical Waste Management for our nurses, hospital staff and lab representatives at a group wide level. The training is beneficial to ensure that waste is safely disposed of in hospitals to ensure the safety of patients. Training is conducted by both internal and external sources. External parties that provide training to our hospital representatives include Kualiti Alam and also other certified environmental professionals in scheduled waste management.

KPJ's Scheduled Waste e-Management System (SWeMS) was created by an in-house programmer to address the requirements of the Environment Quality Act 1974 (Act 127) which states that scheduled waste cannot be kept for more than 180 days. First implemented at KPJ Puteri SH, the system utilises ICC tools to identify problems and to provide solutions. The system has since been upgraded into a web-based system, SWeMS 2.0, which was patented with the Intellectual Property Corporation of Malaysia or MyIPO in 2020. The new system features special updates which notifies users on the expiration dates for waste. The system also generates waste reports for KPJ's internal purposes.

In 2021, we produced 1,301,575kg of hazardous waste compared to 1,358,007kg previously. The decrease of 4.2% was due to the decline in surgical activities, as well as inpatient and outpatient visits. The amount of clinical waste generated per patient was 0.48kg, which was below our target of 0.5kg per patient. For 2021, it was reported that about 50% of our outpatients underwent COVID-19 testing.

	2019	2020	2021
<b>Clinical Waste Generation (kg)</b>	1,395,239.08	1,358,007.18	<b>1,301,575.24</b>
<b>Greenhouse Gas Emissions GHG (CO<sub>2</sub>)</b>	1,674,287	1629609	<b>1,561,890</b>
<b>Average Clinical Waste Generation per patient (kg)</b>	0.53 OP 4.43 IP	0.55 OP 5.73 IP	<b>0.48 OP</b> <b>5.65 IP</b>
<b>GHG Emissions per patient served</b>	0.57	0.61	<b>0.53</b>
<b>No. of Patients Served</b>	2,629,878 OP 315,182 IP	2,453,693 OP 237,133 IP	<b>2,733,210 OP</b> <b>230,369 IP</b>

Note: The data above refers to all MSQH and non-MSQH hospitals

\* Clinical waste is classified as scheduled waste under the Environmental Quality (Scheduled Wastes) Regulations, 2005. Clinical wastes contain human or animal tissue, blood or body fluids, excretions, drugs, pharmaceutical products, soiled swabs or dressings, syringes, needles, sharps, any waste that has come into contact or been mixed with any of the above types of wastes, and waste unless rendered safe may prove hazardous to any person coming into contact with it. Source: [https://www.doe.gov.my/portalv1/wp-content/uploads/2010/07/management\\_of\\_Clinical\\_Wastes\\_in\\_Malaysia\\_2\\_0.pdf](https://www.doe.gov.my/portalv1/wp-content/uploads/2010/07/management_of_Clinical_Wastes_in_Malaysia_2_0.pdf)

## Environment



### MATERIALITY ENVIRONMENTAL 2

#### WATER MANAGEMENT

Target 6.2

In line with SDG target 6.2 – to provide access to adequate and equitable sanitation and hygiene for all – KPJ is committed to ensuring that our medical care facilities have constant access to safe and clean water. Clean water is highly essential to the running of our hospitals as it enables the cooling, cleaning and washing facilities for our patients and staff.

Recognising that the need for clean water extends far beyond the walls of our hospitals and that water is a rudimentary necessity for functional society, KPJ continues to roll out proactive water saving initiatives. One such project which the Group has implemented is the repurposing of clean rejected water from the dialysis centre. The programme will see up to 60% of discharged treatment RO water being used for the purposes of gardening, cleaning and flushing by the end of 2022. All the Group's water-related initiatives fall under the guidance of the Malaysian Society for Quality in Health (MSQH) Standards (5<sup>th</sup>) Edition.

In 2021, we consumed 1,255,184m<sup>3</sup> of water as compared to 1,196,421m<sup>3</sup> previously – an increase of 4.9% from the previous year. The increase in usage can be attributed to the high water consumption that came about due to the rise in COVID-19-related hospital activities. As at the end of 2021, the water consumption per employee was 99m<sup>3</sup> which was below our target of not more than 111m<sup>3</sup> per employee.

	2019	2020	2021
<b>Water Consumption (m<sup>3</sup>)</b>	1,382,614	1,196,421	<b>1,255,184</b>
<b>GHG Emissions (CO<sub>2</sub>)</b>	5,793,150	5,013,004	<b>5,259,219</b>
<b>No. of Employees</b>	12,405	12,477	<b>12,627</b>
<b>Average Water Consumption per Employee (m<sup>3</sup>)</b>	111	96	<b>99</b>
<b>GHG Emissions per Employee (CO<sub>2</sub>)</b>	467	402	<b>417</b>

Note: In previous years, KPJ has gone all out to manage energy and water usage for its MSQH accredited hospitals due to their expanded policies and processes. Moving forward, our energy and waste reduction initiatives will be planned for all entities within the KPJ Group including hospitals which are yet to obtain MSQH accreditation. The data above reflects both MSQH and non-MSQH hospitals.

## Environment



### MATERIALITY ENVIRONMENTAL 3

#### ENERGY MANAGEMENT

Target 7.2

Hospital operations are generally energy intensive as the buildings are large and outfitted with high energy-intensive equipment e.g., medical equipment and high energy HVAC systems. Considering the round-the-clock nature of hospital operations, our hospitals continue to be the main source of energy consumption within the Group.

To reduce our energy consumption, KPJ has initiated several energy-saving ventures within our hospital operations. These include:

- Upgrading chiller systems;
- Replacing conventional light bulbs with LED lights;
- Installing timers;
- Raising awareness amongst staff about these initiatives;
- Implementing scheduled and planned preventive maintenance activities; and
- Conducting training and awareness programmes relating to the impact of energy consumption on climate change.

In addition to the initiatives above, KPJ will be embarking on a start-up collaboration with Tenaga Nasional Berhad (TNB) on an Energy Management Initiative Programme. The Group is also in the midst of implementing our Green Building Initiative which is aimed for completion by the end of 2022. The initiative will see solar panels installed on rooftops and carparks at selected hospitals.

The following hospitals are also looking to be labelled as Green Building Index or GBI-certified buildings in 2022:

- KPJ Bandar Dato Onn;
- KPJ Ampang Puteri, and
- KPJ Damansara 2.

The Group's energy-related initiatives are guided by Suruhanjaya Tenaga's Efficient Management of Electrical Energy Regulations 2008 (EMEER 2008) and the Malaysian Society for Quality in Health (MSQH) Standards (5<sup>th</sup>) Edition.

In 2021, our electricity consumption stood at 161,054,133kWh in comparison to 144,993,381kWh in 2020 – a 11% increase. The built area of KPJ hospitals now stands at 6,827,390 sq. ft. In 2021, our GHG emissions per sq. ft. increased by 5.89% to 16.17 CO<sub>2</sub> from 15.27 CO<sub>2</sub> in 2020. The increase in both electricity consumption and GHG emissions was attributable to the increased usage of ventilation systems and equipment related to our COVID-19 management activities.

We have maintained our average consumption within the target of not more than 27.69kWh per square foot for four consecutive years.

#### ELECTRICITY CONSUMPTION 2019-2021

	2019	2020	2021
<b>Electricity Consumption (kWh)</b>	148,677,208	144,993,381	<b>161,054,133</b>
<b>GHG Emissions (CO<sub>2</sub>)</b>	101,904,734.99	99,379,805.90	<b>110,387,994.05</b>
<b>Total Area of KPJ Hospitals in sq. ft.</b>	6,218,239	6,507,622	<b>6,827,390</b>
<b>Average Electricity Consumption per sq. ft. (kWh)</b>	23.91	22.28	<b>23.59</b>
<b>GHG Emissions per sq. ft. (CO<sub>2</sub>)</b>	16.39	15.27	<b>16.17</b>

Note: In previous years, KPJ has gone all out to manage energy and water usage for its MSQH accredited hospitals due to their expanded policies and processes. Moving forward, our energy and waste reduction initiatives will be planned for all entities within the KPJ Group including hospitals which are yet to obtain MSQH accreditation. The data above reflects both MSQH and non-MSQH hospitals.

## Environment



### MATERIALITY ENVIRONMENTAL 4

#### CLIMATE CHANGE

Target 13.3

#### CARBON EMISSIONS

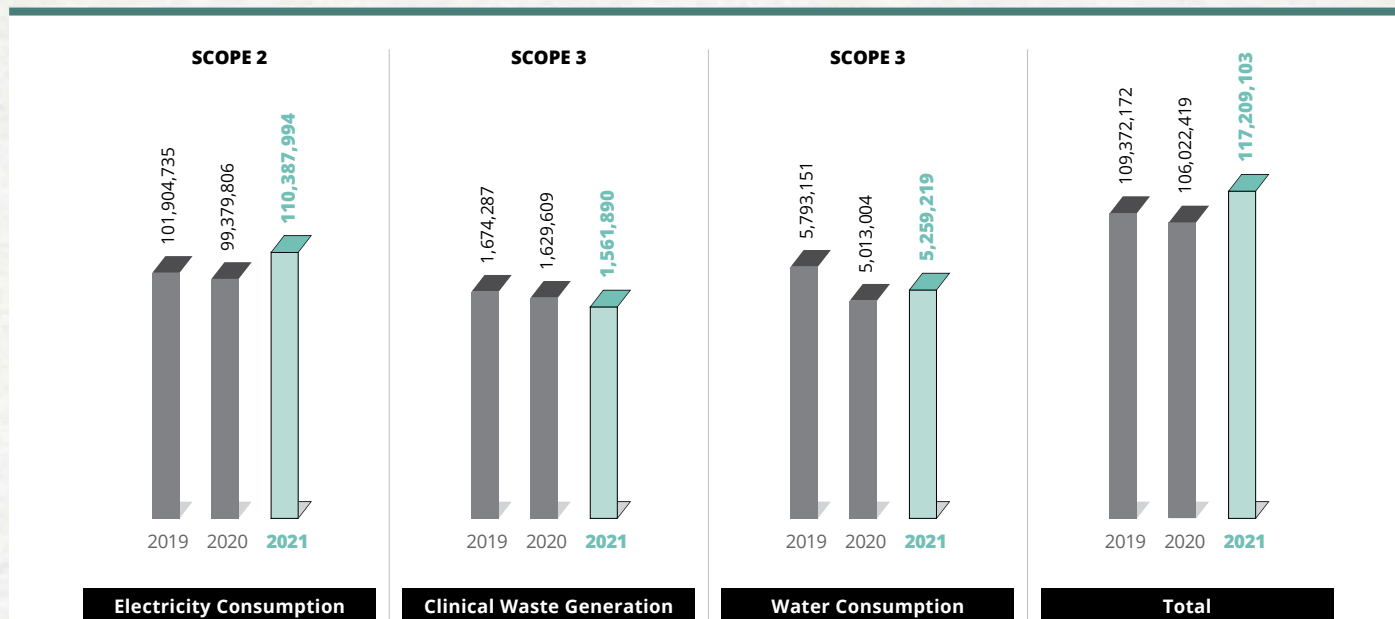
Climate change affects the social and environmental determinants of health – clean air, safe drinking water, sufficient food and secure shelter. Such changes can be observed through occurrences such as rises in the surface temperature or sea level, volatility in the local climate including droughts and rainfall patterns, and the higher frequency and severity of disasters. Climate change is already impacting health in a myriad of ways, including causing death and illness from increasingly frequent extreme weather events such as heatwaves, storms and floods, the disruption of food systems, increases in zoonotic diseases and food-, water- and vector-borne diseases, as well as mental health issues. Furthermore, climate change is undermining many of the social determinants for good health, such as livelihoods, equality and access to health care and social support structures. These climate-sensitive health risks are disproportionately felt by the most vulnerable and disadvantaged, including women, children, ethnic minorities, poor communities, migrants or displaced persons, older populations, and those with underlying health conditions.

KPJ's contributions to climate change are underscored by our desire for transparency in all our proceedings. For the first time, KPJ is planning to include Key Performance Indicators (KPIs) for water and energy usage in our Corporate Scorecard, which will be tracked and overseen by the Board of Directors with the aim of reducing carbon emissions. In line with this aspiration, we continue to report our carbon emissions disclosures in a bid for accountability as we aim to improve our emissions score.

This year marks KPJ's third year in disclosing our carbon emissions for Scope 2 (electricity consumption) and Scope 3 (hazardous waste and water consumption). In 2022, KPJ targets to reduce its GHG emissions by 5%, by reducing printing, water and energy costs per patient. Several key initiatives will be implemented such as the usage of single-use plastic, electronic billing, a paperless environment and the development of green hospitals.

In addition to our measures to reduce our carbon emissions, the Group also supports SDG target 13.3 to 'improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.'

#### TOTAL CARBON EMISSIONS

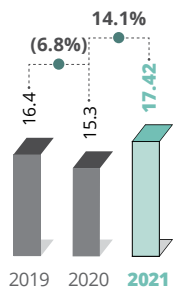


Note: The data above refers to all MSQH and non-MSQH hospitals.



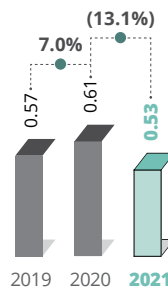
## Environment

### SCOPE 2 - ENERGY CONSUMPTION: GHG EMISSIONS PER SQUARE FOOT AREA



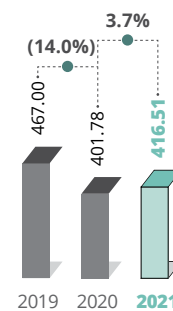
Electricity Consumption

### SCOPE 3 - HAZARDOUS WASTE GENERATED: GHG EMISSIONS PER PATIENT SERVED



Clinical Waste Generated

### SCOPE 3 - WATER CONSUMPTION: GHG EMISSIONS PER EMPLOYEE



Water Consumption

Note: The data above refers to all MSQH and non-MSQH hospitals.

### EFFICIENT ENERGY MANAGEMENT

The Group continues to engage Healthcare Technical Services (HTS) to help us efficiently monitor our energy management at 10 of the Group's hospitals. HTS is a certified provider of consultancy services in the healthcare sector.

Listed below is the annual electricity saving amount achieved by hospitals accordingly, in terms of the implementation of Energy Saving Measures (EMS):

NO	HOSPITALS	BASELINE YEAR	CURRENT YEAR	% BEI INCREASING/ DECREASING VALUE	ELECTRICITY SAVING PER YEAR (RM)
1	KPJ Penang Specialist Hospital	2016	2021	17.63	382,499.67
2	KPJ Klang Specialist Hospital	2016	2021	12.94	327,938.69
3	KPJ Tawakkal KL Specialist Hospital	2017	2021	11.58	349,747.68
4	KPJ Sentosa KL Specialist Hospital	2017	2021	11.25	164,682.06
5	KPJ Damansara Specialist Hospital	2016	2021	9.00	331,639.56
6	KPJ Ampang Puteri Specialist Hospital	2017	2021	6.51	179,885.97
7	Kedah Medical Centre	2017	2021	6.42	183,844.62
8	KPJ Ipoh Specialist Hospital	2017	2021	4.52	141,990.72
9	KPJ Sabah Specialist Hospital	2017	2021	3.94	96,148.34
10	KPJ Ampang Puteri Specialist Hospital (New Building)	2020	2021	3.42	69,432.11
11	KPJ Johor Specialist Hospital	2016	2021	1.88	94,813.68
<b>Grand Total Electricity Savings for the 11 KPJ Hospitals for the Year 2021</b>				<b>2,322,623.10</b>	

As recorded, HTS is managing 10 hospitals, of which 9 of them are defined as large energy consumers with more than 3 million kWh over the maximum period of 6 consecutive months. In order to improve their energy management practices, these hospitals are required to adhere to the Suruhanjaya Tenaga's Efficient Management of Electrical Energy Regulations 2008 (EMEER 2008) (for 9 hospitals) and MSQH 5<sup>th</sup> Edition (KPJ Sentosa KL).

## Environment



### MATERIALITY ENVIRONMENTAL 4

#### CLIMATE CHANGE

Target 13.3

The top three institutions which garnered the highest annual electricity savings in 2021 were KPJ Penang Specialist Hospital (RM382,499.67/year), KPJ Klang Specialist Hospital (RM327,938.69/year), and KPJ Tawakkal Specialist Hospital (RM349,747.68/year).

HTS also ran an awareness campaign to educate hospital staff on optimising air conditioning temperatures throughout our hospitals. To ensure optimum indoor comfort level, hospitals are advised to operate their air conditioners between the range of 23-26°C as recommended by the Malaysia Standard MS 1525:2007.

The optimisation of air conditioning operations for all hospitals under the supervision of HTSSB has resulted in a significant BEI reduction during the two Movement Control Orders (MCOs) implemented in 2021. The optimisation procedures have also decreased the number of malfunctions incurred by our mechanical and electrical (M&E) equipment, particularly our HVAC units. These reductions have contributed in higher energy savings.

During the year in review, KPJ invested RM407,400 on energy saving initiatives which in turn resulted in savings of RM2,322,623.

In increasing the Group's energy efficiency, KPJ has had to tackle the challenge of balancing high energy costs and consumption with answering to increasing statutory obligations and policies in emissions and climate change. To effectively manage these factors on a groupwide level, we require the cooperation of all our employees. To this end, we continue to make improvements in our working culture towards energy consumption by increasing our employees' awareness and knowledge in efficient energy usage. Our efforts include our Energy Saving Management (ESM) practices across our hospitals. The ESM is implemented by the Efficient Electrical Energy Committee (EEEM) comprising our engineers.

In 2021, HTS and AFMS collaborated to develop the comprehensive Energy Management Services initiative which will be implemented and standardised within the KPJ Group of Hospitals. HTS is currently in the progress of drafting the EMS contract for AFMS which will see these services applied at all KPJ Hospitals.

#### ENERGY SAVING INITIATIVES

In addition to the initiatives outlined above, the Group's energy saving activities also include preventive and awareness measures. In 2021, the Group continued to make improvements to our ventilation systems, lighting systems and pumping system.

#### Planned Preventive Maintenance (PPM) and Awareness Programme

To ensure that all our equipment is functioning at optimum capacity with minimal energy consumption and without any faults or leakages, the Group has hired a third-party contractor to conduct planned preventive maintenance. The Group's Energy Committee tracks all PPM records. By doing so, the Committee is able to identify potential energy saving approaches that can be utilised in internal awareness programmes. The Energy Committee, which is led by KPJ's engineers, spearheads the Group's energy-saving behaviours and activities.

#### Improvements to Air Conditioning Mechanical Ventilation (ACMV) Systems

The ACMV systems are essential to maintaining a safe, hygienic and comfortable environment inside KPJ's hospitals. These systems provide proper ventilation to a specific environment in terms of temperature, relative humidity, cleanliness and distribution of air. The ACMV systems are regularly maintained to ensure smooth and efficient operations. We have also made enhancements to the systems, these include the installation of timers on the air conditioners, the installation of a temperature control system and the balancing of the Air Handling Units (AHUs).

#### Improvements to Lighting Systems

In regard to lighting improvements, the Group has upgraded all light bulbs to energy-saving LED lighting. The installation of motion sensors and dimmers in common areas such as toilets and corridors, have also helped to reduce our energy consumption.

#### Improvements to Pumping System

We enhanced our pumping system with a variable speed motor drive (VSD) that increases the efficiency of the pump at a lower rate of energy consumption. The pump system is responsible for the transfer of liquid or heat to a specified destination via the circulation of liquid around the system.






## Environment

### OUR GREEN JOURNEY

#### GBI-Certified Hospitals

KPJ's sustainable and eco-friendly initiatives are not limited to our practices and activities, but also extend to the buildings in which we operate. To date, three of KPJ's hospitals, namely KPJ Ampang Puteri Specialist Hospital's new inpatient block, KPJ Damansara Specialist Hospital and KPJ Bandar Dato' Onn Specialist Hospital, are GBI-certified. All three buildings have been awarded the Provisional Design Assessment (DA) and individual GBI ratings and have served to reduce the Group's energy consumption.

The following table details the various green and energy efficient initiatives we have implemented in alignment with the Malaysian Standard (MS1525:2007):

No	Items	Sub-Items
1	<b>Energy Efficiency</b> 	1) Roof Insulation (follow MS1525 requirement) 2) Overall Thermal Transfer Value (OTTV) (follow MS1525 requirement) 3) Energy Management System (EMS) 4) Electrical Sub-metering 5) Advanced Energy Efficiency Performance; e.g. efficient chiller, heat recovery wheel, auto condenser tube, etc 6) Sustainable maintenance; e.g. maintenance office, equipment, etc.
2	<b>Indoor Environmental Quality</b> 	1) Low Volatile Organic Compounds (VOCs) products (paint, coating, interior flooring, adhesive, sealants) 2) Temperature, Humidity and Lighting Level (follow MS1525 requirement) 3) Mould prevention (<70% of Relative Humidity) 4) Daylighting 5) Daylight glare control 6) High frequency ballast of light fittings; e.g. LED, T5, etc. 7) External views 8) Internal noise levels 9) Building air flushing pre and post occupancy
3	<b>Sustainable Site Planning</b> 	1) Preservation of matured trees and landscaping 2) QLASSIC (minimum 70%) 3) Workers' site amenities 4) Green vehicle reserve parking 5) Reduced heat island effects; e.g. grass pavement, colour stamped with light colour, etc. 6) Therapeutic garden
4	<b>Water Efficiency</b> 	1) Water efficient fittings; e.g. dual flush system, self-closing tap, etc. 2) Water metering for leak detection 3) Rainwater harvesting
5	<b>Material Resources</b> 	1) Sustainable and green products 2) Locally manufactured products 3) Storage and collection of recyclables (during construction and during building occupancy) 4) Construction waste management plan 5) Refrigerants and Clean agents

## Environment



### MATERIALITY ENVIRONMENTAL 4

#### CLIMATE CHANGE

Target 13.3

KPJ's new hospital, Damansara Specialist Hospital 2 (DSH2), is the latest addition to the Group's GBI-certified buildings. Currently undergoing internal renovation, DSH2 has been awarded the GBI Provisional Design Assessment Certificate for its environmentally-friendly features. The details entailing how DSH2 fulfilled GBI's major green initiatives and criteria can be seen in the following table.

#### Minimum Energy Efficiency Performance

To meet the criteria of reducing energy consumption in the building by using a passive architectural design, DSH2 has:

- Utilised low E-tempered glass for the wall façade glazing. The glazing helps block light from penetrating the glass from the outside and also helps to keep indoor conditions at a comfortable temperature;
- Reinforced brick walls with aluminium cladding with Low U-value. The cladding provides insulation against excessive heat absorption. It also adds to the strength of the building;
- Installed Polyurethane Foam to prevent condensation;
- Installed a double-layered roof – the primary and secondary roof at the roof top level have been reinforced with concrete and metal deck insulation to prevent heating.

#### Enhancement of Building Energy Efficiency Performance

DSH2 has achieved lower Building Energy Intensity (BEI) by:

- Installing a high efficiency chiller;
- Installing electrical sub metering to facilitate energy monitoring; and
- Individually switching lighting zoning to controlled lighting.

#### Indoor Environmental Quality

DSH2 has ensured good indoor environmental quality through:

- Reducing indoor air pollutants with the use of Low VOC products for paint, coatings and adhesive for interior walls, ceiling and tiles adhesive which are not harmful to the environment and humans;
- Leveraging daylighting and daylight glare. Approximately 30% of our Nett Lettable Area (Consultants' Clinics and Individual Ward Rooms) leverage the daylight factor to minimise the amount of artificial light used and also reduce electricity costs;
- Leveraging high frequency ballasts – DSH2 has installed 90% high frequency ballasts in fluorescent luminaires with electronic ballasts for a comfortable visual working environment for occupants.

#### Sustainable Site Planning and Management

DSH2 has undertaken the following sustainable initiatives in its site planning:

- Prioritised green vehicles – Allocated 5% preferred parking for low emitting and fuel-efficient vehicles; and
- Ensured access to public transportation – This hospital is located at Jalan Bukit Lanjan and it takes approximately 2.4 km for about 7 minutes to travel by car to the nearest MRT station at MRT Mutiara Damansara. Once operational, DSH2 is set to be a stop along the MRT feeder bus route thus enabling easy access to more people travelling by public transport.

#### Materials and Resources

DSH2 has incorporated the following environmentally materials in its facilities:

- DSH2's air conditioning system uses Non-Ozone Depletion products which are CFC free; and
- The Fire Suppression System uses the FM-200 Clean Agent to protect the expensive equipment in the room.

#### Water Efficiency

DSH2 practices rainwater harvesting as a means to promote both water and energy conservation.

#### Innovation

- The hospital uses LED façade lighting which is brighter than traditional halide lighting and uses significantly less energy. Using more durable materials, LEDs can also handle harsher weather conditions when compared with traditional lighting options.
- DSH2 also features a herb garden. The inclusion of the herb garden is in line with several scientific studies that have shown that simply being in or near nature can bolster a person's mental and physical wellness. Benefits include reduced anxiety, reduced stress, shorter hospital stays, lower heart rate, and increased directed attention. As such, we have incorporated the hospital garden to provide our patients and employees with an alternative avenue for respite from stressful stimuli.

## Environment

### AIR QUALITY MANAGEMENT, RADIATION MANAGEMENT AND NOISE MONITORING

#### Air Quality Management

As clean air is vital to ensuring the health and safety of everyone within our hospitals, KPJ regards the diligent management of indoor air quality as a crucial aspect of our operations. In addition to protecting our stakeholders, maintaining good indoor air quality also helps to safeguard the Group's reputation against any legal ramifications. As such, KPJ has established several measures to closely monitor and maintain indoor air quality (IAQ) levels within our hospitals.

Our management efforts include preventive measures such as the proper removal of possible air pollutants including chemical and biological waste. In 2021, our air quality management agenda comprised the following IAQ activities:

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

#### Radiation Management

The KPJ Group's radiation management activities serve to protect our employees from the harmful effects of radiation which include radiation burns, acute radiation syndrome and cancer. To mitigate the risk of exposure to harmful levels of radiation, the Group has established safety measures in compliance with the following safety regulations:

- Compliance with the Atomic Energy Licensing Act 1984 (Act 304);
- Annual application for a Class C licence under the Radiation Protection (Licensing) Regulations 1986 from the Ministry of Health (MOH) to operate radiation emitting equipment; and
- Quality Assurance Programme (QAP), guided by the Atomic Energy Licensing

(Basic Safety Radiation Protection) and Regulation 2010, to ensure our performance and safety standards meet specific requirements to provide a safe environment for our patients and staff.

#### Noise Monitoring

High noise levels are strictly discouraged at all KPJ hospitals in a bid to ensure the comfort of our patients. As such, noise levels in our hospitals are closely monitored in accordance with Guidelines for Environmental Noise Limits and Control by DOE Malaysia, and the Occupational Safety and Health (Noise Exposure) Regulations 2019 (DOSH). The specific guidelines are as follows:

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

Our hospitals also monitor ambient noises in compliance with the requirements of the Environmental Quality Act 1974, Part IV, regarding the prohibition and control of pollution, and Regulation 23 on restriction on noise pollution. All KPJ hospitals observe the following noise limits:

Noise Level	Day	Not exceeding 65.0 dB (A)
	Night	Not exceeding 55.0 dB (A)

#### OUR ENVIRONMENTAL COMMITMENT

KPJ recognises that carbon emissions from the electricity we use in our hospitals to the travel our employees undertake represent a significant part of KPJ's environmental footprint. One of our approaches towards championing sustainability in healthcare is to operate in a low carbon environment. This will be accomplished by reducing our emissions and investing in verified carbon-reduction projects.

Through our initiatives, KPJ aims to strike a balance between reducing our environmental impacts whilst providing quality healthcare services. One area that KPJ is currently exploring is the usage of renewable energy as a cost-effective, environmentally friendly fuel source for our operations. Our considerations include the installation of solar panels and electric vehicle charging stations as well as the use of liquefied natural gas (LNG).

#### Solar Panels

The environmental benefits of solar energy are clear, but, for hospitals, the significant benefit is found in utility cost savings. Healthcare facilities and medical practices are the fourth largest commercial building energy consumers. Necessities such as medical equipment, heating, and lighting lead to sky-high utility costs for hospitals today. Solar energy can reduce these costs, thus allowing hospitals to channel the savings garnered into patient-care services. Furthermore, hospitals converting to solar energy will have a big impact on the level of fossil fuel energy use in the commercial sector. With this in mind, KPJ is now evaluating the use of solar panels in our hospitals. To put this plan into effect, we are exploring collaborating with solar energy provider partners.

#### Liquefied Natural Gas (LNG)

LNG is the cleanest fossil fuel. In the context of the current energy transition sought by the European Commission, it represents an excellent alternative to reduce GHG emissions and help combat global warming. To this end, KPJ aims to actively contribute to protecting the environment by exploring and evaluating the use of LNG and its viability for our hospitals.

#### Green Building Certification

MOH has embarked on a mission to embed sustainable programmes in all healthcare facilities. The aim of this programme is to encourage the adoption green and low carbon initiatives to achieve smart and sustainable healthcare facilities. One strategy under this initiative is the MOH's aim to implement sustainable strategies via green building certification. The MOH continues to lead by example in this aspect with approximately 20 of their public facilities forecast to achieve GBI certification by the year 2025.

In alignment with MOH's vision and mission, KPJ has embarked on the journey to obtain green building certification for all our hospitals by the year 2030. On top of the two (2) KPJ hospitals already GBI-certified, our upcoming DSH2 has been awarded the Provisional Design Assessment or DA. All these buildings are helping or will help facilitate the low carbon environment within the Group.

# Social



## Social



KPJ's Social initiatives encompass our aspirations to positively impact not only those directly connected to the Group such as our employees and our stakeholders, but also the communities in which we operate. While our social efforts for the year 2021 continued to revolve around the COVID-19 pandemic, we also invested into providing opportunities for growth for our employees and our KPJUC students. Our community efforts saw KPJ continue to offer relief via our flagship KWAN clinics, mobile clinics and Briged Wakaf volunteers.



### SOCIAL HIGHLIGHTS



#### COMMUNITY INVESTMENT

Reduced Output by

**RM9.2  
MILLION**

invested in Community Outreach Programmes



#### SUCCESSFULLY UPHELD SAFETY AT THE WORKPLACE

**7** Hospitals

Accredited with Systematic Occupational Health Enhancement Level Programme (SoHelp)







#### SECURED EMPLOYMENT

since 2017,

**1,434  
KPJUC**

graduates have secured employment within the KPJ Group

## Social

Materiality Environmental	Link to Our Seven Strategic Thrusts	Key Stakeholders	Initiatives	Performance Indicators
<b>Community Outreach</b> + 	Capacity Building  Sustainable Value for Stakeholders	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees and Consultants</li> <li>• Local Communities</li> <li>• Accreditation Bodies and Associations</li> <li>• Government and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• KWAN</li> <li>• Briged Wakaf</li> <li>• Baby Hatches</li> <li>• Educating the Public</li> </ul>	<ul style="list-style-type: none"> <li>• Amount spent on Community Outreach Programme</li> </ul>
<b>Training and Career Development</b> + 	Talent Management  Sustainable Value for Stakeholders	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees and Consultants</li> <li>• Local Communities</li> <li>• Accreditation Bodies and Associations</li> <li>• Government and Regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Group policy on minimum 30 hours training for all employees</li> <li>• Facilitate internal and external training programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Training hours per employee</li> <li>• Equal opportunity for employment with defined career path for employees</li> </ul>
<b>Employee Engagement, Diversity and Inclusion</b> + 	Talent Management	<ul style="list-style-type: none"> <li>• Employees and Consultants</li> </ul>	<ul style="list-style-type: none"> <li>• Advocating Work Life Balance</li> <li>• Talent Management (TM) Open Day</li> <li>• KPJ Townhall</li> <li>• Healthy Meal</li> <li>• KPJ Buzz Intranet Portal</li> <li>• Psychosocial well-being life</li> <li>• Engagement Employee Survey</li> <li>• Equitable level of wages between men and women</li> <li>• Return to Work Programme</li> <li>• Diversity at the workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Engagement Index</li> <li>• Diversity of governance bodies and employees</li> </ul>
<b>Occupational Safety and Health</b> + 	Talent Management	<ul style="list-style-type: none"> <li>• Employees and Consultants</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing and Regular Training</li> <li>• Workplace Inspection Checklist Form</li> <li>• Hazard Identification Risk Assessment and Risk Control/ Determining (HIRARC/HIRADC)</li> <li>• Feedback Form</li> <li>• Potential Fire Risk</li> <li>• SoHelp</li> <li>• Disaster and Emergency Management Plan (DEMP)</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety Management System</li> </ul>

  
**TRAINING AND CAREER DEVELOPMENT PROGRAMMES**  
 Invested  
**RM3.93 MILLION**  
 Benefitting more than  
**15,247 Employees**



## Social



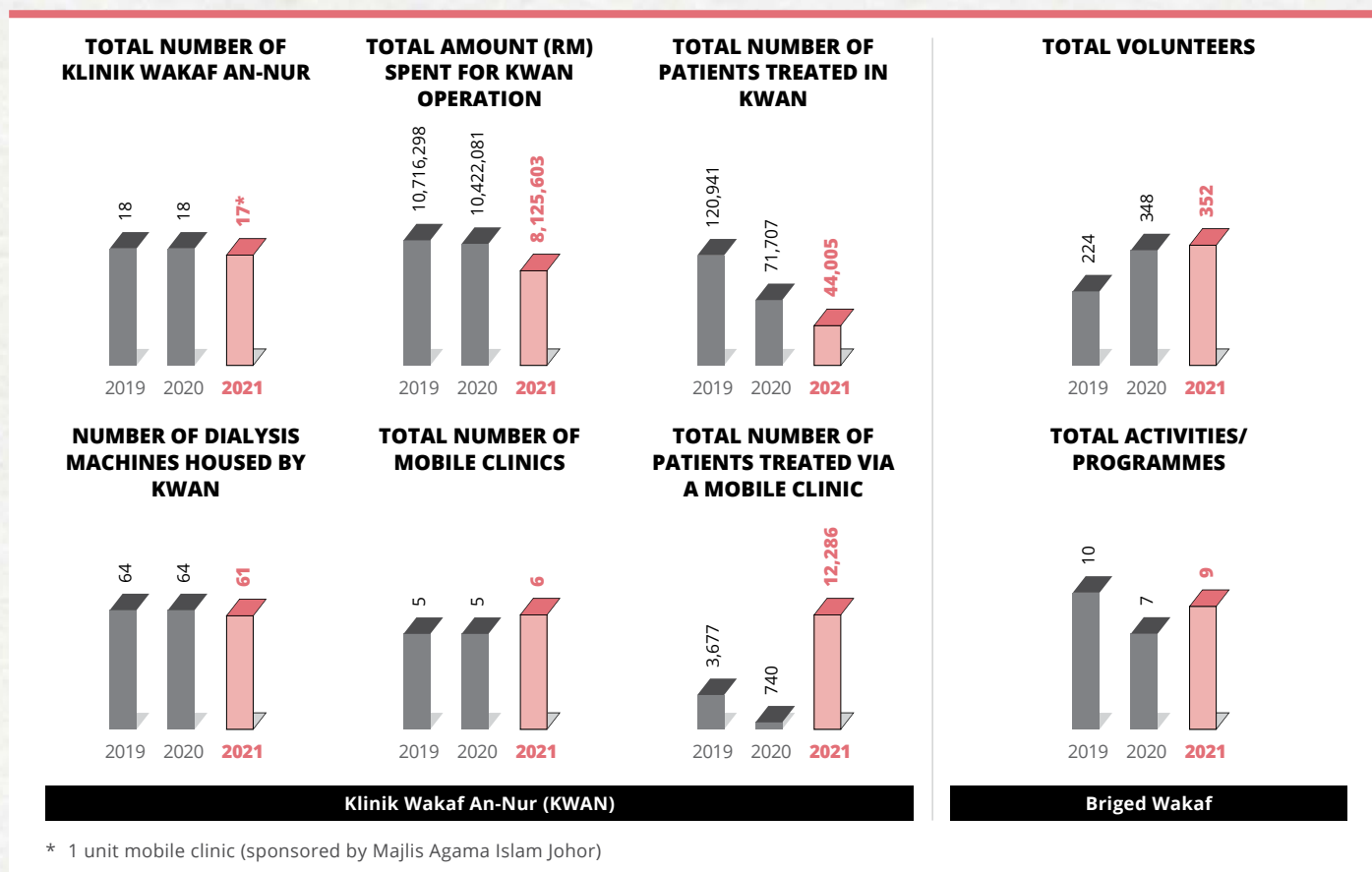
### MATERIALITY PEOPLE 1

#### COMMUNITY OUTREACH

Target 1.2

KPJ is committed to positively impacting the communities in which we operate through our outreach initiatives. Our efforts to promote public health and safety are in tandem with the Malaysian Government’s objectives to propel community development and social welfare forward. These initiatives also fall under the umbrella of our aspirations to make healthcare accessible to all the various echelons of society nationwide.

The majority of our activities come under the ambit of our Klinik Wakaf An-Nur (KWAN) and Briged Wakaf programmes. Activities conducted within these programmes include basic healthcare screening, public health talks and campaigns to advocate healthy lifestyles and good hygiene. In FY2021, the KPJ Group invested a total of RM9.2 million into our community programmes. A summary of our investment into this initiative over the past few years can be seen in the table below:



### KLINIK WAKAF AN-NUR (KWAN)

Klinik Wakaf An-Nur or KWAN is KPJ’s community outreach flagship programme which provides quality healthcare services for the underprivileged and B40 groups at affordable rates. Healthcare activities under KWAN are part of the Group’s business strategy of providing high quality medical services. Patients of KWAN clinics only have to pay RM5 for a medical consultation and medicine, while dialysis treatments cost RM90 per session.



## Social

Over 1.7 million patients have been treated in KWAN clinics since the programme was first launched in 1998. As many of these patients come from rural areas that are predominantly Malay-Muslim, KWAN has strategically partnered with various state Islamic religious authorities over the years. They are:

- **Majlis Agama Islam Negeri:**
  - Negeri Johor
  - Negeri Sembilan
  - Selangor
  - Perak
  - Penang
  - Kelantan
  - Sarawak
- **Lembaga Zakat Selangor**
- **Baitulmal Sarawak**
- **Perbadanan Waqaf Selangor**
- **Non-governmental organisations (NGOs)/Bank Muamalat**

By providing affordable and quality healthcare services, KPJ strives to alleviate pressure on public healthcare services while contributing to the social well-being of the country's underserved communities. As of 2021, there are 17 KWANs and six mobile clinics across Malaysia. Of these, eight KWANs are MSQH-accredited.



**TOTAL NO. OF KWAN CLINIC'S PATIENTS (2021):**

**44,005**



**TOTAL NO. OF MOBILE CLINIC'S PATIENTS (2021):**

**12,286**

During the year in review, the KWAN programme also contributed to the KPJ Group's vaccination efforts through its own outreach vaccination programme. Running from July-October 2021 at Perumahan PPR Sri Stulang, Johor Bahru, the programme oversaw 11,670 vaccinations (both first and second doses). Working together with Prihatin Johor, KWAN ensured the programme complied with all MOH requirements as acknowledged by PK Daerah Kluang, Batu Pahat, Pontian, Kota Tinggi and Johor Bahru.

In addition to this, KWAN Lembaga Zakat Kedah and the Pejabat Kesihatan Negeri Kedah worked together to turn mobile clinics into vaccination units. The mobile vaccination centres were instrumental in the inoculation of the elderly and disabled in the villages and mosques in Kedah.

Aside from its COVID-19 related efforts, KWAN continued to organise its yearly circumcision programme for children from underprivileged homes. On 11 December 2021, KWAN collaborated with NGOs, Majlis Agama Islam Negeri and Waqaf Selangor Muamalat to conduct the asnaf circumcision events at:

- Klinik Waqaf An-Nur USJ 9;
- Klinik Bergerak Waqaf An-Nur KPJ Kajang;
- Klinik Bergerak Waqaf An-Nur KPJ Damansara; and
- Klinik Waqaf An-Nur, Johor.

KWAN's mobile clinics also conducted the following medical screenings during the year in review:

- Medical screenings were conducted on 34 children and young adults aged 5-20 years old at Pertubuhan Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR) on 20 November 2021;

- KWAN Mobile Pasir Gudang arranged a medical screening at PPR Sri Stulang Johor Bahru on 13 October 2021;
- A medical screening was organised during Majlis Pelancaran Program Bumi Hijau Johor which was launched by Dato' YB Menteri Besar Johor; and
- On 27-29 December 2021, the KWAN Mobile Clinic stationed at PPR Kg Baru Hicom, Puchong treated 50 flood victims from the surrounding areas daily. Comprising, three medical officers, five nurses, and one non-medical staff, the mobile KWAN provided free medical consultations and medication to the flood victims.

Social



**MATERIALITY PEOPLE 1**

**COMMUNITY OUTREACH**

Target 1.2

**BRIGED WAKAF**

Briged Wakaf was first formed as a voluntary group in 2007 by our parent company JCorp through Waqaf An-Nur Corporation Berhad (WANCorp). Since then, it has evolved to become a non-profit entity that has been recognised by the National Security Council since 2009.

Briged Waqaf serves as a common platform for staff members from the JCorp Group and its subsidiary companies to volunteer in providing humanitarian aid during times of national disasters. The contributions from volunteer staff members are based on their skillsets and capacity.

As the healthcare arm of the JCorp Group, KPJ currently has 248 volunteers from seven hospitals in the Southern Region. Known as Briged Waqaf Kompeni Salahuddin Al-Ayubi, these staff members are from:

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

KPJ also has Briged Wakaf volunteers based in the Central Region who are serving under Briged Waqaf Kompeni Ibnu Sina. As of 2021, the company has 104 volunteers from KPJ’s Klang Valley hospitals as well as from KPJ’s headquarters (KPJHQ).

KPJ’s employees spearhead the medical aspects of Briged Wakaf’s disaster relief missions. Our efforts include the provision of basic health checks and treatments and the distribution of medicines to survivors of the disasters. As a means of ensuring the well-being of our employee volunteers, KPJ provides a daily allowance to our staff on duty during disaster relief missions.

Among the humanitarian relief missions we have participated in are the Humanitarian Relief for Earthquake Victims in Padang, West Sumatra, Indonesia (2009), Flood Relief in Kedah (2010), Flood Relief in Johor (2011), Flood Relief in Pahang (2013), Flood Relief in Kelantan (2014/2015) and Flood Relief in Penang (2017).

In 2021, Briged Waqaf Kompeni Ibnu Sina mobilised to offer aid during the floods that devastated parts of the Klang Valley in December. From 21-23 December 2021, a total of 40 Volunteers from KPJHQ, KPJ Klang and KPJ Selangor joined

22 members of Briged Waqaf JCorp to assist in the flood recovery efforts. This was followed by 35 members of Briged Waqaf JCorp and 45 Volunteers from KPJHQ, KPJ Kajang and KPJ Sentosa providing further assistance in the flood recovery efforts from 27-29 December 2021. Their contributions are as follows:

- Flood-recovery cleaning activities encompassing:
  - 13 houses belonging to employees of KPJ and QSR Brands;
  - Six public houses within the area;
  - The mosque/surau;
  - One public school; and
  - The Pizza Hut outlet at Sri Muda, Shah Alam.
- In-kind and food distribution (daily essentials, including dry food items, drinking water, cooking apparatus soap) in collaboration with Pertubuhan IKRAM Malaysia Hulu Langat at SK Teluk Kelubi, SK Sungai Lui, SK Pongsun and SMK Abdul Jalil.
- Medical check-ups for flood victims were conducted by a medical officer during the flood cleaning activities.
- Distribution of items sponsored by corporations and individuals.

In addition to our KWAN and Briged Wakaf activities, KPJ Healthcare also collaborated with MERCY Malaysia to provide health assessments and treatment for flood victims in Hulu Langat.

Relief activities were conducted by a team of doctors and nurses from KPJ Damansara Specialist Hospital. These included screening and treating the beneficiaries of infectious diseases due to the floods, providing replacement prescription medications, and dressing wounds that were sustained during the floods as well as skin rashes.

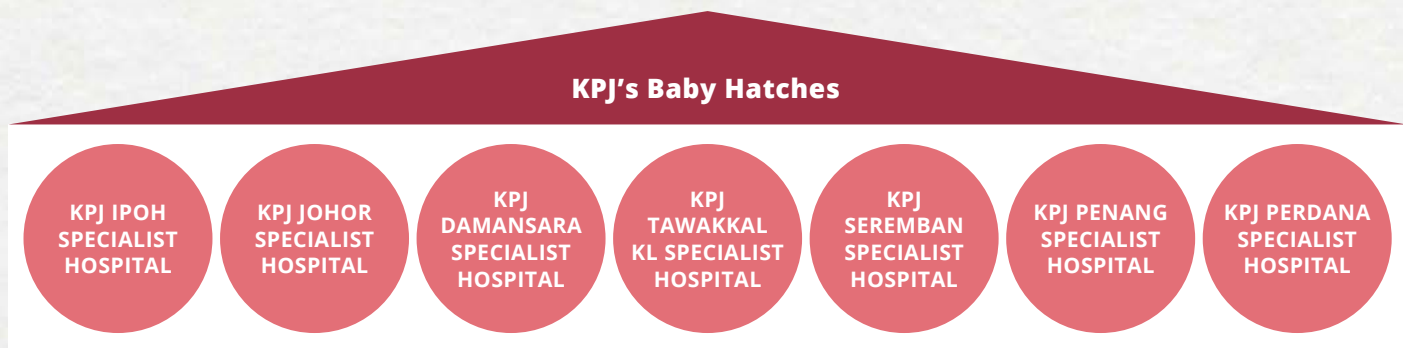


## Social

### BABY HATCHES

In 2014, KPJ established the baby hatch programme in collaboration with the Social Welfare Department (JKM) and child protection NGO, OrphanCare. OrphanCare provides a safe haven for new-borns whose mothers are unable to care for them.

The baby hatch programme aims to address and curb the rise in infant abandonment cases. Since its start, the baby hatches have received a total of 39 babies. These babies have been taken into JKM's care and some of them have been transferred to OrphanCare Adoption programme in Peninsular Malaysia.

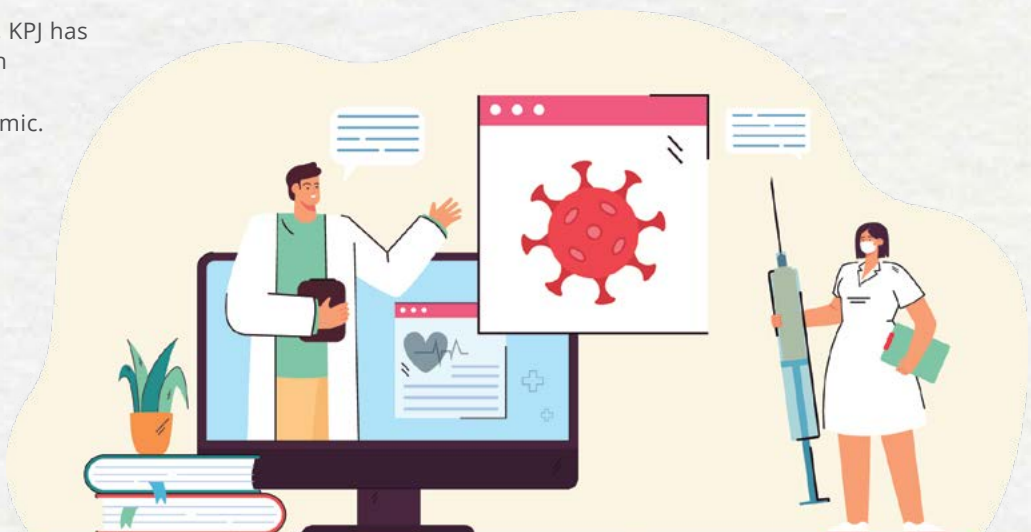


### EDUCATING THE PUBLIC

KPJ's commitment to improving healthcare awareness stems from our belief that healthcare literacy is necessary for the sustainable development of a community. As such, we continue to inculcate public awareness on healthcare via our various programmes and public talks.

Our efforts in the area of public education during the year in review saw KPJ actively continue our initiative to educate the public about the pandemic. Utilising virtual platforms to host public talks, we sought to dispel misinformation about drugs, intervention policies and vaccinations. The Group also provided guidance on adapting to the new normal and mental health/ stress management.

As a strong advocate of vaccinations, KPJ has always adopted a proactive approach to allaying misinformation about vaccinations even prior to the pandemic. Since the advent of the COVID-19 pandemic, our efforts have only increased. Our aim as a healthcare provider is to equip more people with the proper knowledge about vaccinations as we continue to combat the COVID-19 pandemic. To this end, our hospitals regularly share clinical information on social media platforms to educate anti-vaccination groups about the health risks that young children face.



## Social



### MATERIALITY PEOPLE 2

#### TRAINING AND CAREER DEVELOPMENT

Target 4.3

As part of our aim to cultivate a sustainable and dynamic workforce, KPJ is fully supportive of our employees' professional and personal aspirations. By helping our employees to develop and grow in their career paths, we aim to create a strong synergetic partnership that will result in both our employees and the Group's long-term success.



#### TRAINING AND CAREER DEVELOPMENT

In line with our aspirations to equip our workforce, KPJ has provisioned scholarships for employees who seek to pursue their tertiary education in nursing and healthcare at KPJUC.

The Group also conducts a tailored talent development programme which is designed to advance our employees' clinical or management careers. During the physical lockdowns of the COVID-19 pandemic in 2020, the Group took the opportunity to enhance its training and development programmes. Leveraging technology and digital tools, the enhancements have helped the Group to reduce training costs substantially.

In FY2021, KPJ invested RM3.93 million in training and career development programmes, benefitting more than 15,247 employees.

#### KPJ'S TRAINING AND CAREER DEVELOPMENT PERFORMANCE DATA IN 2021

	2019	2020	2021
Amount invested in Talent Management (RM Million)	10.9	5.7	<b>3.93</b>
Average training hours per employee	45	25.5	<b>34</b>
<b>Training Hours by Gender</b>			
Female	483,645	280,033	<b>368,140</b>
Male	136,412	77,021	<b>103,834</b>
<b>Training Hours by Employee Position</b>			
Non-Executive	55,805	32,135	<b>44,173</b>
Executive	310,029	178,527	<b>234,207</b>
Management	254,224	146,392	<b>193,594</b>

## Social

### KEY EMPLOYEE RELATED PROGRAMME INITIATIVES FOR 2021

#### Clinical-Related Programme

Being in the healthcare industry, KPJ Healthcare recognises the importance of the continuous development of our clinical staff. In 2021, a total of 34,027 staff attended clinical-related programmes as part of the Company's initiatives to ensure employees are equipped with the right skillsets to perform their roles and responsibilities. These programmes covered topics such as The Basic Life Support (BLS), Advanced Cardiovascular Life Support (ACLS), Paediatric Advanced Life Support (PALS), and International Patient Safety Goals (IPSG), among others.

#### Functional Programme

Aside from clinical staff, KPJ Healthcare has also implemented functional-related training for non-clinical staff. In 2021, a total of 152,314 staff attended training either on Finance, Human Resource, Information Technology, or PR/ Marketing, among others, to enhance their capabilities and occupational knowledge

#### Leadership and Management Programme

KPJ Healthcare has identified and conducted a total of 44 Leadership and Management Programmes attended by 338 staff in 2021. These programmes were designed to inculcate the right mindset and prepare our current and future leaders with exemplary leadership and management traits.

#### Education Assistance Programme

In supporting our employees' career advancement, KPJ Healthcare offers education sponsorship assistance to:

1. Qualified employees who wish to further their studies in various post-graduate programmes (priority is given to hospital management and clinical discipline candidates) with local and overseas institutions; and
2. All diploma holder Nurses (who represent almost half of the Group's total workforce) who wish to further their studies either in the Degree in Nursing or post-basic courses in OT, ICU, CICU, renal, midwifery, and paediatric nursing at KPJUC or at any reputable institutions.

Since the programme's initiation in 2005, a total of 101 staff have benefited from this programme.

KPJUC participated for the first time in the Malaysia Research Assessment Instrument (e-MyRA) and Rating System for Malaysian Higher Education Institutions (SETARA). These ratings are important to determine the status of academic achievement of KPJUC in the field of research and academic delivery of all its programmes. The following ratings were attained:

<p>●○○○○</p> <p><b>KPJUC Nilai:</b> <b>(SETARA)</b></p> <p><b>4</b></p>	<p>●●○○○</p> <p><b>MCHM:</b> <b>(MyQuest)</b></p> <p><b>5</b></p>	<p>●●●○○</p> <p><b>KPJIC JB:</b> <b>(MyQuest)</b></p> <p><b>4</b></p>	<p>●●●○○</p> <p><b>KPJUC Nilai:</b> <b>(Myra)</b></p> <p><b>1</b></p>	<p>●●●●●</p> <p><b>KPJIC Penang:</b> <b>(MyQuest)</b></p> <p><b>4</b></p>
---	---	---	---	---

Social



**MATERIALITY PEOPLE 2**

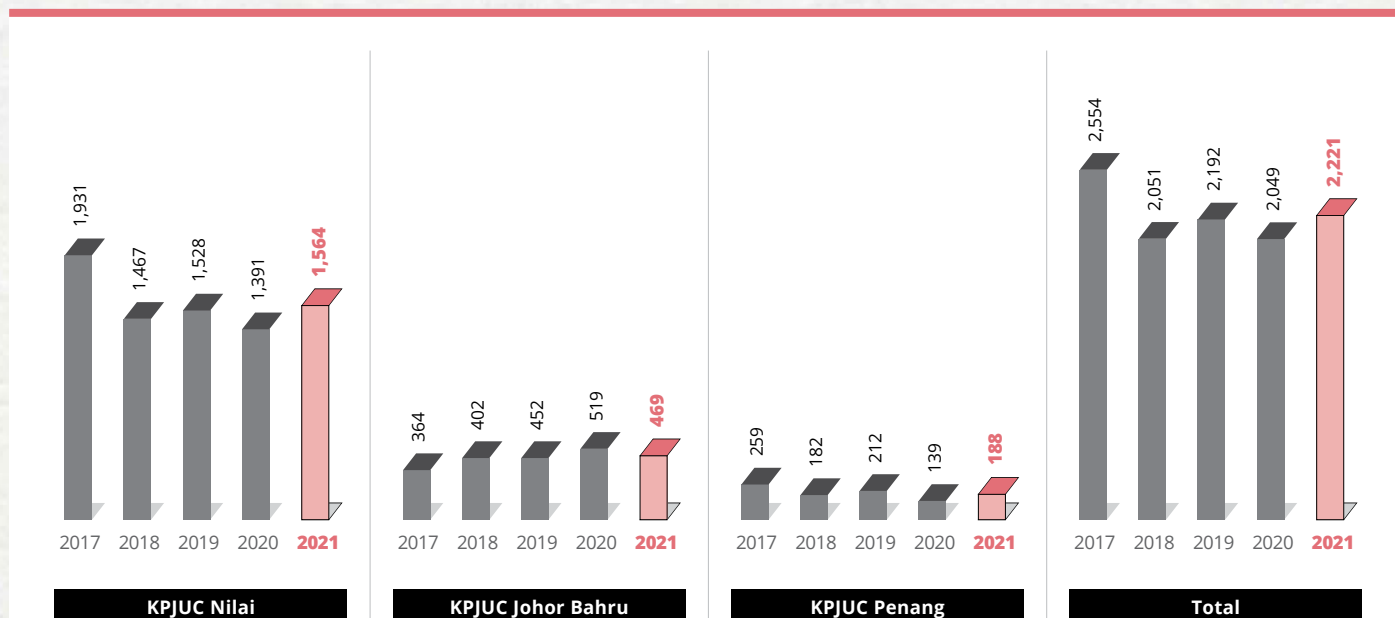
**TRAINING AND CAREER DEVELOPMENT**

Target 4.3

**NURTURING FUTURE MEDICAL PROFESSIONALS**

KPJ Healthcare University College (KPJUC) is the education arm of KPJ. Established in 1991, KPJUC has made a name for itself as the number one private college offering the Diploma in Nursing. Now a premier medical and healthcare education provider, KPJUC currently has three campuses in Nilai, Johor and Penang. KPJUC has a strong support system comprising KPJ's 28 hospitals in Malaysia, with more than 1,000 specialist consultants who serve as mentors and supervisors. To date, KPJUC offers 38 academic programmes. A complete list of KPJUC's medical education programmes can be found at <https://www.kpjuc.edu.my>.

**NUMBER OF STUDENTS AT KPJUC CAMPUSES**



Note: The data above refers to all MSQH and non-MSQH hospitals.

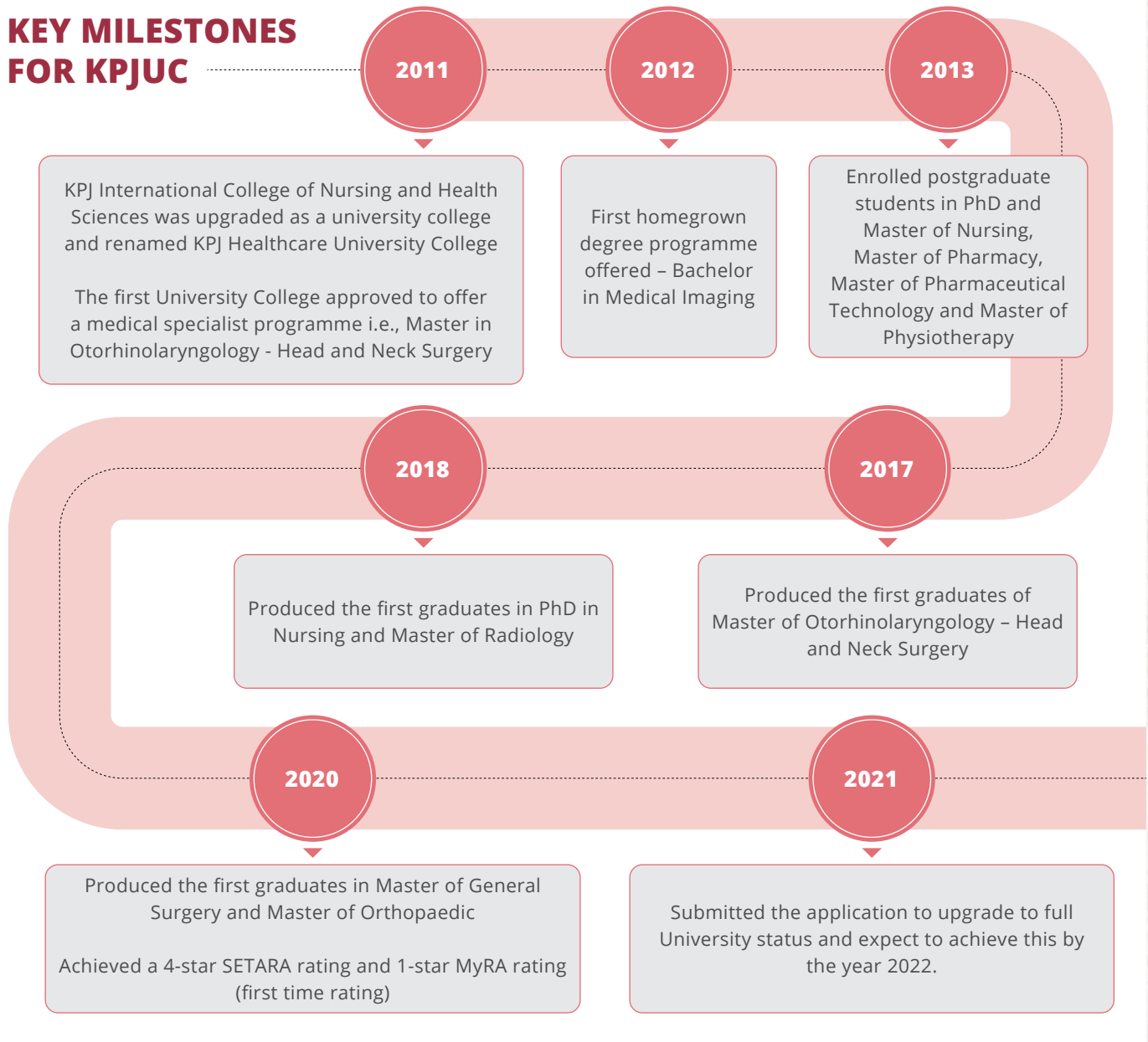
The KPJ Group firmly believes that equal access to higher education will serve to bridge the socio-economic gap by directly tackling the disparity in opportunities afforded to those in different income segments. As such, KPJUC continues in its aim to achieve Target 4.3 of the 2030 Agenda which is to ensure that all women and men have equal access to affordable and quality technical, vocational and tertiary education, including university studies.

The various lockdowns and Movement Control Orders (MCOs) in 2021 saw the university college continue to leverage its online portal, the Learning Management System (LMS), for teaching and learning. The school also leveraged other communication platforms, including phone calls, video conferencing and social media channels to ensure that students still received a quality education.



Social

**KEY MILESTONES FOR KPJUC**



During the year in review, KPJUC achieved MyRA 1 Star rating in 2021. The rating is for the research performance of the University for 2020. KPJUC also received approval for Full Accreditation of its Post-Basic Perioperative in Nursing programme at its Nilai Campus.

## Social



### MATERIALITY PEOPLE 2

#### TRAINING AND CAREER DEVELOPMENT

Target 4.3

#### ACCREDITATION

KPJUC continues to develop programmes that will contribute to new revenue streams for the University College. These include the following:

##### MOE-approved medical speciality programmes:

1. Master of Otorhinolaryngology – Head and Neck Surgery
2. Master of Radiology
3. Master of General Surgery
4. Master of Orthopaedic
5. Master of Anaesthesiology
6. Postgraduate Training in Internal Medicine
7. Postgraduate Training in Paediatric

##### Programmes currently in the pipeline for submission to the MOHE include:

1. Master in Clinical Pharmacy
2. Master in Health Sciences
3. Bachelor of Business Administration
4. Post Basic Emergency Medicine
5. Foundation in Management

KPJUC is also finalising the approval of the Master of Anaesthesiology programme. This is another Master Specialist programme which will commence by the third quarter of 2022.

In July 2021, KPJUC submitted its application to upgrade its status to become a fully-fledged university. We expect to receive the result in 2022.

#### ACADEMIC HEALTH CENTRE (AHC)

Launched in 2019, KPJ's Academic Health Centre (AHC) at KPJ Seremban Specialist Hospital is the Group's first practical learning facility that is dedicated to research and development. Integrating patient care activities with academic pursuits, students have access to Big Data from KPJ hospitals to support complex research and development. The AHC also fosters synergistic partnerships between KPJUC lecturers and healthcare professionals as they work together to deliver education on healthcare services. The following table outlines some of these collaborative activities:

#### AHC Activities

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



## Social

### RESEARCH AND DEVELOPMENT (R&D)

KPJUC is fully committed to supporting research and development activities that serve to benefit the community at large. KPJUC provides training in R&D on the following subjects:

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

#### Research Activities Conducted in 2021

SCHOOLS/CENTRE	New Research (2021)	Research Completed	Application External Grant		Paper Publication		Conference/ Workshop Presentation	
			Submit	Obtain	Indexed	Non-Indexed	Indexed	Non-Indexed
Graduate School of Medicine (GSM)	1	6	-	-	10	-	1	-
School of Pharmacy (SOP)	14	29	3	-	14	3	3	-
School of Health Science (SOHS)	25	8	4	-	6	3	2	-
School of Nursing (SON)	23	4	3	-	-	10	-	2
School of Business Management (SOBM)	7	10	-	-	-	1	-	-
Centre for Postgraduate Studies (CGPS)	-	2	-	-	-	-	-	-
KPJ International College (KPJIC) Johor Bahru	-	-	-	-	-	-	-	-
KPJIC Penang	-	-	-	-	-	-	-	-
<b>Total</b>	<b>70</b>	<b>59</b>	<b>10</b>	<b>-</b>	<b>30</b>	<b>17</b>	<b>6</b>	<b>2</b>
					<b>47</b>		<b>8</b>	

#### Total Research Projects In 2021

	2021	2020	2019
New	70	67	23
Ongoing	105	146	87
Completed	59	119	74
Total papers published in journal	47	75	23
Total papers presented in conference	8	20	14

The KPJ Medical Journal is a collaborative research publication produced by KPJUC and KPJHQ. The journal showcases the outcome of the research conducted by the medical consultants, staff of KPJ hospitals as well as KPJUC academicians. Usually issued on an annual basis, the next journal will be issued by mid-2022.

Social



**MATERIALITY PEOPLE 2**

**TRAINING AND CAREER DEVELOPMENT**

Target 4.3

Additionally, KPJUC laid established the foundations for future research collaboration with the following organisations during the year in review:

**MoA With Aafiyat Lifestyle (Olive House)**

This Memorandum of Agreement (MoA) will facilitate a joint research project on pharmacy practice/pharmaceutical sciences that will be opened to all KPJUC academic staff and KPJ hospital. This will entail joint publications, reports and other academic materials and information. Olive House will be funding the related approved research projects and the proposals are subject to final approval of the KPJ Clinical Research Committee.

Prior to this MoA, the School of Pharmacy KPJUC presented three research proposals for consideration to the KPJUC Research Committee and Academic Health Centre Committee in January 2021. The MoA signing Ceremony is expected to take place in March 2022.

**MoA with Centre of Printable Electronics, University of Malaya, UPM, KPJ Maharani Specialist Hospital and Fujifilm Malaysia**

The purpose of this collaboration is to evaluate the performance of Pixel Shine software (artificial intelligence) in the detection of low contrast detectability in the CT chest examination.

Funded by Fujifilm, the scope of research collaboration will include the following:

- Optimising FCT Pixel Shine for improving low contrast detectability in CT lung;
- The accuracy of Pixel Shine software in CT scan abdomen reporting in a private specialist hospital; and
- The impact of Pixel Shine software on dose and image quality using a designated 3D-printed chest phantom.

The MoA signing Ceremony is set to take place in the first quarter of 2022.

**MoA with Universitas Fort De Kock (UFDK)**

KPJUC and UFDK both have health science-related programmes and affiliated health care systems that are involved in biomedical research and the clinical education of students. This partnership will facilitate the collaboration of academic activities beneficial to the respective educational institutions. It will also serve to promote the development of joint educational research and training activities, and other educational exchanges of mutual interest. The MoA signing ceremony between KPJUC and UFDK took place on 23 February 2022.

**Research Agreement with Kelab Bola Sepak Gelang Patah (GPFC)**

This research collaboration between KPJUC and GPFC will closely monitor the outcome of physical fitness among youth footballers who will undergo a specific training regime conducted by GPFC. GPFC will be funding the related approved research project following the proposal's approval by the KPJ Clinical Research Committee. The MoA signing ceremony is set to take place in the first quarter of 2022.



## Social

### EDUCATION SPONSORSHIPS

KPJ provides education sponsorships to outstanding students who come from underprivileged backgrounds. Offering either partial or full sponsorship, the scholarships cover tuition fees for programmes in nursing and health sciences. Recipients of the scholarship will also be guaranteed a job with KPJ hospitals following their graduation. In 2021, KPJ sponsored a total of 90 staff and students who pursued the Post-Basic Nursing Programme.

Post Basic Nursing Programme	2021	2020	2019
Professional Certificate in Critical Care Nursing	9	0	0
Post Basic in Renal Nursing	4	0	20
Certificate in Paediatric Nursing	22	6	10
Advanced Diploma in Midwifery	20	12	20
Post-Basic Certificate in Renal Nursing - JB Campus	4	0	12
Post-Basic in Orthopaedic Nursing - JB Campus	6	8	10
Post Basic Certificate in Peri-Operative Nursing	23	6	6
Certificate of Post Basic in Perioperative Nursing - Penang Campus	1	19	18
Basic Care Course for Healthcare Assistants/Care Givers - JB Campus	1	0	0
<b>Total</b>	<b>90</b>	<b>54</b>	<b>66</b>

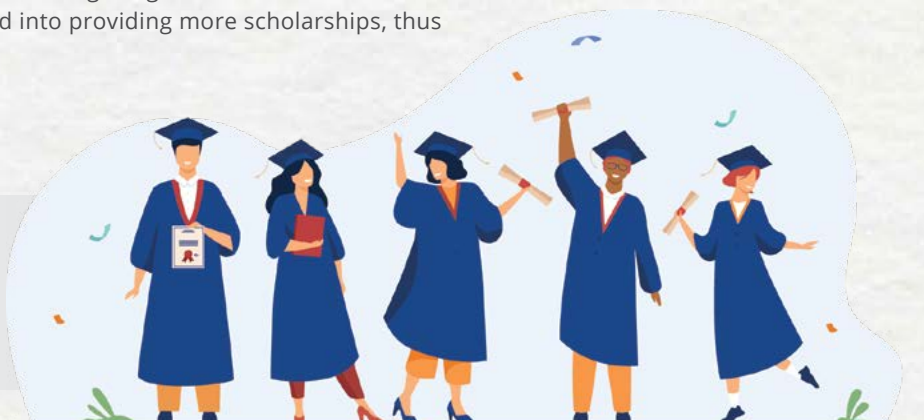
### 2021 SCHOLARSHIPS

In addition to the Group's sponsorship programme, KPJUC's scholarship programme offers financial aid to students who exhibit high potential or who are facing financial challenges. Successful candidates may receive in-kind financial aid up to RM48,000 to study in KPJUC in Nilai and in our colleges in Johor and Penang. The final scholarship sum awarded will be based on each student's prior academic and personal performance. Each student will also receive a monthly stipend or allowance determined by the student's financial background. Candidates who are eligible for more than one type of scholarship, will be offered the scholarship that benefits the student best. The total allocation for KPJUC scholarship for 2021 was RM1.7 million.

Not only do these scholarships provide an avenue for KPJ to provide opportunities to the community around us, it also helps KPJUC to attract students from the B40 group. This strategic venture bodes well for KPJUC as it will be a key point for students to consider if they will join KPJUC. Our aim in attracting a higher number in students is to generate higher revenue which will be directed into providing more scholarships, thus creating a sustainable cycle of opportunity.

**A TOTAL OF  
464 STUDENTS**

have received scholarships since 2019.



Social

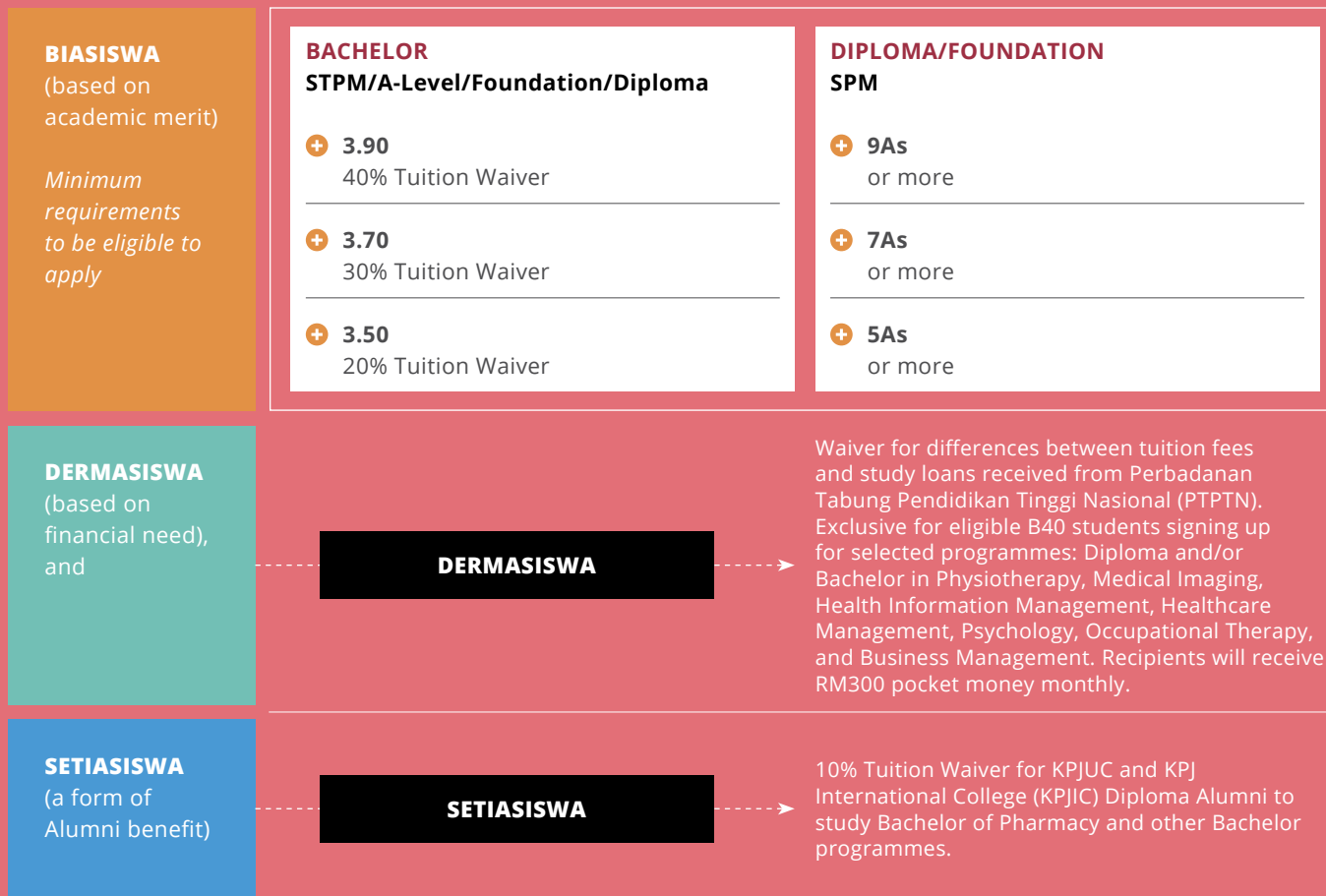


**MATERIALITY PEOPLE 2**

**TRAINING AND CAREER DEVELOPMENT**

Target 4.3

KPJUC scholarship is divided into 3 categories, namely:



**EMPLOYMENT FOR KPJUC GRADUATES**

KPJ's commitment to hiring quality medical professionals has seen the Group assist KPJUC's graduates secure employment within the Group's hospitals and its subsidiaries. Since the employment initiative began in 2017, a total of 1,434 (39%) graduates have secured employment within the KPJ Group.

Secured Employment for KPJUC Graduates (2017-2021)	Total Graduates	KPJ Hospitals	Private Hospitals	Other Employers	Further Studies
School of Medicine	12	7	0	5	0
School of Nursing	1881	932	165	69	48
School of Pharmacy	1024	273	279	37	101
School of Health Sciences	658	171	252	11	61
School of Business & Management	138	51	19	23	6

## Social



### MATERIALITY PEOPLE 3

#### EMPLOYEE ENGAGEMENT, DIVERSITY AND INCLUSION

Target 5.1

Here at KPJ, we understand that our strengths as a leading healthcare provider lie within our excellent workforce. To ensure the strength of our employees, we aim to cultivate a healthy working environment that facilitates and encourages the professional growth of our employees. We also endeavour to nurture a progressive work culture that champions diversity and inclusivity.

With regard to our employees' well-being, the Group continues to advocate a good work-life balance, as well as fair compensation and benefits. As healthcare providers, it is of the utmost importance that our employees lead healthy and well-balanced lives.

KPJ carries out a comprehensive risk assessment on all human resource and labour standards issues and has formulated appropriate measures to mitigate these risks.

#### DIVERSITY AND INCLUSION

Our commitment to developing a more progressive working culture stems from our understanding that diversity is essential to the KPJ Group's long-term sustainability. We recognise that diversity not only leads to a wealth of understanding from different perspectives, it also opens doors within the communities we serve.

The Group's efforts to foster a more diverse and inclusive workforce are guided by the KPJ Diversity Policy which outlines our strict no-tolerance stance to discrimination within our organisation. In line with our policy, the Group continues to collaborate with PERKESO's 'Return to Work Programme', which provides positions of employment for differently-abled individuals and pensioners.

#### GENDER EQUALITY

The KPJ Group's no-tolerance stance on discrimination is also reflected in our initiatives to end work-based misogyny. Our endeavours are aligned with UN SDG 5 on Gender Equality, particularly Target 5.1 which aims to end discrimination against women and girls. Not only do we aim to mitigate gender-based prejudice, we also aspire to bridge the various gaps between men and women in the workplace. To this end, KPJ has a non-discriminatory hiring policy that ensures all employees are hired solely because of their

qualifications and merits. The KPJ Group also practices equality in its treatment of its employees and provides equal opportunities for training and development and equal wages, regardless of gender. In 2021, the ratio of basic salary and remuneration of women to men was 1:0.9

#### HIRING PROCESS

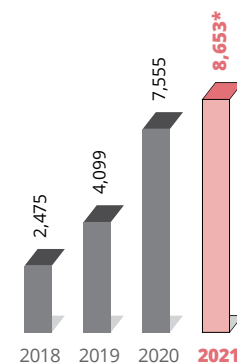
KPJ's recruitment process comes under the guidance of our hiring policy which requires all potential candidates to be considered in a fair and non-discriminatory manner. The Group's selection criteria are based purely on merit, qualifications and experience. We do not discriminate against race, religion, gender, age, sexual orientation, physical/mental/sensory disabilities, political beliefs and nationality. The KPJ Group also strictly prohibits any engagement in child or forced labour.

In line with our commitment to our employees' career development, we aim to fill vacancies within the Group with internal transfers first, followed then by external recruitment. KPJ recruits and advertises vacancies in a number of ways:

- Virtual career fairs and campus job fairs organised at selected public and private universities and colleges.
- Job advertisements:

- For external candidates via major newspapers, job portals such as Jobstreet. com, LinkedIn, and the KPJ Website;
- For internal candidates via internal job advertisements at all KPJ hospitals and its related companies;
- Posting job advertisements at selected public and private universities and colleges;
- Recruitment agencies; and
- Employee referrals.

#### RESUMES SENT BY POTENTIAL CANDIDATES



\* The number of resumes received by KPJ increased by 15% in 2021 due to candidates getting less pay at their existing jobs or because they were terminated as a result of the pandemic.

Social



**MATERIALITY PEOPLE 3**

**EMPLOYEE ENGAGEMENT, DIVERSITY AND INCLUSION**

Target 5.1

**BOARD AND EMPLOYEE DIVERSITY**

**Board and Employee Diversity in 2021**

Basic Salary Ratio of Men to Women	RM3,509 : RM3,108	RM1 : RM0.89
Employment Ratio of Men to Women	01 : 03.5	
Number of Visually Impaired Staff	10	
Number of Disabled Staff (Others)	11	

**Diversity in Board of Directors**

Age Group	Below 30	30-50	>50	
	0	1	10	
Ethnicity				
Gender				
	Bumi	Chinese	Indian	Others
	10	0	0	1
	9	2		

**Diversity in KGMC Members**

	Male	Female
Malay	6	2
Chinese	1	0
Indian	0	0
Others	0	0

**Diversity in KPJ Hospital's Management**

	Male	Female
Malay	19	12
Chinese	1	1
Indian	0	1
Others	1	0

**Diversity in Employees**

	Male	Female
Malay	2,619	9,193
Chinese	98	455
Indian	123	952
Others	545	1,262

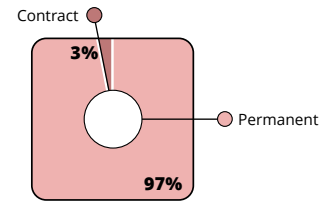
**NEW HIRES AND ATTRITION**

**Resume sent by Potential Candidates 2021: 8,653**

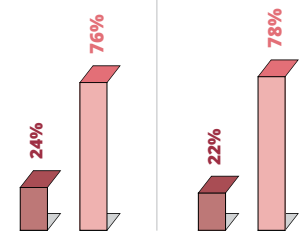
Staff information	Male	Female	Total
Total Number of Employees (2021)	11,862	3,385	15,247
New Hires 2021	360	1,078	1,438
Attrition Level (%)	10.50%	9.90%	
Attrition Breakdown by Gender	349	1,198	
Attrition Level by Age Group	Male	Female	
<30 years old	192	731	
Between 30-50 Years Old	120	378	
>50 Years Old	37	89	
The Retention Rate of Women (>5 Years of Service)	95%		

**EMPLOYEES BY EMPLOYMENT CONTRACT IN 2021**

**BREAKDOWN OF TOTAL EMPLOYMENT CONTRACTS TYPE**

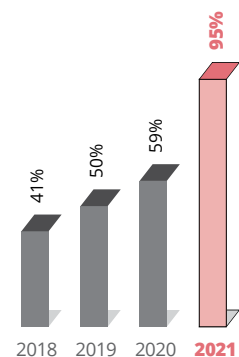


**CONTRACT PERMANENT**



**RETENTION RATE OF WOMEN**

(With more than 5 years of service)



## Social

### COVID-19 PANDEMIC

In the two years since the beginning of the COVID-19 pandemic, KPJ has successfully navigated through the various challenges presented. In all that we set out to do, the safety of our employees continued to remain our topmost priority.

In the second quarter of 2021, the third Movement Control Order saw KPJ re-instate our former Work-from-Home arrangements for our non-medical staff. Meanwhile, teams involved in the support of hospital operations were scheduled to work in the office on a rotational basis.

Following the National Recovery Plan, KPJ implemented a staggered Return-To-Work (RTW) framework with a 30% workforce presence in the office. This schedule was put into effect from 1 October 2021 onwards. Staff were reminded to remain vigilant and to adhere to the SOPs and RTW guidelines at all times. Close monitoring was also conducted by Talent Management with the aim of gradually increasing the percentage of the workforce in the office.

In an effort to prevent the transmission of COVID-19 in our work premises and to achieve a fully vaccinated workforce, we also implemented the following entry requirements to the KPJ Healthcare Berhad Premises:

- All staff wishing to physically enter KPJ Healthcare Berhad premises are required to provide a valid certificate of vaccination before entry is granted;
- Staff unable to meet the above requirement without reasonable reasons will be placed on Unpaid Leave until evidence of vaccination is shared with Group Talent Management; and
- Other benefits such as medical and allowances may be suspended for staff under category (b).

In 2021, a total of 2,083 COVID-19-positive Health Care Personnel (HCP) cases were reported (from January 2021 to December 2021). Of these cases, 94% (1,952) positive HCP were due to external contact and 6% (131) due to internal contact.

To mitigate further infections among our staff, KPJ swiftly rolled out Group-wide vaccinations for all our employees. As at 31 December 2021, a total of 99.8% (14,514) employees had received their COVID-19 vaccination. Subsequently, we

initiated our COVID-19 Booster Vaccine Programme on 4 November 2021. As at 11 January 2022, a total of 10,402 KPJ employees (72%) had received the booster doses based on KKM's appointment setting.

On 1 December 2021, KPJ launched a groupwide COVID-19 surveillance exercise which comprised the distribution of free self-test kits to employees for testing every two weeks. The distribution of the self-test kits and recording of results is part of an ongoing monthly exercise to identify, manage and mitigate COVID-19 incidences and trends.

As a responsible employer, KPJ will continue to uphold MOH guidelines to ensure the safety of our employees. Our efforts include the provision of sufficient PPE suits, enforcing strict SOPs and conducting regular COVID-testing for all our employees. The Group will also undertake the regular review of our RTW guidelines to ensure that they are in full compliance with MOH regulations.



Social



**MATERIALITY PEOPLE 3**

**EMPLOYEE ENGAGEMENT, DIVERSITY AND INCLUSION**

Target 5.1

**EMPLOYEE ENGAGEMENT**

As a multi-faceted organisation, it is crucial that we remain united in our vision going forward. The Group’s employee engagement activities continue to play an integral role in unifying the Group’s various businesses, departments, etc. Not only do these activities serve to motivate our employees, they also ensure that our employees have a voice that is heard within the company.

Our engagement activities during the year in review varied from physical engagements organised in strict compliance with operational SOPs to online events.

**KPJ Townhall**

The KPJ Townhall is an annual event that serves as an interactive engagement and communication platform for employees and consultants to share their feedback and engage in a dialogue session with KPJ’s President & Managing Director. The event also serves as a platform for the President & Managing Director to share the Group’s strategies going forward. During the year in review, the event was held online on 1 February 2021.\*

\* To present the Group performance and strategic planning of the Group for 2021.

**KPJ Buzz Intranet Portal**

The KPJ Buzz Intranet Portal is a centralised digital platform that facilitates communications with employees on work-related activities, events and company policies. The portal was overhauled in September 2021 in an effort to improve internal communications. The new portal now features two-way communications, replacing the previous format of one-way announcements. The new portal is also designed like a social media platform in which all employees can like and comment on posts and even post their own announcements, photos, videos, and surveys. Currently 60% of all KPJ hospitals and companies can access KPJ Buzz.

**Psychosocial Health**

KPJ provides counselling on both work-related and personal issues as a means to ensure the psychosocial health of our hospital staff remains healthy. The Group also offers trauma-support as well as stress management and motivational sessions to our employees. These efforts are part of our aim to create a dynamic working environment that is safe and healthy. To this end, we also encourage active mobility and sports by providing relaxing work environments and smoke-free healthcare facilities. In light of the pandemic and to help employees adapt to the new normal, we held various online programmes for employees such as talks on stress management and awareness programmes on COVID-19.

**Employee Engagement Survey**

The KPJ Employee Engagement Survey (EES) is conducted every four years as a gauge to assess the progress of the Group’s employee engagement and two-way communication initiatives. First conducted in 2014, the Engagement Survey was followed by the KPJ Pulse Survey in 2015.

Some 12,225 employees or 85% of our total staff population participated in the 2021 KPJ Group Employee Engagement Survey. The survey provides employees with a platform to give their views on various matters on the group. Responses are organised into 14 “drivers” which touch on employee empowerment, development opportunities, company direction, customer focus, compensation and benefits, learning and development, work structures and processes, and employee recognition, among others. The survey results for each hospital and company have been provided to the head of Human Resources (HR) in each of our subsidiaries. In turn, the HR managers will craft and execute initiatives to address and rectify areas that have been rated poorly at each facility.

**Menara KPJ Hangout 2021**

We view engagement activities with employees at all levels as a vital part of nurturing success within our organisation. Hence, in 2021, we organised three virtual meet-ups with all staff groupwide which was initiated by Group Quality and Compliance. The purpose was to improve staff engagement during the extension of the CMCO. Many sharing sessions were included in this meetup covering topics such as Standard People Service (SPP), Health and Fitness Tips, Healthy Food Preparation, and also Microsoft Office Tips. National COVID-19 Immunisation Programme - PPV In view of KPJ’s appointment as a Healthcare Organiser (HSO) in the National COVID-19 Immunisation Programme by ProtectHealth Corporation Sdn Bhd, all staff participated in providing vaccines to the public. During this MCO period, our staff engagement was not limited to our different levels of the workforce but also to other staff at the Vaccination Administration Centres or Pusat Pemberian Vaksin (PPV) as well as the public.



## Social

### Virtual Run Programme

As an advocate of healthy practices, KPJ organises activities for our employees that encourage them to pursue active lifestyles. Due to the extended CMCO, KPJ substituted the traditional running event with a virtual charity running programme where all staff could run at their own pace anywhere, at any time. This programme was also conducted in support of non-profitable organisations such as MAKNA and others.

### Mini Garden Project at KPJ Selangor

Tree planting is one of the most effective motivators for a sustainable work model that emphasises employee awareness and activism. During the year in review, KPJ Selangor and Jawatankuasa Alam Sekitar collaborated in planting 15 types of vegetables at the hospital. While encouraging volunteerism, this project was also in line with our environmental strategy to promote green initiatives for our hospital.



### Tadarus dan Majlis Khatam Al Quran at KPJ Seremban

KPJ Seremban continued to organise its Tadarus dan Majlis Khatam Al Quran programme for all Muslim staff to commemorate the month of Ramadhan.

### EMPLOYEE BENEFITS AND WELFARE

To ensure that we retain our talent in the highly competitive healthcare industry, KPJ offers all fulltime employees competitive salaries as well as a holistic benefits and welfare programme. The welfare of our employees is further protected by KPJ's strict enforcement of a no-discrimination policy in regard to remuneration and benefits. In retaining and growing our talent, we ensure the long-term viability of the Group's value creation processes. Furthermore, these initiatives are also part of our objective to strengthen our position as an Employer of Choice.

Some of the benefits which the KPJ Group offers to full-time employees are as follows:

- Free annual medical screening for employees aged 45 and above;
- Free medical coverage for inpatient and outpatient services that also cover their immediate families;
- Employees Provident Fund (EPF) contributions of up to 15%, applicable for employees who have been in service for a minimum of four years;
- Employee Share Option Scheme (ESOS) for employees with at least three years of service as executives and above.
- Educational support in the form of scholarships for employees' children pursuing medical-related studies at KPJUC, and placement in KPJ Hospitals based on their final results;
- Parental Leave;
- Living Well Programme designed for employees diagnosed with critical lifestyle-related illnesses such as diabetes and hypertension; they can access their latest health status to enable them to make better informed lifestyle choices;
- KPJ Top-Up Fund to ease the financial burden of employees faced with high medical expenses incurred for medical treatment for their dependents. Up to RM1.5 million has been allocated groupwide for this purpose.

KPJ has standardised medical benefits for spouses of female employees to equal the medical benefits provided for spouses of male employees. This is part of our ongoing efforts to improve diversity, equity, and inclusion within the Group.

The Group's welfare initiatives also extend to providing for our employees during times of crisis. When the flash floods occurred in 2021, some 333 KPJ employees were affected. To assist the flood victims, we provided calamity leave of up to five days (over and above compassionate leave of two days) and calamity assistance of up to RM1,000.

Social



**MATERIALITY PEOPLE 3**

**EMPLOYEE ENGAGEMENT, DIVERSITY AND INCLUSION**

Target 5.1

**ADVOCATING WORK-LIFE BALANCE**

In addition to our benefits package above, KPJ also strongly encourages all employees to adopt a healthy work-life balance. This is part of our target to create a highly-satisfied and proactive workforce. To support this agenda, the Group has rolled out the following initiatives.

- Flexible working hours;
- Onsite childcare centre with a 24/7 breastfeeding room,
- Promotion of healthy living amongst our employees through wellness programmes and health initiatives;
- Time off to attend to personal matters;
- Special parking for pregnant employees;
- Respect for the rights of employees to practice their religion during their working hours.

**Work-life Balance Benefits**

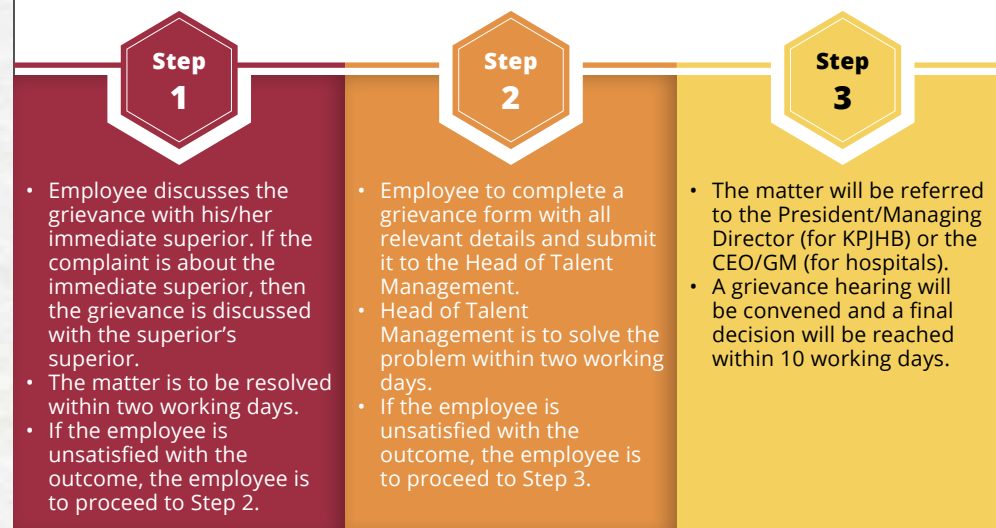
	Male			Female		
	2021	2020	2019	2021	2020	2019
Total number of employees that were entitled to parental leave	2,369	2,990	3,408	12,886	11,577	10,995
Total number of employees that took parental leave	87	105	74	977	925	891
Total number of employees that returned to work in the reporting period after parental leave ended	87	105	74	977	919	886
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	80	103	73	912	886	855
Return to work and retention rates of employees that took parental leave (%)	92%	98%	99%	93%	96%	96%

Parental leave	2021	2020	2019
No. of male employees who were entitled to and utilised their 2 days parental leave	87	105	74
No. of female employees who were entitled to and utilised their 60 days parental leave	977	925	891

**GRIEVANCE MECHANISM**

As a responsible and reputable employer, we strive to ensure that our employees are protected in every possible manner. As a Group, KPJ takes a zero-tolerance stance towards workplace harassment and has established various policies and codes to communicate proper workplace behaviour. All policies related to workplace harassment, including non-discrimination and sexual harassment, can be found in our employee handbook. The handbook is made available on KPJ's Employee Self-Service Portal.

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



## Social



### MATERIALITY PEOPLE 4

#### OCCUPATIONAL HEALTH AND SAFETY

The KPJ Group is committed not only to the recovery, but also to the protection of our people and the communities in which we operate. As a means of verifying the safety of our operations, our facilities are certified by the appropriate authorities and we remain steadfast in our subscription of industry standards of excellence.

Our hospitals are accredited by Joint Commission International (JCI) and MSQH and adhere to the ISO45001:2018 Occupational Health and Safety Management System (OSHMS) Standard. We also utilise the Integrated Management System (IMS) platform to manage our health and safety policies, processes and systems.

For more information about our JCI, MSQH and IMS accreditation, please turn to the Delivering Safe and Excellent Clinical Services on page 42 of this report.

To ensure that the highest benchmarks of health and safety are upheld throughout the width and breadth of our operations, we have implemented the Safety, Health and Environment (SHE) Policy. This policy requires all KPJ's employees, vendors and suppliers to abide by the Group's health and safety standards. The Group also leverages the Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Environmental Aspect and Impact (EIA) systems for the identification, mitigation and management of potential hazards and environmental issues respectively.

In addition to the above, the following policies and regulations help us to effectively manage the stringent enforcement of safety SOPs in all our hospitals and companies:

Management of  
Accident of Staff

Management of Incident  
Reporting

Management of  
Accident of Patients/  
Visitors

Permit to Work and  
Management of  
Contractor/Vendor

Management of  
Infection Control

Management of Mercury  
Spillage

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

Occupational  
Safety, Health and  
Environmental Manual

To further strengthen the framework of our safety management measures within our organisation and operations, we have scheduled the rollout of the following additional guidelines and policies over the course of 2021 and 2022:

- KPJ Group Occupational Safety and Health Guidelines 2021 (implemented 1 August 2021);
- COVID-19 Management at KPJ Hospital Policy (implemented 29 January 2021)
- Ambulance Safety Policy (set for implementation in Q2 2022); and
- KPJ Bomb Threat Policy (set for implementation in Q2 2022).

These processes are policed by the Group's Safety and Health Officer (SHO) and our Environmental Officer. Both officers are registered with the Department of Occupational Safety and Health (DOSH) and the Department of Environment (DOE) Malaysia respectively. In addition, they have been trained by the National Institute of Occupational Health and Safety (NIOSH) and Environment Institute of Malaysia (EIMAS).

Social



**MATERIALITY PEOPLE 4**

**OCCUPATIONAL HEALTH AND SAFETY**

The Group's risk mitigation measures are founded on the KPJ Risk Management Guidelines which have been developed in line with ISO 31000:2018. These guidelines provide the Group with a robust customised approach for identifying, assessing, monitoring, addressing and communicating risks across our operations. Standardising our risk mitigation approach across the Group, the Guidelines also facilitate a more efficient benchmarking approach which allows for more proficient auditing processes across our hospitals.

KPJ also subscribes to external benchmarking processes such as the voluntary Hospital Accreditation Programme (HAP) organised by the non-governmental and not-for-profit organisation the Malaysian Society for Quality in Health (MSQH).

Developed and administered by healthcare professionals, the HAP serves as an effective means for healthcare facilities to assess their level of performance against applicable national standards. The emphasis and focus of the HAP are on continuous improvement as well as on the promotion and propagation of patient safety and quality culture in the healthcare facility or organisation.

In July 2017, the MSQH Hospital Accreditation Standards were reviewed and updated. Known as the 5<sup>th</sup> Edition Standards, these Standards are aligned with the current requirements of the Private Health Care Facilities & Services Act 1998 and its corresponding Regulations 2006 and other related current regulatory requirements. The updated Standards also comprise an additional focus on requirements of WHO Patient Safety Initiatives, Malaysian Patient Safety Goals, and measurements for the outcomes of services delivered.

To date, two of KPJ's hospitals, namely KPJ Rawang and KPJ Bandar Maharani have successfully attained four years of accreditation under the MSQH 5<sup>th</sup> Edition. The validity period for both hospitals are 3 July 2021 to 2 July 2025 and 1 December 2021 to 30 November 2024 respectively. No major and minor findings for Standard 2 Environmental Safety Services were reported in either hospital.

**INCIDENT REPORTING**

KPJ continues to champion a culture of responsibility and accountability via our comprehensive incident reporting and learning system. The KPJ Online Incident Reporting System (Q-Radar) is an online web-based system that records all clinical and non-clinical incident reports and is utilised by all our hospitals and companies. Employees, both clinical and non-clinical, are encouraged to use the system with instructions being made available via our local network. Employees are also advised to upload reports that include the details of the incident, incident investigation and the root cause analysis (RCA).

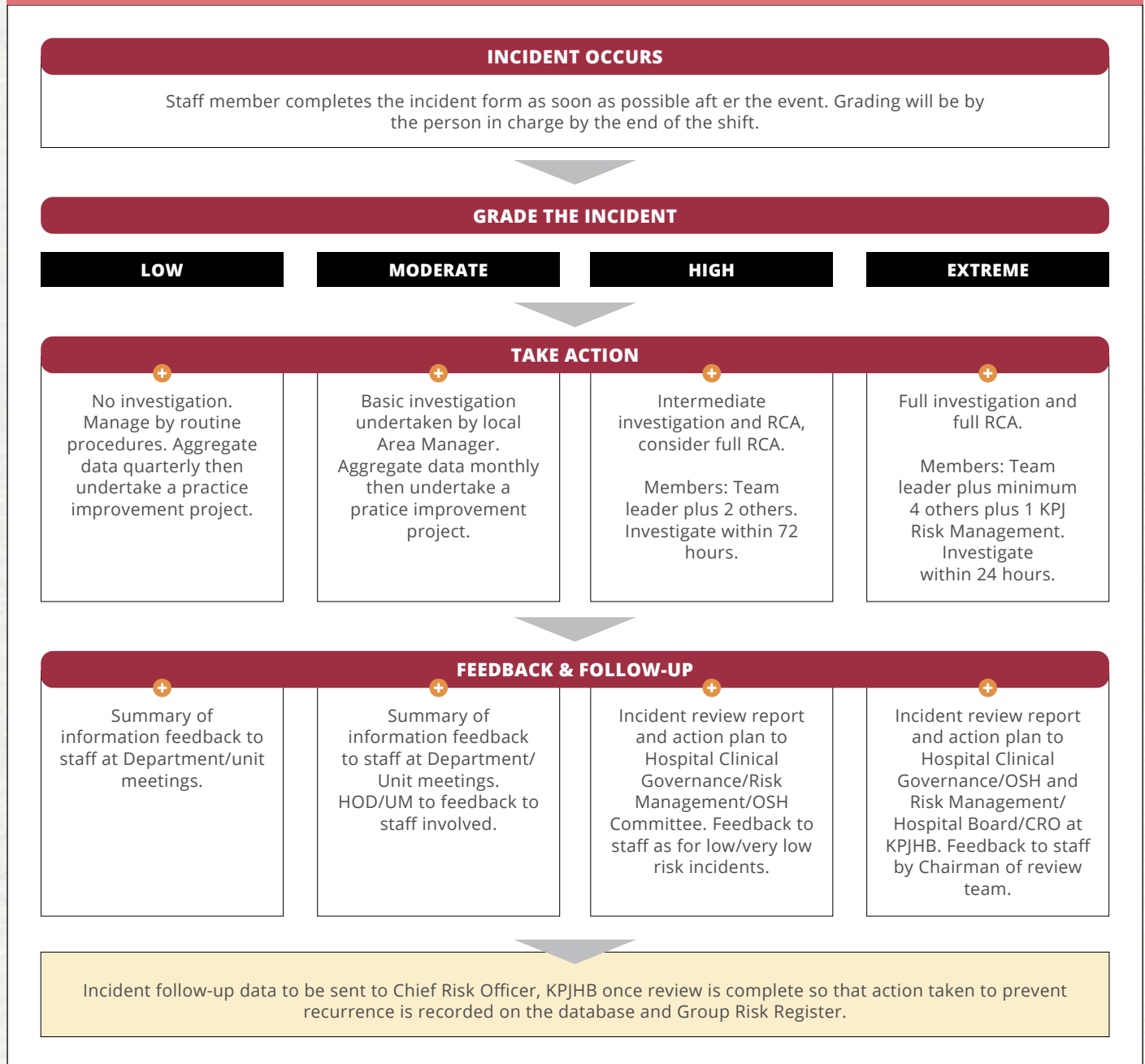
In turn, the Group looks into each matter and follows-up with the appropriate measures as per our standardised actions. In addition, all serious incidents are to be brought to the attention of the duty manager or the risk management team.

The Q-Radar online system was first implemented by KPJ in 2014 for its incident reporting processes and continues to be the go-to resource for the Group's reporting needs in FY2021. Similarly, the Group's incident-related SOPs also continue to be guided by the Incident Reporting Instruction and Introduction manual which was first introduced to the Group's processes in 2015.



Social

KPJ's incident Reporting Process is outlined in the following chart:



## Social



### MATERIALITY PEOPLE 4

#### OCCUPATIONAL HEALTH AND SAFETY

##### SHE GOVERNANCE

As per OSHA 94, every KPJ hospital and subsidiary comes under the guidance of an OSH Committee. Each committee comprises a chairperson, a secretary and representatives consisting of employees and managerial staff. Each committee is answerable to the hospital's Top Management (CEO/GM) and is required to submit a report to the GM at KPJHQ following the committee's quarterly meeting. Consequently, employees are informed of safety measures and new SHE developments via the meeting minutes which are emailed across the Group. All incidents are reviewed at the Risk Officer Meeting where the committee will look into improving safety measures and updating operational standards accordingly.

The Group's SHE Governance structure is illustrated below:

- All Safety and Health Officers (SHO) report directly to the CEO and GM at KPJHQ;
- The risk and compliance unit presents clinical and non-clinical incidents to the Risk & Governance Committee;
- All clinical incidents are reported to KPJ's Medical Advisory Committee;
- KPJHQ's OSHE Committee oversees any OSH and environmental issues to identify hazards and the risk control; and
- As a Group under JCORP, representatives from KPJ will present OSH related incidents at JCORP's OSHE Committee Meeting four times a year.

During the year in review, KPJ's SHE Governance objectives focused on improving the Group's work culture. Our initiatives were aimed at enhancing the practices of ownership, accountability and compliance as well as the reporting of information to the KPJ Group.

As part of the Group's transformation goal to 're-energise our services', these efforts served to strengthen the SHE support system between the Group and our subsidiaries. In line with this mandate, we strengthened the line of reporting on all SHO/SO-related activities in KPJ Hospitals. We implemented a matrix reporting system which will see our hospitals report to both the Group and KPJ Hospital Management on matters that fall under the pillars of Environment, Safety and Health. Under the matrix reporting system, both KPJHQ and KPJ Hospital management will assume equal responsibility for the reporting and appraisal process on all SHO incidents.

This initiative is in line with the Group's aim to inculcate healthy habits in ownership, accountability, compliance, and reporting of information to the Group Headquarters. This will in turn enable KPJHQ to provide immediate support and intervention when needed.

##### OSH TRAINING

As workers in the healthcare industry, it is mandatory for all KPJ employees to keep abreast of the latest OSH practices and procedures. As such, our employees are required to undergo training in OSH matters which include Hazard Identification, Risk Assessment and Risk Control (HIRARC), Workplace Inspection (WPI) and Accident Investigation.

Staff are also trained to respond to crises in the Disaster and Emergency Management Plan and to handle Emergency Codes such as Code Red (fire), Code Yellow (disaster and emergency) and Code Black (bomb threat). Mandatory training in clinical-related emergencies include Code Blue (cardiac arrest and stop breathing) and Code Pink (baby abduction).

All MSQH-accredited hospitals within the KPJ Group are subject to the hospital accreditation survey visits organised by the MSQH. Made upon the request of the healthcare facility, these visits provide opportunities for external peer reviews, mutual learning and education, validation of current performance assessment, as well as the sharing of best practices in the healthcare industry.

The emphasis and focus of the Hospital Accreditation Programme are on continuous improvements and the promotion and propagation of patient safety and quality culture in the healthcare facility or organisation. In support of this, hospital staff are required to undergo the appropriate training to ensure that they are adequately equipped for the accreditation process. In addition to gaining accreditation, MSQH's training programme also proffers the following benefits:

- The educational process of self-assessment and gap analysis that precedes the accreditation survey;
- The internal bonding, team building, sharing of ideas and interactive cross-departmental interfaces promote the creation of ownership of the services and organisation while the facility makes preparations for the accreditation survey; and
- The interactive exchanges and lessons learnt with the survey team during the survey process, and access to a network of peers from healthcare professionals for continued education, consultation and sharing of experiences.

## Social

KPJ will also be undertaking the training and implementation of the Simple Risk Assessment and Control (SiRAC) system endorsed by DOSH's Chemical Health Risk Assessment (CHRA) department. The SiRAC is an assessment system based on the process of grouping workplace risks into control bands based on the combination of hazard and exposure information. All industry OSH practitioners are required to attend training related to risk assessment on health according to SiRAC's methodology. This training is important to ensure OSH practitioners can conduct assessments according to SiRAC's methodology properly.

### OSH PERFORMANCE

KPJ's commitment to ensuring the safety of our people is illustrated in our efforts to reduce the number and rate of incidents in our hospitals. It is our goal to achieve and maintain zero incidents for the long-term. In 2021, we recorded 101 OSH related incidents, which marks a 5% increase from 96 incidents in 2020.

Moving forward, we will investigate these cases and implement the appropriate measures to improve our safety efficiency in the Group's work processes. These include raising our staff's awareness on identifying and managing hazards. We will also organise more training sessions to increase our employees' knowledge on STF and the Handling Manual, which covers a wide range of activities including lifting, lowering, pushing, pulling and carrying.

### OSH PERFORMANCE DATA

#### Employees

High Consequence work-related injuries	2021	2020	2019
Number	0	0	0
Rate	0	0	0
Recordable Work-related injuries*			
Number	101	96	85
Rate	3.02		
Lost-time Incident Rate			
Number	3.02	2.94	2.65
Fatalities			
Number	0	0	0
Rate	0	0	0
Lost-time incident rate	0	0	0

Based on 33,421,944 man-hours worked and average 13,179 total staff in year 2021

#### Non-Employees (Contractors and Other Workers)

High Consequence work-related injuries*	2021	2020	2019
Number	0	0	0
Rate	0	0	0
Recordable Work-related injuries			
Number	7	11	17
Rate	0.21	1.34	0.87
Lost-time Incident Rate			
Number		0.53	0.34
Fatalities			
Number	0	0	0
Rate	0	0	0

Based on 33,421,944 man-hours worked in 2021

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

Note: GRI definitions as below:

- High-consequence work-related injury is defined as a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.
- Recordable work-related injury or ill health pertains to any work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work.

## Social



### MATERIALITY PEOPLE 4

#### OCCUPATIONAL HEALTH AND SAFETY

#### INITIATIVES TO REDUCE HEALTH AND SAFETY INCIDENTS AT KPJ HOSPITALS

The Group continues to implement the following initiatives to ensure that safety measures at our KPJ Hospitals are well maintained and kept up to date:

##### Workplace Inspection Checklist Form

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

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

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

##### Feedback Form

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

##### Potential Fire Risk

Conducted annual revision of checklist on physical checks of all potential fire risks, especially isolated areas or areas not commonly accessed by staff and contractors/ vendors.

We also undertook the following initiatives during the year in review to establish a more robust OSH framework:

- Strengthened the requirements on MSQH Standard 2 Environmental Safety Services (ESS) and developed a checklist for MSQH 6<sup>th</sup> Edition accreditation;
- Updated and developed new policy procedures and guidelines to strengthen our safety management measures;
- Enhanced the competencies and qualifications of our SHOs;
- Updated the list of SHOs with their competencies and qualifications and reported to Operational Meeting (OPM) and Risk and Governance Committee (RGC) at the BOD level; and
- Developed a plan to ensure the qualification and competency of the appointed SHO/SO.

#### KPJ SHO GROUP'S ACTIVITIES IN 2021

In 2021, the Group's Safety and Health Officers engaged in the following activities to improve health and safety at KPJ hospitals:

- Strengthened the requirements on MSQH Standard 2 Environmental Safety Services (ESS) by developing a checklist for MSQH 6<sup>th</sup> Edition.
- Updated and developed a new policy procedure and guideline to evaluate the competency and qualification of SHOs. These included:
  - Updating the list of SHOs with their competencies and qualifications;
  - Reporting in OPM and RGC (BOD Level); and
  - Developing a plan to ensure the qualification and competency of the appointed SHO/SO.

#### WORKERS' HEALTH PROGRAMME

Due to the nature of our line of work in dealing with medical and healthcare emergencies, our employees are exposed to illnesses and diseases on a daily basis. As such, it is crucial that we establish the appropriate mitigation measures to safeguard the well-being of our workforce. Guided by WHO's Global Plan of Action on Workers' Health, we have rolled out several initiatives in our bid to create a safe and healthy work environment. These include the provision of health and occupational services for our employees. The Group also holds a strict vaccination policy that requires all clinical and support staff to be vaccinated against Typhoid and Hepatitis B.



- Improving the detection and reporting of occupational diseases and injuries to guarantee workers' access to employment injury schemes as well as to meet the target of universal social protection.



- Prevention and control of occupational cancer and respiratory diseases;
- Expanding health coverage of workers in the informal economy by integrating occupational health and safety interventions into people-centred health care;
- Protecting occupational health and safety of responders to public health emergencies; and
- Reducing workplace air pollution exposures and occupational poisonings.
- Improving working conditions of workers in the informal economy; and
- Improving the global measurement and monitoring of workers' health.



## Social

### SYSTEMATIC OCCUPATIONAL HEALTH ENHANCEMENT LEVEL PROGRAMME (SOHELP)

Another resource that KPJ leverages to promote OSH awareness at the workplace is the Systematic Occupational Health Enhancement Level Programme (SOHELP). SOHELP serves to enhance the management of occupational health in the workplace and to mitigate the risk of injuries and illnesses, particularly those stemming from chemical and noise exposure and ergonomic issues. Launched in 2016, the programme has been implemented across all the Group's healthcare facilities. The programme has since been updated and revised by DOSH. It is now known as Systematic Occupational Health Enhancement Level Programme Do It Yourself (SOHELP DIY)

KPJ's aim to improve our processes, reporting and compliance culture is rooted in our goal of pre-empting and mitigating OSH risks before they occur. These risks include work-related injuries and the contraction of illnesses. As of 31 December 2021, six KPJ hospitals have completed the SOHELP Assessment with excellent ratings. Additionally, one more KPJ hospital has submitted its application for the first stage of the assessment (Phase 3).

No	Hospital	Status as at 2021	Remarks
1	Kedah Medical Centre	1 May 2018 – Completed with Level 5 implementation (Excellent)	Continue monitoring of the implementation. No further assessment for submission to the Authority.
2	KPJ Tawakkal KL	April 2019 – Completed with Level 5	(Noise and Chemical) and level 3 (Ergonomic)
3	KPJ Damansara	June 2019 – Completed with Level 5 implementation (Excellent)	
4	KPJ Pahang	June 2019 – Completed with Level 5 implementation (Excellent)	
5	KPJ Ipoh	July 2019 – Completed with Level 5 implementation (Excellent)	
6	KPJ Perdana	July 2019 – Completed with Level 5 implementation (Excellent)	
7	KPJ Selangor	1 <sup>st</sup> Assessment (Phase 3)	



Social



**MATERIALITY PEOPLE 4**

**OCCUPATIONAL HEALTH AND SAFETY**

**DISASTER AND EMERGENCY MANAGEMENT PLAN (DEMP)**

KPJ's Disaster and Emergency Management Plan (DEMP) is a framework for managing potential hazards identified during an emergency. DEMP also provides a structured approach for all subsequent communication following an emergency event. The implementation of DEMP at all our hospitals ensures that our health facilities are well-equipped to manage internal and external disasters. Aside from regular management training and drills that are organised throughout the year, the plan also sees each hospital conduct annual disaster drills. These drills not only assess the execution level of the DEMP and employee compliance, but also serve as refresher courses in emergency preparedness for our employees. No DEMP-related accidents occurred during the year in review.

KPJ's DEMP is based on a colour-coded system that organises the type of emergency taking place by colour. The system is as follows:

Disaster and Emergency Management Plan	Clinical related Emergency Management Plans
<ul style="list-style-type: none"> <li>• Code Red: Fire Rescue and Prevention/Fire Safety Plan</li> <li>• Code Black: Bomb Threat</li> </ul>	<ul style="list-style-type: none"> <li>• Code Blue: Cardiac or Respiratory Arrest</li> <li>• Code Pink: Baby or Child who has been abducted or missing</li> </ul>

In addition to the codes above, the KPJ hospitals policies and procedures contain measures to manage external disasters. These events fall under Code Yellow which covers various emergency situations, including mass casualty incidents. This addition is part of the Malaysian Society for Quality in Health or MSQH requirements as well as Private Healthcare Facilities and Services Act 1998.

Aside from addressing practical preparedness within our hospitals, the DEMP is also part of the KPJ Group's Business Continuity Management (BCM) plan. The main objective of the BCM is for KPJ to be able to ensure the continuation of business operations during a crisis or unexpected disruption, such as the COVID-19 pandemic crisis.

With the demand to communicate effective responses to our stakeholders growing ever more imperative, there is a need to ensure that our business remains resilient against potential disruptors, while also maintaining its relevance within a competitive operating environment.

In April 2021, the Business Continuity Management Framework for group wide adoption was approved and adopted. Consequently, we rolled out the BCM programme at all KPJ hospitals as part of a groupwide initiative. The programme requires all KPJ hospitals to conduct the Business Impact Assessment (BIA) exercise and to establish a tailored Business Continuation Plan (BCP) and conduct BCP training. To date, all KPJ hospitals have achieved these objectives and are currently in the phase of conducting simulation exercises.

During the nationwide floods in December 2021, the respective BCPs for several of KPJ's hospitals directly affected by the flooding were effectively activated and managed.

## Social



### MATERIALITY PEOPLE 5

### RESPONSIBLE SOURCING

#### SUSTAINABLE SUPPLY CHAIN

KPJ is acutely conscious of its obligations to its customers, workers, and the communities it serves. KPJ fosters responsible sourcing through the development and implementation of the KPJ Code of Conduct across the organisation. Our main goal is to establish ethical sourcing and to improve our supply chain environment on a constant basis.

#### KPJ'S CODE OF CONDUCT

In late 2021, we developed a Supplier Code of Conduct which establishes KPJ's needs for suppliers to ensure the Group's sustainability objectives are addressed throughout the supply chain. To warrant the incorporation of the ESG agenda into the process, we strive to make sure that our centralised procurement arm reviews and selects our suppliers in an organised and open manner. In promoting the sustainability agenda, our suppliers are required to follow all regulations that apply to their industry in accordance with national laws and practices. Our suppliers are also encouraged to support the principles of the UN SDGs, the United Nations Universal Declaration of Human Rights, and the 1998 International Labour Organization Declaration on Fundamental Principles and Rights at Work.

We also encourage our supply stakeholders to adhere to the key points below:

- ✔ Child labour and forced labour – Suppliers must not utilise child labour or other forms of coerced or compulsory labour.
- ✔ Non-Discrimination/Equal Opportunities – Suppliers shall not discriminate on the basis of race, religion, disability, age or gender.
- ✔ Excessive working hours – Suppliers shall comply with the respective national laws and regulations regarding working hours, wages and benefits.
- ✔ Health & Safety – We expect our suppliers to strive to implement standards of occupational health and safety at a high level. Suppliers should comply with applicable occupational health and safety regulations and provide a work environment that is safe and conducive to good health, in order to preserve the health of employees and prevent accidents, injuries and work-related illnesses.
- ✔ Improper payments/bribery – The supplier shall comply with all applicable anti-corruption and bribery laws including the Malaysian Anti-Corruption Commission Act 2009. In particular, the supplier may not offer services, gifts or benefits to KPJ employees in order to influence an employee's conduct in representing KPJ.
- ✔ Environment – The supplier shall comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment. We encourage our suppliers to support KPJ Healthcare's efforts to protect the environment and operate in an environmentally responsible manner through the products and services they deliver. In this regard, we also encourage our suppliers to develop policies on:
  - Responsible use of resources including water and energy;
  - Waste reduction;
  - Pollution prevention;
  - Biodiversity impact; and
  - Climate Change impact including CO<sub>2</sub>/GHG emissions.
- ✔ Business Partner Dialogue – Suppliers shall communicate the principles stated in the supplier code of conduct to their subcontractors and other business partners who are involved in supplying the products and services to KPJ. The supplier shall motivate such parties to adhere to the same standards.

#### OUR COMMITMENT TO RESPONSIBLE SOURCING

KPJ is committed to engaging local suppliers to insulate the business from the risks and challenges that may arise from procuring supplies abroad.

Moving forward, the Group's targets for the next short- to mid-term period will entail our promotion of the Supplier Code of Conduct and our Sustainability Agenda to all our vendors. This campaign will also feature our buyer training and purchasing procedures and briefing sessions. KPJ will also closely monitor and evaluate compliance amongst the Group's suppliers following the distribution of the annual compliance confirmation to our vendors.

# Employees Performance Data

## HIGHLIGHTS

●○ **TOTAL WORKFORCE**

**15,247**

●● **EMPLOYEE DIVERSITY ACCORDING TO GENDER, AGE GROUP AND ETHNICITY:**

Diversity Categories	Top Management		Senior Management		Middle Management		Executives & Junior Management		Non-Executives	
	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Gender</b>										
Male	9	82	10	67	320	23	5,901	78	1,376	22
Female	2	18	5	33	1,081	77	1,665	22	4,878	78
<b>Total</b>	<b>11</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>1,401</b>	<b>100</b>	<b>7,566</b>	<b>100</b>	<b>6,254</b>	<b>100</b>
<b>Age Group</b>										
<30 yrs old	0	0	0	0	602	43	3,253	43	2,689	43
30-50 yrs old	1	9	3	20	715	51	3,859	51	3,190	51
>50 yrs old	10	91	12	80	84	6	454	6	375	6
<b>Total</b>	<b>11</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>1,401</b>	<b>100</b>	<b>7,566</b>	<b>100</b>	<b>6,254</b>	<b>100</b>
<b>Ethnicity</b>										
Bumiputera	10	91	13	86	1,084	77	5,826	77	4,816	77
Chinese	0	0	1	7	56	4	303	4	250	4
Indian	0	0	1	7	96	7	530	7	700	11
Others	1	9	0	0	166	12	907	12	488	8
<b>Total</b>	<b>11</b>	<b>100</b>	<b>15</b>	<b>100</b>	<b>1,401</b>	<b>100</b>	<b>7,566</b>	<b>100</b>	<b>6,254</b>	<b>100</b>

## Employees by Employment Contract and Type

Diversity Categories	Gender	
	Male (%)	Female (%)
<b>Employment Contract</b>		
Permanent	22	78
Temporary	24	76
<b>Employment Type</b>		
Full-time	22	78
Part-time	0	0

## Employees Performance Data

### Permanent and Full Time Employees

2021				2020				2019			
Gender				Gender				Gender			
Female		Male		Female		Male		Female		Male	
No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
11,565	78	3,263	22	11,654	80	2,913	20	11,022	76	3,411	24

### New Hires and Attrition According to Age and Gender

	New hires		Attrition	
	Number	Rate (%)	Number	Rate (%)
<b>Age Group</b>				
< 30	978	68	923	60
30-50	388	27	498	32
> 50	72	5	126	8
<b>Gender</b>				
Male	316	22	356	23%
Female	1,122	78	1,191	77%

### Retention Rate of Women (with more than five years of service)

Year		
2021	2020	2019
Rate (%)		
53	59	50

### Return to Work Program

	2021	2020	2019
Physically Challenged Staff	10	9	11
Visually Impaired Staff	11	9	5

## Employees Performance Data

### Ratio of Basic Salary and Remuneration of Women to Men

2021	2020	2019
1:0.9	1:1.01	1:1.1

### Work-life Balance Benefits

	Male			Female		
	2021	2020	2019	2021	2020	2019
Total number of employees that were entitled to parental leave	2,369	2,990	3,408	12,886	11,577	10,995
Total number of employees that took parental leave	87	105	74	977	925	891
Total number of employees that returned to work in the reporting period after parental leave ended	87	105	74	977	919	886
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	80	103	73	912	886	855
Return to work and retention rates of employees that took parental leave (%)	92%	98%	99%	93%	96%	96%

Parental leave	2021	2020	2019
No. of male employees who were entitled to and utilised their 2 days parental leave	87	105	74
No. of female employees who were entitled to and utilised their 60 days parental leave	977	925	891

## Employees Performance Data

### Occupational Health and Safety Performance Data

#### Employees

	2021	2020	2019
<b>High Consequence work-related injuries</b>			
Number	0	0	0
Rate	0	0	0
<b>Recordable Work-related injuries*</b>			
Number	101	96	85
Rate	3.02		
<b>Lost-time Incident Rate</b>			
Number	7.66	2.94	2.65
<b>Fatalities</b>			
Number	0	0	0
Rate	0	0	0
Lost-time incident rate	0	0	0

Based on 33,421,944 man-hours worked in the year 2021

#### Non-employees (contractors and other workers)

	2021	2020	2019
<b>High Consequence work-related injuries*</b>			
Number	0	0	0
Rate	0	0	0
<b>Recordable Work-related injuries</b>			
Number	7	11	17
Rate	0.21	1.34	0.87
<b>Lost-time Incident Rate</b>			
Number	0.53	0.53	0.34
<b>Fatalities</b>			
Number	0	0	0
Rate	0	0	0
Lost-time incident rate	0	0	0

Based on 33,421,944 man-hours worked in the year 2021

# Group Network and Directory

## MSQH & JCI ACCREDITED HOSPITALS

**KPJ AMPANG PUTERI SPECIALIST HOSPITAL**  
 1, Jalan Mamanda 9  
 Taman Dato' Ahmad Razali  
 68000 Ampang, Selangor  
 Tel: 603-4289 5000  
 Website: www.kpjhealth.com.my/ampang/  
 Email: apsh@kpjampang.com

**KPJ SEREMBAN SPECIALIST HOSPITAL**  
 Lot 6219 & 6220, Jalan Toman 1  
 Kemayan Square  
 70200 Seremban, Negeri Sembilan  
 Tel: 606-768 6000  
 Emergency: 606-763 6900  
 Website: www.kpjhealth.com.my/seremban/  
 Email: ssh@kpjseremban.com

**KPJ PENANG SPECIALIST HOSPITAL**  
 570, Jalan Perda Utama  
 Bandar Baru Perda  
 14000 Bukit Mertajam  
 Seberang Perai, Pulau Pinang  
 Tel: 604-548 6688  
 Website: www.kpjhealth.com.my/penang/  
 Email: inquiry@kpjpenang.com

**KPJ JOHOR SPECIALIST HOSPITAL**  
 39B, Jalan Abdul Samad, Kolam Ayer  
 80100 Johor Bahru, Johor  
 Tel: 607-225 3000  
 Website: www.kpjhealth.com.my/johor/  
 Email: jsh@jsh.kpjhealth.com.my

## MQSH ACCREDITED HOSPITALS

**KPJ IPOH SPECIALIST HOSPITAL**  
 26, Jalan Raja Dihilir  
 30350 Ipoh, Perak  
 Tel: 605-240 8777  
 Website: www.kpjhealth.com.my/ipoh/  
 Email: kpjipoh@kpjipoh.com

**KPJ DAMANSARA SPECIALIST HOSPITAL**  
 119, Jalan SS20/10  
 Damansara Utama  
 47400 Petaling Jaya, Selangor  
 Tel: 603-7718 1000  
 Website: www.kpjhealth.com.my/damansara/  
 Email: prdsh@kpjdamansara.com

**KPJ SELANGOR SPECIALIST HOSPITAL**  
 Lot 1, Jalan Singa 20/1  
 Section 20  
 40300 Shah Alam, Selangor  
 Tel: 603-5543 1111  
 Website: www.kpjhealth.com.my/selangor/

**KPJ PERDANA SPECIALIST HOSPITAL**  
 PT 37 & 600 Dan Lot 684 (Level 1, 2 & 3)  
 Seksyen 14, Jalan Bayam  
 Bandar Kota Bharu  
 15200 Kota Bharu, Kelantan  
 Tel: 609-745 8000  
 Website: www.kpjhealth.com.my/perdana/  
 Email: feedbackkpj@perdana.kpjhealth.com.my

**KPJ KAJANG SPECIALIST HOSPITAL**  
 Jalan Cheras  
 Kampung Sungai Kantan  
 43000 Kajang, Selangor  
 Tel: 603-8769 2999  
 Website: www.kpjhealth.com.my/kajang/  
 Email: cs.kjsh@kpjkajang.com

**KEDAH MEDICAL CENTRE**  
 Mukim Alor Merah  
 Jalan Kampung Pumpang  
 05250 Alor Setar, Kedah  
 Tel: 604-730 8878  
 Website: www.kpjhealth.com.my/kedah/  
 Email: kmccustcare@kpjkmcc.com

**KPJ TAWAKKAL KL SPECIALIST HOSPITAL**  
 1, Jalan Pahang Barat, Pekeliling  
 53000 Kuala Lumpur  
 Tel: 603-4026 7777  
 Website: www.kpjhealth.com.my/tawakkal/  
 Email: tawakkal@kpktawakkal.com

**KPJ PUTERI SPECIALIST HOSPITAL**  
 33, Jalan Tun Abdul Razak (Susur 5)  
 Larkin Jaya  
 80350 Johor Bahru, Johor  
 Tel: 607-225 3222  
 Website: www.kpjhealth.com.my/puteri/  
 Email: psh@psh.kpjhealth.com.my

**KPJ SENTOSA KL SPECIALIST HOSPITAL**  
 Kompleks Damai, 36, Jalan Cemur  
 50400 Kuala Lumpur  
 Tel: 603-4043 7166  
 Website: www.kpjhealth.com.my/sentosa/  
 Email: kpjsentosa@kpjsentosa.com

**KPJ KLANG SPECIALIST HOSPITAL**  
 102, Persiaran Rajawali/KU1  
 Bandar Baru Klang  
 41150 Klang, Selangor  
 Tel: 603-3377 7888  
 Website: www.kpjhealth.com.my/klang/  
 Email: customer@kpjklang.com

**KPJ PASIR GUDANG SPECIALIST HOSPITAL**  
 Persiaran Dahlia 2, Taman Bukit Dahlia  
 81700 Pasir Gudang, Johor  
 Tel: 607-257 3999  
 Website: www.kpjhealth.com.my/pasirgudang/  
 Email: info@kpjgpgsh.com

**KPJ BANDAR MAHARANI SPECIALIST HOSPITAL**  
 73-1, Jln Stadium  
 Kampung Baharu  
 84000 Muar, Johor  
 Tel: 606-956 4500  
 Website: www.kpjhealth.com.my/maharani/  
 Email: maharani@kpjmaharani.com

**KPJ RAWANG SPECIALIST HOSPITAL**  
 Jalan Rawang, Bandar Baru  
 48000 Rawang, Selangor  
 Tel: 603-6099 8999  
 Website: www.kpjhealth.com.my/rawang/  
 Email: customer.s@kpjrawang.com

**KPJ SABAH SPECIALIST HOSPITAL**  
 Lot No.2, Off Jalan Damai  
 Luyang Commercial Centre  
 88300 Kota Kinabalu, Sabah  
 Tel: 6088-322 000  
 Website: www.kpjhealth.com.my/sabah/  
 Email: prsmckk@kpjsabah.com

**KPJ PAHANG SPECIALIST HOSPITAL**  
 Jalan Tanjung Lumpur  
 26060 Kuantan, Pahang  
 Tel: 609-511 2692  
 Website: www.kpjhealth.com.my/pahang/  
 Email: kphg@kpjpahang.com



## MOVING TOWARDS ACCREDITATION

**TAIPIING MEDICAL CENTRE**  
 45-49, Jalan Medan Taiping 2  
 Medan Taiping  
 34000 Taiping, Perak  
 Tel: 605-807 1049  
 Website: www.kpjhealth.com.my/taiping/  
 Email: tmc@kpjtaiping.com

**KPJ KUCHING SPECIALIST HOSPITAL**  
 Lot 18807, Block 11  
 Muara Tebas Land District  
 Jln Stutong, 93350 Kuching, Sarawak  
 Tel: 6082-365 777  
 Website: www.kpjhealth.com.my/kuching/  
 Email: kcsh@kcsh.kpjhealth.com.my

**KPJ SIBU SPECIALIST MEDICAL CENTRE**  
 52A-G, Persiaran Brooke, Pekan Sibu  
 96000 Sibu, Sarawak  
 Tel: 6084-329 900  
 Website: www.kpjhealth.com.my/sibu/  
 Email: enquiry@kpjsibu.com

**KPJ KLUANG SPECIALIST HOSPITAL**  
 PTD 91374, Jalan Saujana Utama  
 Taman Saujana  
 86000 Kluang, Johor  
 Tel: 607-771 8999  
 Website: www.kpjhealth.com.my/kluang/

**KPJ SRI MANJUNG SPECIALIST HOSPITAL**  
 Lot 14777, Jalan Lumut  
 32000 Sitiawan, Perak  
 Tel: 605-691 8153  
 Website: www.kpjhealth.com.my/srimanjung/  
 Email: kpjsrimanjung@kpjsrimanjung.com

**KPJ BANDAR DATO' ONN SPECIALIST HOSPITAL**  
 Jalan Bukit Mutiara, Dato' Onn Utama  
 81100 Johor Bahru, Johor  
 Tel: 607-301 1000  
 Website: www.kpjhealth.com.my/bdo/  
 Email: bdo@kpjbdo.com

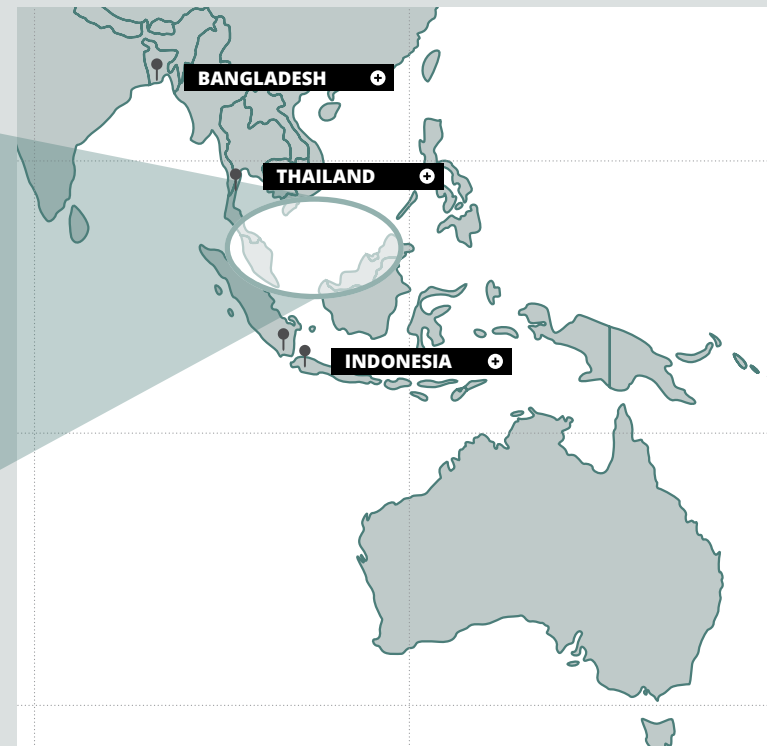
**KPJ PERLIS SPECIALIST HOSPITAL**  
 No. 77, Jalan Dato Wan Ahmad  
 01000 Kangar, Perlis  
 Tel: 604-970 7777  
 Website: www.kpjhealth.com.my/perlis/  
 Email: prm.kpjperlis@gmail.com

**KPJ BATU PAHAT SPECIALIST HOSPITAL**  
 No 1, Jalan Mutiara Gading 1  
 Taman Mutiara Gading, Sri Gading  
 83000 Batu Pahat, Johor  
 Tel: 607-459 1000  
 Website: www.kpjhealth.com.my/batupahat/  
 Email: bps@kpjbatupahat.com

**KPJ MIRI SPECIALIST HOSPITAL**  
 Lot 8836, Block 11  
 Kuala Baram By Pass Rd  
 Bandar Baru Permyjaya  
 98000 Miri, Sarawak  
 Tel: 6085-649 999  
 Website: www.kpjhealth.com.my/miri/  
 Email: inquiry.miri@kpjmiri.com



## Group Network and Directory



### KPJ INTERNATIONAL NETWORK

#### RUMAH SAKIT PERMATA HIJAU

Jl. Raya Kby. Lama No.64  
RW.8, Sukabumi Sel.  
Kec. Kb. Jeruk, Kota Jakarta Barat  
Daerah Khusus Ibukota  
Jakarta 11560, Indonesia  
Tel: 62021-537 2296  
Fax: 62021-530 5291  
Emergency: 62021-530 5288  
Website: www.rsmph.co.id  
Email: mph-mkt@rad.net.id

#### RUMAH SAKIT MEDIKA BUMI SERPONG DAMAI

JL. Letnan Soetopo, No. 7, BSD Serpong  
Kavling Komplek 3A, Lengkong Wetan  
Tangerang, Kec. Serpong  
Kota Tangerang Selatan  
Banten 15310, Indonesia  
Tel: 62021-537 8609  
Website: rs-medikabsd.co.id  
Email: marketing@rs-medikabsd.co.id

#### VEJTHANI HOSPITAL

1 Soi Lat Phrao 111  
Khlong Chan, Bang Kapi District  
Bangkok 10240, Thailand  
Tel: 662-734 0000  
Fax: 662-734 0044  
Emergency: 66(0)-2734 0001  
Website: www.vejthani.com  
Email: service@vejthani.com

#### SHEIKH FAZILATUNNESSA MUJIB MEMORIAL KPJ SPECIALIZED HOSPITAL & NURSING COLLEGE

C/12, Nabinagar - Chandra Road  
Near DEPZ Tetuibari  
Kasimpur, Bangladesh  
Tel: 088-017 0378 8561  
Fax: 088-017 0378 8562  
Website: www.sfmmpkjsh.com  
Email: info@sfmmpkjsh.com

### AMBULATORY CARE AND WELLNESS CENTRES

#### KPJ AMBULATORY CARE CENTRE

33, 35 & 37, Jalan BK 5A/2  
Bandar Kinrara  
47100 Puchong, Selangor  
Tel: 603-8090 7070  
Website: www.kpjkinrara.com  
Email: marketing@kpjkinrara.com

#### KPJ KUANTAN CARE CENTRE & WELLNESS CENTRE

No 51, Jalan Alor Akar  
Taman Kuantan  
25250 Kuantan, Pahang  
Tel: 609-567 8588  
Website: www.kpjhealth.com.my/kcwc/  
Email: info@kpjkcwc.com

#### JETA GARDENS

Retirement and Aged Care Resort  
27 Clarendon Ave  
Queensland 4205 Australia  
Tel: 1800-227-818  
Website: www.jetagardens.com

#### TAWAKKAL HEALTH CENTRE

202A, Jalan Pahang, Pekeliling  
53000 Kuala Lumpur  
Tel: 603-4023 3599  
Website: www.kpjhealth.com.my/thc/  
Email: info@kpjhealthcentre.com

#### SIBU GERIATRIC HEALTH & NURSING CENTRE

No. 52A-G, Brooke Drive  
96000 Sibu, Sarawak  
Tel: 6084-329 900  
Email: enquiry@kpjsibu.com

### LABORATORY SERVICES

#### LABLINK (M) SDN BHD

14(129), Jalan Pahang Barat  
Off, Jalan Pahang  
53000 Kuala Lumpur  
Tel: 603-4023 4588  
Website: www.kpjhealth.com.my/laboratoryservices/

### EDUCATION

#### KPJ HEALTHCARE UNIVERSITY COLLEGE (KPJUC)

Website: www.kpjuc.edu.my  
Email: info@kpjuc.edu.my

#### Main Campus (Nilai, Negeri Sembilan)

Lot PT 17010, Persiaran Seriemas  
Kota Seriemas  
71800 Nilai, Negeri Sembilan  
Tel: 1-300-88-5758  
Fax: 606-794 2662

#### Branch Campus (Johor Bahru, Johor)

No. 1, Jalan Dato' Onn 1  
Bandar Dato' Onn  
81100 Johor Bahru, Johor  
Tel: 607-360 1907  
Fax: 607-360 1988  
Email: infojb@kpjuc.edu.my

#### Branch Campus (Penang)

565, Jalan Sungai Rambai  
Taman Manggis Indah  
14000 Bukit Mertajam, Pulau Pinang  
Tel: 604-538 2692  
Fax: 604-530 8695  
Email: penang@kpjuc.edu.my

### EYE SPECIALIST CENTRE

#### KPJ PUSAT PAKAR MATA CENTRE FOR SIGHT

1-1, Jalan SS 23/15  
Taman SEA  
47400 Petaling Jaya, Selangor  
Tel: 603-7880 8222  
Fax: 603-7804 6052  
Website: www.kpjhealth.com.my/cfs/  
Email: info@kpjcfcs.com

#### Rawang Branch

No. 88, Jalan Bandar Rawang 1  
Pusat Bandar Rawang  
48000 Rawang, Selangor  
Tel: 603-6093 1051  
Fax: 603-6093 1052  
Website: www.kpjhealth.com.my/cfs/  
Email: info@kpjcfcs.com

#### Kuala Lumpur Branch

Lot 100-102, Level 4,  
Tawakkal Health Centre, 202A,  
Jalan Pahang,  
53000 Kuala Lumpur  
Tel: 603-4022 6222  
Fax: 603-4021 1409  
Website: www.kpjhealth.com.my/cfs/  
Email: infokl@kpjcfcs.com

# GRI Content Index

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

GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)	
<b>General Disclosures</b>				
<b>Governance</b>				
	102-18	Governance structure	Page 14	Refer to page 131 (Corporate Governance Model) of the Integrated Report 2021
<b>Stakeholder Engagement</b>				
<b>GRI 102: General Disclosures 2016</b>	102-40	List of stakeholder groups	Page 24	
	102-41	Collective bargaining agreements	Not available	Freedom of Association - In 2021, 440 of 15,247 or 2.9% of our employees were recorded as union members. We did not receive any reports on the violation of this right.
	102-42	Identifying and selecting stakeholders	Page 22	
	102-43	Approach to stakeholder engagement	Pages 23-27	
	102-44	Key topics and concerns raised	Pages 23-27	
<b>Reporting Practice</b>				
<b>GRI 102: General Disclosures 2016</b>	102-45	Entities included in the consolidated financial statements	-	Refer to pages 106-107 (Corporate Structure) of the Integrated Report 2021
	102-46	Defining report content and topic boundaries	Page 2	
	102-47	List of material topics	Page 21	
	102-48	Restatements of information		No restatements made
	102-49	Changes in reporting	Page 21	
	102-50	Reporting period	Page 2	
	102-51	Date of most recent report	Page 2	
	102-52	Reporting cycle	Page 2	
	102-53	Contact point for questions regarding the report	Page 2	
	102-54	Claims of reporting in accordance with the GRI Standards	Page 2	
	102-55	GRI content index	Pages 104-110	
	102-56	External assurance		We will review the need for external assurance in the future.

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

## GRI Content Index

GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
<b>General Disclosures</b>			
<b>Organisational Profile</b>			
<b>GRI 102: General Disclosures 2016</b>	102-1	Name of the organisation	Cover page
		Activities, brands, products, and services	- Refer to pages 4-7 of the Integrated Report 2021
	102-3	Location of headquarters	Back cover
	102-4	Location of operations	- Refer to page 102-103 of this Report
	102-5	Ownership and legal form	- Refer to pages 106-107 of the Integrated Report 2021
	102-6	Markets served	- Refer to pages 58-82 of the Integrated Report 2021
	102-7	Scale of the organisation	- Refer to pages 6-23 (Our Value Proposition) and 51-52 (5-Year Financial Performance) of the Integrated Report 2021
	102-8	Information on employees and other workers	Pages 83-88
	102-9	Supply chain	Pages 52-53
	102-10	Significant changes to the organisation and its supply chain	Page 2
	102-11	Precautionary principle or approach	- Refer to pages 98-104 (Key Risks and Opportunities) of the Integrated Report 2021
	102-12	External initiatives	Pages 38-39 MPSG Compliance Initiatives at KPJ hospital
	102-13	Membership of associations	- We hold memberships in various associations within the healthcare industry. These include the Malaysian Society for Quality in Health (MSQH), Joint Commission International 5(JCI), Malaysia Healthcare Travel Council (MHTC), Association of Private Hospitals in Malaysia (APHM)
<b>Strategy</b>			
	102-14	Statement from senior - decision makers	Pages 4-10
<b>Ethics and Integrity</b>			
	102-16	Values, principles, standards, and norms of behaviour	Inner cover

## GRI Content Index

<b>GRI 200: Economic Standard Series</b>				
<b>Economic Impact</b>				
Materiality Economic 1: Ethics and Integrity – a				
Materiality Economic 2: Compliance – b				
Materiality Economic 3: Patient Satisfaction – c				
Materiality Economic 4: Delivering Safe and Excellent Clinical Services – d				
Materiality Economic 5: Driving Efficiency with Innovation and Technology – e				
Materiality Economic 6: Access to Quality Healthcare – f				
Materiality Economic 7: Economic Performance – g				
Materiality Economic 8: Data Privacy and Security – h				
<b>GRI STANDARD</b>			<b>PAGE NUMBER (S)</b>	<b>COMMENT/REASONS FOR OMISSION(S)</b>
<b>General Disclosures</b>				
<b>GRI 102: General Disclosures 2016</b>	103-1	Explanation of the material topic and its boundary	Pages 28-55	
	103-2	The management approach and its components	Pages 28-55	
	103-3	Evaluation of the management approach	Pages 28-55	
<b>Materiality Economic 1: Ethics and Integrity</b>				
<b>GRI 205: Anti-Corruption 2016</b>	205-1	Operations assessed for risks related to corruption	Pages 30-32	
	205-2	Communication and training about anti-corruption policies and procedures	Pages 30-32	
<b>Materiality Economic 2: Compliance</b>				
<b>Non-GRI Disclosure</b>		Our resilient compliance structures are led by the Board of Directors who oversees compliance operational and activities including training, investigations and monitoring.	Page 33	
<b>Materiality Economic 3: Patient Satisfaction</b>				
<b>Non-GRI Disclosure</b>		Customer Satisfaction Index increased from 90% in 2020 to 92% in 2021. Improved in Net Promoter Score from 74.9 in 2020 to 86.2 in 2021.	Page 35	
<b>Materiality Economic 4: Delivering Safe and Excellent Clinical Services</b>				
<b>Non-GRI Disclosure</b>		Number of patient safety incidents reduced by 12.1% from 2020. Number of inpatient falls reduced by 2.3% from 2020.	Pages 38-40	

## GRI Content Index

GRI 200: Economic Standard Series				
GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)	
<b>General Disclosures</b>				
<b>Materiality Economic 5: Driving Efficiency with Innovation and Technology</b>				
<b>Non-GRI Disclosure</b>		More than 3,750 received their medications from the Medication Home Delivery Service and Medication Drive-Thru Service. The total revenue for telemedicine was about RM5.3 million in 2021.		
<b>Materiality Economic 6: Access to Quality Healthcare</b>				
<b>GRI 416: Customer Health and Safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	Pages 45-48	Partial disclosure
<b>Materiality Economic 7: Economic Perspective</b>				
<b>GRI 201: Economic Performance 2016</b>	201-1	Direct economic value generated and distributed	Pages 49-54	Refer to page 53 (Statement of Value Added) of the Integrated Report 2021
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	Infrastructure investments and services supported.	Page 54	Our hospitals accepted decanted COVID-19 and non-COVID-19 patients to help from public hospitals to help reduce the burden on the local healthcare system.
	203-2	Customer Satisfaction Index increased from 90% in 2020 to 92% in 2021. Improved in Net Promoter Score from 74.9 in 2020 to 86.2 in 2021.	Page 37	
<b>GRI 204: Procurement Practices 2016</b>	204-1	Proportion of spending on local suppliers	Page 52-53	
<b>Materiality Economic 8: Data Privacy and Security</b>				
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 55	In 2021 we recorded zero number of complaints on the breaches of customer privacy.

## GRI Content Index

<b>GRI 300: Environmental Standard Series</b>				
<b>Economic Impact</b>				
Materiality Environmental 1: Waste Management – i				
Materiality Environmental 2: Water Management – j				
Materiality Environmental 3: Energy Management – k				
Materiality Environmental 4: Climate Change – l				
<b>GRI STANDARD</b>			<b>PAGE NUMBER (S)</b>	<b>COMMENT/REASONS FOR OMISSION(S)</b>
<b>General Disclosures</b>				
	103-1	Explanation of the material topic and its boundary	Pages 2, 56-57 i: 58-59 j: 60 k: 61, 63 & 64 l: 64-67	
<b>GRI 103: Management Approach 2016</b>	103-2	The management approach and its components	Pages 56-67 i: 58-59 j: 60 k: 61, 63 & 64 l: 64-67	
	103-3	Evaluation of the management approach	Pages 56-67 i: 58-59 j: 60 k: 61, 63 & 64 l: 64-67	
<b>Materiality Environmental 1: Waste Management</b>				
<b>GRI 306: Effluents and Waste 2016</b>	306-2	Waste by type and disposal method	Page 58-59	Partial disclosure
<b>Materiality Economic 2: Compliance</b>				
<b>GRI 303: Water 2018</b>	303-5	Water consumption	Page 60	Partial disclosure
<b>Materiality Economic 3: Patient Satisfaction</b>				
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	Page 61	
	302-3	Energy intensity	Page 61	
	303-4	Reduction of energy consumption	Page 61, 63 & 64	
<b>Materiality Environmental 4: Climate Change</b>				
<b>GRI 305: Emissions 2016</b>	305-2	Energy indirect (Scope 2) GHG emissions	Pages 62-63	
	305-3	Other indirect (Scope 3) GHG emissions	Pages 62-63	
	305-4	GHG emissions intensity	Pages 62-63	
	305-5	Reduction of GHG emissions	Pages 62-63	

## GRI Content Index

GRI 400: Social Standard Series				
Economic Impact Materiality Social 1: Community Outreach – m Materiality Social 2: Training and Career Development – n Materiality Social 3: Employee Engagement, Diversity and Inclusion – o Materiality Social 4: Occupational Safety and Health – p				
GRI STANDARD		PAGE NUMBER (S)		COMMENT/REASONS FOR OMISSION(S)
<b>General Disclosures</b>				
<b>Management Approach</b>				
<b>GRI 103: Management Approach 2016</b>	103-1	Explanation of the material topic and its boundary	Pages 2, 68-69 m: 70-73 n: 74-82 o: 83-88 p: 89-97	
	103-2	The management approach and its components	Pages m: 70-73 n: 74-82 o: 83-88 p: 89-97	
	103-3	Evaluation of the management approach	Pages m: 70-73 n: 74-82 o: 83-88 p: 89-97	
<b>Materiality Social 1: Community Outreach</b>				
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-2	Significant indirect economic impact	Pages 70-73	
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments and development programmes	Pages 70-73, 81-82	
<b>Materiality Social 2: Training and Career Development</b>				
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	Page 74	Partial disclosure
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 74-75 & 81	Partial disclosure
<b>Materiality Social 3: Employee Engagement, Diversity and Inclusion</b>				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	Pages 84, 98-101	
	405-2	Ratio of basic salary and remuneration of women to men	Page 83	

## GRI Content Index

### GRI 400: Social Standard Series

GRI STANDARD		PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)	
<b>General Disclosures</b>				
<b>Materiality Social 4: Occupational Safety and Health</b>				
	403-1	Occupational health and safety management system	Pages 89-97	
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 89-91, 94-96	
<b>GRI 103: Management Approach 2016</b>	403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 90-91	
	403-5	Worker training on occupational health and safety	Pages 92-93	
	403-6	Promotion of worker health	Page 94	Partial disclosure
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 94-95	
	403-9	Work-related injuries	Pages 93, 101	
	403-10	Work-related ill health	Pages 93, 103	



This page is intentionally left blank

This page is intentionally left blank



[WWW.KPJHEALTH.COM.MY](http://WWW.KPJHEALTH.COM.MY)

**KPJ HEALTHCARE BERHAD (199201015575 (247079-M))**

Level 12, Menara KPJ, 238 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia.

**T** (603) 2681 6222 | **F** (603) 2681 6888