![KPJ HEALTHCARE]

THE FUTURE OF
HEALTHCARE

Care for Life

OUR VISION

THE PREFERRED HEALTHCARE PROVIDER

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

OUR MISSION

DELIVER QUALITY HEALTHCARE SERVICES

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

OUR CORE VALUES

VALUES THAT GUIDE US

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

ENSURING SAFETY

DELIVERING SERVICE WITH COURTESY

PERFORMING DUTIES WITH INTEGRITY

EXERCISING PROFESSIONALISM AT ALL TIMES

STRIVING FOR CONTINUOUS IMPROVEMENT

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ABOUT THIS REPORT

"

WE ARE HONOURED TO PRESENT KPJ HEALTHCARE BERHAD'S (KPJ OR THE GROUP) INAUGURAL STANDALONE SUSTAINABILITY REPORT 2018 (SR).

In preparing this report, we aim to provide a clear account of our sustainability commitments with regards to meeting the expectations of our stakeholders as we balance our business objectives of creating economic value for our stakeholders, against social and environmental considerations.

This SR provides details of our initiatives within the Economic, Environmental and Social (EES) spheres, and elaborates on the value creation activities of our six capitals as laid out in our Integrated Report (IR). Our aim in producing our standalone SR is to further build upon the strong relationships of goodwill, trust and respect that we have with our various stakeholders. Their continuous support is a critical component of our long-term sustainability and success within the field of regional healthcare.

DETERMINING MATERIALITY
For the year 2018, we have reviewed our material sustainability matters and there are no significant changes from 2017. Our reporting content provides a narrative of identified material topics as relevant to our stakeholders. An account of how we determine materiality, and our stakeholder engagements with regards to issues and concerns highlighted can be found within the Sustainability Materiality for 2018 section on pages 16 to 21, and Stakeholder Management on pages 22 to 28.
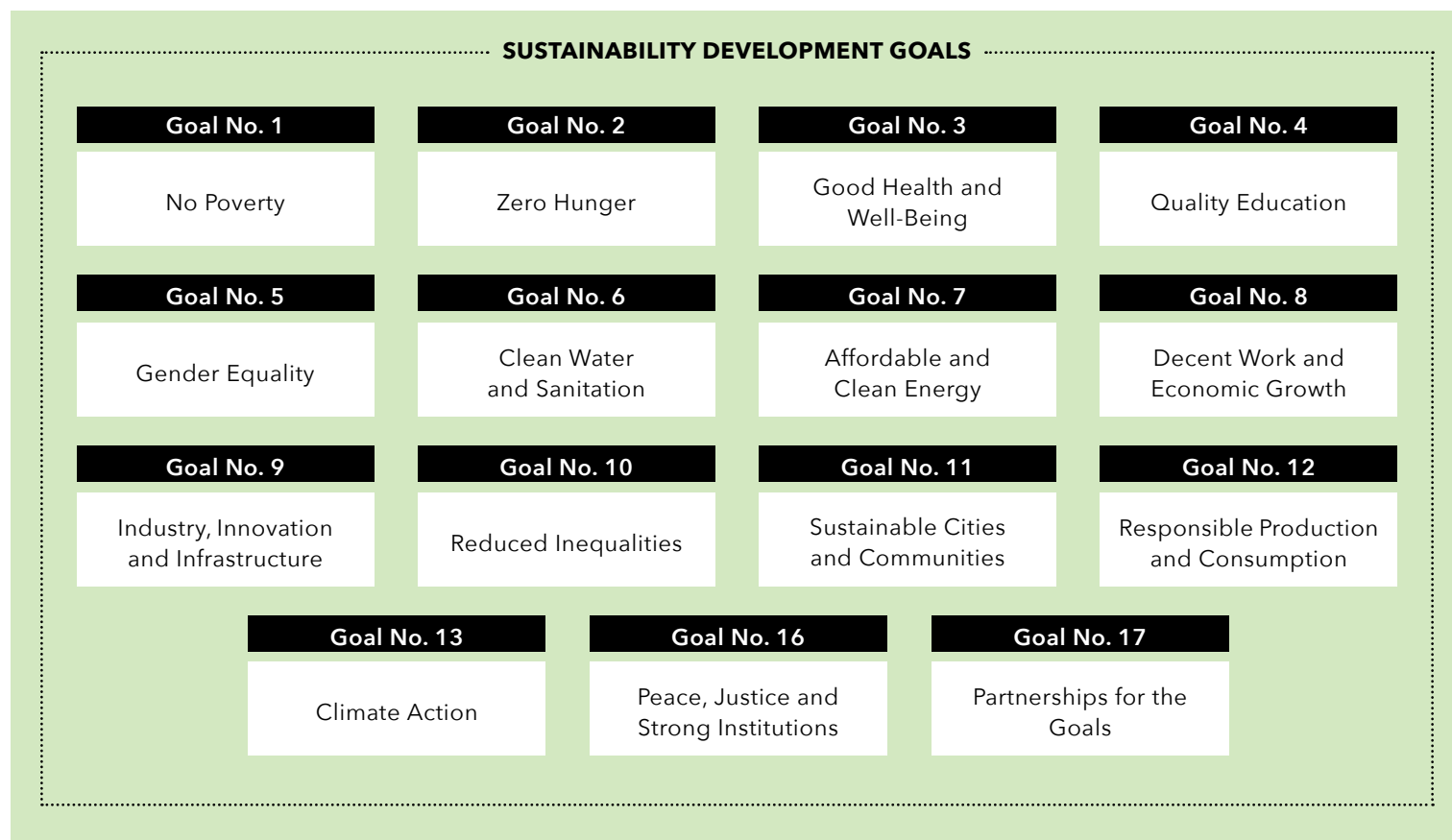
As far as possible, we have provided quantitative data to support the outcomes of our sustainability commitments narrative. Where we have not been able to present such data, we are reviewing and implementing systems and processes to enable us to measure and monitor our sustainability performance. Our sustainability disclosure had gone through external peer review and independent internal verification to ensure the effectiveness of our internal controls and standard operating procedures.

REFERENCE AND GUIDELINES
In producing this SR, we are guided by Bursa Malaysia's Sustainability Framework, as well as the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards). This year, we have furthered our corporate sustainability commitments by identifying our contributions towards 15 of the 17 principles of the United Nations Sustainable Development Goals (UN SDGs). Our commitment to the United Nations Global Compact can be found within the Creating Value through Sustainability section from pages 9 to 11 of this report.

ABOUT THIS REPORT

The primary SDGs that KPJ is currently contributing towards are as follows:

SUSTAINABILITY DEVELOPMENT GOALS

Goal No. 1	Goal No. 2	Goal No. 3	Goal No. 4
No Poverty	Zero Hunger	Good Health and Well-Being	Quality Education

Goal No. 5	Goal No. 6	Goal No. 7	Goal No. 8
Gender Equality	Clean Water and Sanitation	Affordable and Clean Energy	Decent Work and Economic Growth

Goal No. 9	Goal No. 10	Goal No. 11	Goal No. 12
Industry, Innovation and Infrastructure	Reduced Inequalities	Sustainable Cities and Communities	Responsible Production and Consumption

Goal No. 13	Goal No. 16	Goal No. 17
Climate Action	Peace, Justice and Strong Institutions	Partnerships for the Goals

ASSURANCE AND APPROVAL

KPJ's sustainability commitment is directed by a robust governance framework which ensures we uphold a high level of integrity and transparency in all our dealings and interactions. Our sustainability reporting, sustainability performance and disclosures are monitored closely by our Risk and Sustainability Committee (RSC). This standalone SR has been prepared by our Risk and Compliance (RC) working closely with the RSC. We currently have no formal policy with regard to external assurance. We will review the need to engage an external party for our report in the future.

REPORTING SCOPE AND BOUNDARIES

Our SR accounts for our sustainability activities and outcomes within the period from 1 January to 31 December 2018 and builds on our previous publications.

It covers our Malaysian hospital operations, which contributes towards 95% of our Group revenue.

The quantitative environmental data in Environmental Impacts in this SR refer to the 19 MSQH-accredited hospitals. Despite having 20 accredited hospitals at the beginning of 2018, Damai Specialist Hospital was delisted during the year under review due to a merger exercise with KPJ Sabah.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements characterised by the use of words and phrases such as "might", "forecast", "anticipate", "project", "may", "believe", "predict", "expect", "continue", "will", "estimate", "target", and other similar expressions. As our business operates in a changing environment, it is subject to uncertainties that could

cause actual results to differ from those reflected in the forward-looking statements.

FEEDBACK

Our reporting process is intended to move beyond compliance to generate meaningful and inclusive engagement with our stakeholders. This is aligned with our desire to engender a culture of accountability and trust so as to strengthen our relationships with our stakeholders. We welcome all feedback on our suite of reports on any aspect of our financial and non-financial performance. All comments and feedback can be directed to our Investor Relations at ir@kpjhealth.com.my

JOINT STATEMENT BY CHAIRMAN AND MANAGING DIRECTOR

ON BEHALF OF KPJ HEALTHCARE BERHAD (KPJ OR THE GROUP), WE ARE HONOURED TO PRESENT TO YOU OUR INAUGURAL STANDALONE SUSTAINABILITY REPORT (SR) FOR 2018.

DATO' KAMARUZZAMAN ABU KASSIM
CHAIRMAN

DATO' AMIRUDDIN ABDUL SATAR
PRESIDENT AND MANAGING DIRECTOR

Representing the next step of KPJ's advancement of our commitment to enhance open, honest and transparent disclosures to all our stakeholders, our standalone SR has been prepared in conjunction with our first Integrated Report (IR), and presents the Group's value creation efforts to contribute towards the socioeconomic development and wellbeing of our diverse range of stakeholders, especially our communities.

As Johor Corporation Berhad's (Johor Corporation) specialist healthcare segment vehicle, KPJ has grown in strength and stature since its listing on the Main Board of Bursa Malaysia in 1994, to become Malaysia's largest group of private healthcare and specialist medical care providers. The nature of KPJ's fundamental business proposition of providing patient centric healthcare which epitomises our 'Care For Life' tagline

is strongly aligned with Johor Corporation's core organisational tenet and purpose 'To Build and to Nurture'.

Since 20 June 2016, KPJ has been a constituent of the FTSE4Good Index which is designed to track the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Our commitments in this regards is borne through our Economic, Environmental and Social (EES) responsibility initiatives, which forms our efforts in promulgating and championing the sustainable socioeconomic development agenda for our nation. Our corporate social responsibility mission is conducted through high impact initiatives aimed at responsibly managing our environmental impacts towards a greener planet, and social projects to uplift the lives of the less fortunate and marginalised communities.

> ## WE ARE A CONSTITUENT COMPANY OF THE FTSE4GOOD INDEX WHICH IS DESIGNED TO TRACK THE PERFORMANCE OF COMPANIES DEMONSTRATING STRONG ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRACTICES.

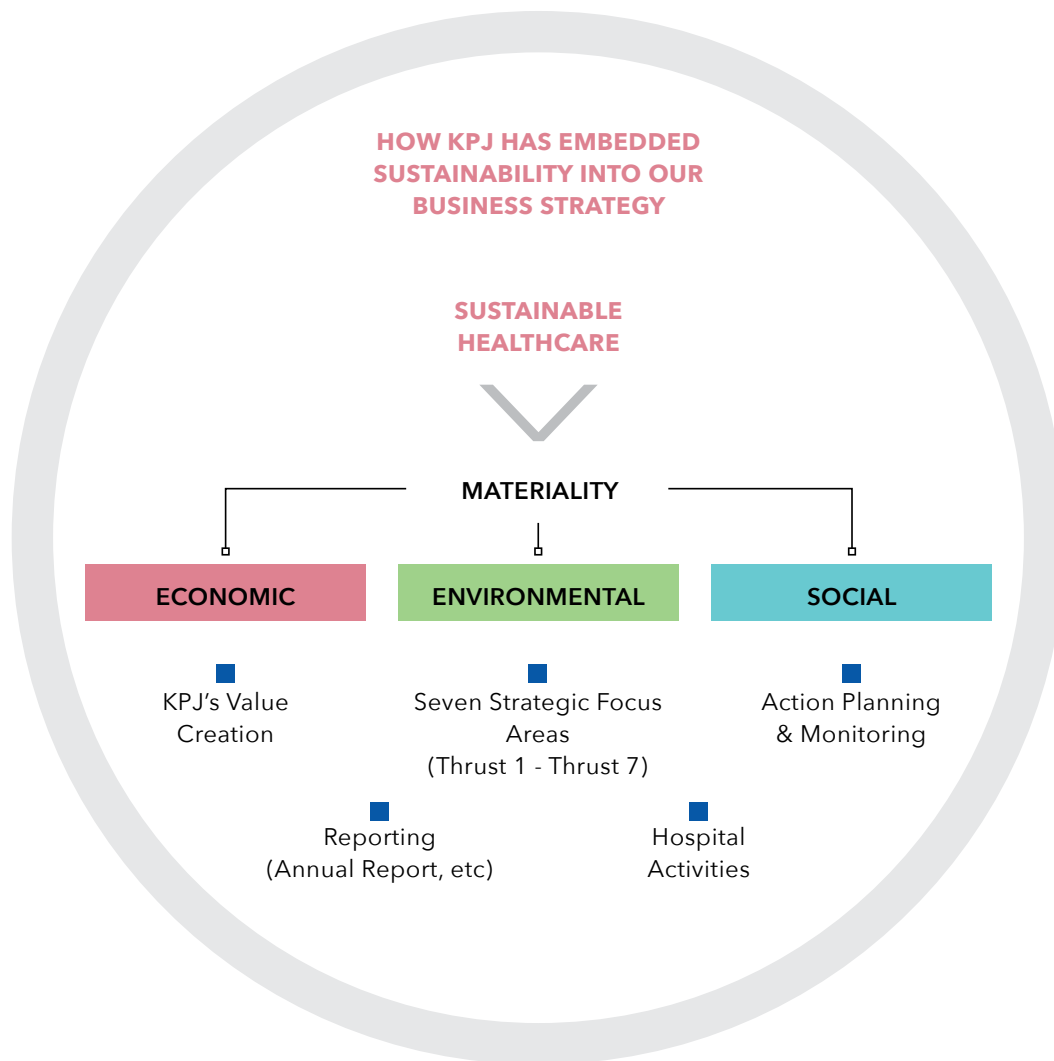## JOINT STATEMENT BY CHAIRMAN AND MANAGING DIRECTOR

KEY HIGHLIGHTS

THE YEAR 2018 WAS A LANDMARK YEAR FOR KPJ, AS THE STARTING POINT OF OUR AMBITIOUS JOURNEY TO EMBED THE UN SDGs INTO OUR ORGANISATION AND CONTRIBUTE TOWARDS THE GLOBAL COMPACT

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

01 → **CAPACITY BUILDING**

02 → **ENRICHED CUSTOMER RELATIONSHIP**

03 → **INNOVATION @ THE CORE**

04 → **NEW NICHES**

05 → **TALENT MANAGEMENT**

06 → **BUSINESS PROCESS IMPROVEMENT**

07 → **SUSTAINABLE VALUE FOR STAKEHOLDERS**

CONTRIBUTING TOWARDS THE GLOBAL SUSTAINABLE DEVELOPMENT AGENDA

In 2015, the United Nations General Assembly adopted the 17 Sustainable Development Goals (UN SDG) towards achieving global socioeconomic transformation through the 2030 Agenda. Since then, it has become increasingly more pressing for businesses and Governments the world over to do their part and contribute towards achieving the targets of the global sustainability development agenda to bring about a better future for us all.

Encompassing a wide spectrum of developmental objectives and targets, the UN SDGs' focus on enhancing public health and mitigating environmental degradation are areas of special concern to us here at KPJ, as it is closely aligned with our own sustainable business objectives.

The year 2018 was a landmark year for KPJ, as the starting point of our ambitious journey to embed the UN SDGs into our organisation and contribute towards the global compact. While we have always sustained our EES commitments through various initiatives throughout the years, we believe that further aligning our business goals and social responsibilities with the UN SDGs will strengthen our long-term value creation commitments to our base of stakeholders.

HOW KPJ HAS EMBEDDED SUSTAINABILITY INTO OUR BUSINESS STRATEGY

SUSTAINABLE HEALTHCARE

MATERIALITY

ECONOMIC	ENVIRONMENTAL	SOCIAL

- KPJ's Value Creation
- Seven Strategic Focus Areas (Thrust 1 - Thrust 7)
- Action Planning & Monitoring
- Reporting (Annual Report, etc)
- Hospital Activities

EMBEDDING SUSTAINABILITY INTO OUR STRATEGY

As we embarked on the first chapter of our UN SDG journey, we have concurrently strengthened our sustainable healthcare model by embedding sustainability into our business and sustainability strategy. In 2018, we took a big step forward in aligning our business with the sustainable development agenda by incorporating a new strategic thrust into our business strategy. Our seventh strategic thrust of 'Sustainable Value for Stakeholders' embeds our organisational commitment to create socioeconomic value and contribute to the wellbeing of our stakeholders. It represents the actualisation of our desire to embed the sustainable development agenda into our healthcare business model. KPJ's enhancement of our sustainability agenda and reporting goes beyond compliance to demonstrate to our stakeholders how our healthcare business generates sustainable and meaningful value for all.

In doing so, we have significantly strengthened our ability to create more value, manage risks and address EES challenges prevalent in the world we live in. It also leads to greater stakeholder engagement, better decision-making and a more comprehensive understanding of risks and business opportunities. Interweaving our approach to sustainability issues into our business model enables us to face challenges and resolve our material matters in a more focused manner. These material matters include ensuring availability of key medical staff, compliance with accreditation requirements and managing increasing operational costs.
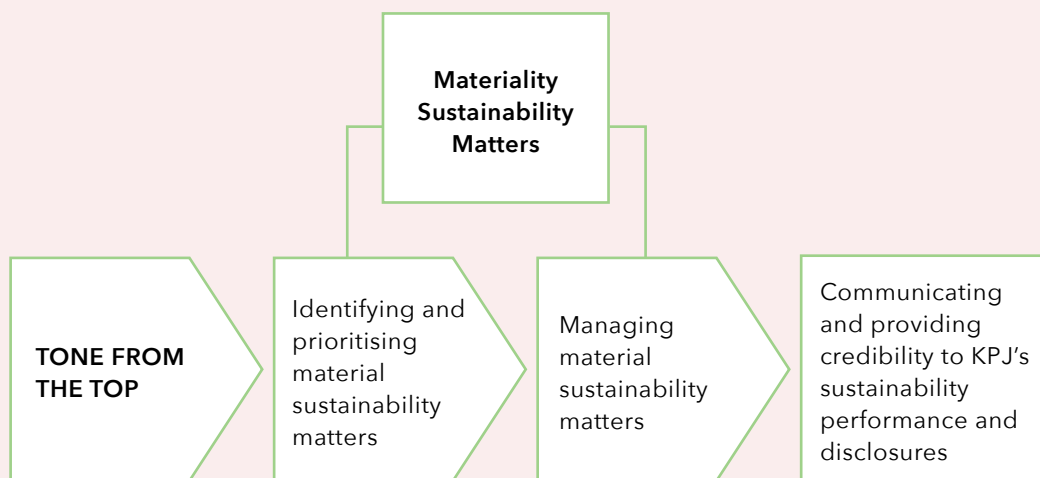
To ensure that everyone in the Group is on the same page with regards to our enhanced sustainability commitments, we have refined our sustainability governance structure to a more robust model which leads by example by setting a clear tone from the Board of Directors (Board) and top management.
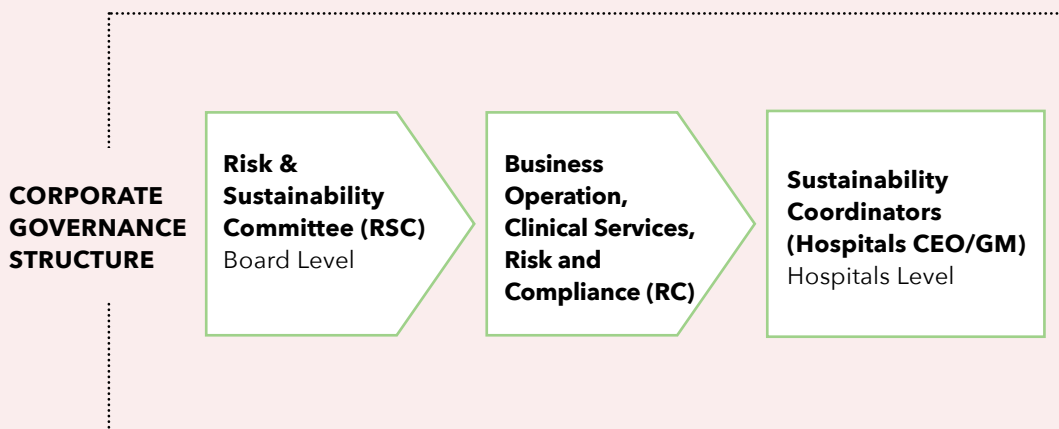
JOINT STATEMENT BY CHAIRMAN
AND MANAGING DIRECTOR

KPJ'S KEY CONSIDERATIONS IN EMBEDDING SUSTAINABILITY TO REDUCE RISKS AND TAKE ADVANTAGE OF BUSINESS OPPORTUNITIES

Sustainability is embedded in our mission statement of 'Care of Life'. We have pioneered many services and solutions that have now become norm in the healthcare industry in Malaysia. In order to continue as a trusted healthcare provider, we need to always maintain a clear understanding of our stakeholder expectations in delivering services.

Materiality Sustainability Matters

TONE FROM THE TOP

Identifying and prioritising material sustainability matters

Managing material sustainability matters

Communicating and providing credibility to KPJ's sustainability performance and disclosures

MAINTAINING ROBUST COMMITMENTS TO SUSTAINABILITY VIA TONE FROM THE TOP

CORPORATE GOVERNANCE STRUCTURE

Risk & Sustainability Committee (RSC)
Board Level

Business Operation, Clinical Services, Risk and Compliance (RC)

Sustainability Coordinators (Hospitals CEO/GM)
Hospitals Level

OUR SUSTAINABILITY STRATEGY JOURNEY

The foundations of our enhanced sustainability journey were set down in 2016 to spearhead our new direction and efforts on the management and implementation of all sustainability issues, with oversight from the Board. All EES matters were presented and discussed every quarter in Management Meetings and Hospital Management Meetings with the presence of KPJ's Sustainability Coordinators.

Within our network of hospitals, our journey began in the third quarter of 2017, with a sustainability roadshow to selected hospitals to catalyse our new identified strategic direction. We have encouraged all of our hospitals to include their individual sustainability issues within their Board Agenda, and submit their reports to Risk and Compliance (RC) upon completing their board meetings.

As one of initiatives from RC, the first Sustainability e-Bulletin was issued in September 2018. The bulletin is a snapshot of statistic, initiatives and current issues on climate change in Malaysia and neighbouring countries. The focus was on the environmental impact of climate change, and in the bulletin we laid out all prevalent threats as well as ways in which KPJ can contribute towards mitigating climate change.

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KPJ'S SUSTAINABILITY DEVELOPMENT JOURNEY

PHASE I

- Sustainability Initiatives at Management Level

2016

PHASE II

- Sustainability roadshow

- Sustainability issues are included in the Hospital's Board Agenda

2017

PHASE III

- Risk and Sustainability Committee at Board Level

- Sustainability issues are included in KPJ's Board Agenda

2018

This has strengthened our ability to further enhance our sustainability strategy and commitments, as we maintain a Group-wide viewpoint of sustainability issues, by drilling down into specific topics through the feedback of staff on the ground.

Adding to our sustainability growth story, in 2018 KPJ set up the Risk and Sustainability Committee (RSC) at the Board level, comprising of five members who meet at least four times annually. The role of the RSC is to oversee policies, processes and strategies which are designed to manage EES risks and achieve compliance with sustainable developments, responsibilities and commitments, as well as strive for an industry leadership position on sustainability.

OUR FUTURE JOURNEY

We are extremely heartened with the strong foundations we have built towards becoming a truly sustainable business which can contribute towards a better future for people and planet. Through our standalone SR, we have attempted to demonstrate to our stakeholders the breadth and scope of our commitments towards the UN SDGs.

To maintain our trajectory in our ambitious sustainable development commitments, we have identified some pertinent areas which we will focus on within the immediate term, even as we continue to solidify our foundations to achieve our long-terms goals.

In line with UN SDG 3 which focuses on good health and wellbeing for all, KPJ will be focusing on initiatives and activities which supports access to vaccines for all segments of society, in our bid to further universal healthcare in Malaysia. Bearing in mind the growing risk of communicable and non-communicable diseases globally, as well as limitations on the proportion of the population who are able to access affordable high quality medications, KPJ will be expanding the reach of our signature community healthcare services of Klinik Waqaf An-Nur (KWAN) and mobile clinics nationwide. Our community healthcare vehicles provide outpatient services to underserved communities, especially for families from the lower income bracket. By providing affordable healthcare services which begins at a minimum of RM5, we are doing our part to provide access to affordable medicines on a sustainable basis to members of society who would not ordinarily be able to afford private healthcare services.

Even as we augment our sustainability commitments within the Group, we are committed to spread the sustainability development message to our larger stakeholder base, especially our vendors and suppliers. As we move into the future, we are exploring how we can encourage our vendors and suppliers to submit their own business' sustainability reports as one of the requirements necessary to work with KPJ. In this way, we will be able to do our part to encourage other companies to adopt sustainability practices and integrate sustainability information into their reporting cycle, in line with UN SDG 12 which focuses on ensuring sustainable consumption and production patterns.

We are confident that our focused future approach will enable greater adoption and practice of the sustainable development agenda within both the healthcare industry and the nation.

ACKNOWLEDGEMENTS

Our efforts in living out our sustainability commitments would not have been possible without the sterling efforts of our pool of talented and dedicated employees, who give their best on the job every single day at KPJ. We are grateful to them for living out our Care For Life mission, bringing greater benefits to the healthcare ecosystem our business operates within.

To our patients, thank you for your continued faith in our healthcare services. We reaffirm our commitment to provide you best in class standards of healthcare in a sustainable manner. As for our vendors and suppliers, thank you for your efforts in helping KPJ sustain our EES commitments and high quality healthcare services.

We also extend our deepest gratitude to our Board for their contributions and insights in steering us forward on our sustainability journey. As well as that, KPJ is also grateful to our parent company Johor Corporation, for their continuous belief and support of our value creation abilities.

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

As we stride confidently into the future, we reaffirm our commitment to bring the greatest sustainable value in alignment with Agenda 2030 to all our stakeholders.

Dato' Kamaruzzaman Abu Kassim
Chairman

Dato' Amiruddin Abdul Satar
President and Managing Director

CREATING VALUE
THROUGH SUSTAINABILITY

Care for Life

KPJ'S SUSTAINABILITY AGENDA IS PREMISED ON OUR DESIRE TO CREATE SUSTAINABLE LONG-TERM VALUE FOR OUR ECOSYSTEM OF INTERCONNECTED STAKEHOLDERS. AS A PROVIDER OF PRIVATE HEALTHCARE IN THE COUNTRY, WE SEEK TO CONTRIBUTE TO THE NATIONAL SOCIOECONOMIC AND HEALTHCARE AGENDA, WHILE WE CONDUCT OUR BUSINESS IN A RESPONSIBLE MANNER, UPHOLDING THE HIGHEST PRINCIPLES OF GOVERNANCE, ETHICS AND INTEGRITY.

In 2018, we advanced further with embedding the Economic, Environmental and Social (EES) sustainability approach into our business and operations by making it one of the seven strategic thrusts of our business, as outlined within our Integrated Report. This signifies our intent and commitment towards ensuring that we practice sustainability in every aspect of our business, every single day.

Our sustainability commitments are lived out through the activities and practices of our hospitals, retirement and aged care centres, and university college. It is evident in our provision of patient-centric clinical care aimed at delivering safe and excellent services to our patients by ensuring we have the highest standards of clinical governance and processes in place. To remain at the forefront of healthcare service provision in Malaysia, we utilise the most advanced medical technology available, and embed advances in information technology within our processes and systems to deliver timely and enhanced outcomes for our patients and customers.

Our pharmaceutical services takes into account different modes of consumer purchasing preferences – from traditional bricks and mortar stores, to an online presence. Within our medical university college, our focus is on helping to expand the medical and allied sciences talent pool in the nation, as we strive to achieve the 13 Malaysian Patient Safety Goals (MPSG).

We are mindful of our environmental responsibility, and believe in conducting our business in a responsible manner to ensure that we remain on course with our environmental stewardship efforts. As a private healthcare provider, we remain committed to providing high quality care

to lower income earners through our Klinik Waqaf An-Nur (KWAN) and mobile clinics network around the country.

The quality and standards of the care and commitment of our staff provide is reflected in the industry recognised accreditations and certifications standards our hospitals receive within the healthcare sector. Our employees are an important part of the KPJ family, bearing the public persona of our corporate values and mission. Most crucially, they form the cornerstone of our Group efforts to ensure patient safety, aligned with our mission to provide high quality healthcare services.

The Values Which Define Our Sustainability Agenda
The following four fundamental values form the foundations upon which we create long-term value for our stakeholders through our sustainability agenda.

I Preventive Healthcare
Collaborations with stakeholders such as Government and healthcare insurers to improve nation building by increased preventative actions
- Increase our coverage of immunisations and vaccinations
- Improve our community's health and nutrition knowledge, behaviour and attitude
- Use technology to empower patients to have good options and make informed choices
- Promote breast-feeding as the best source of nourishment for infants and young children in line with WHO's goal to save children's lives.

II Universal Healthcare Coverage
Collaborations with the Government and healthcare insurers to widen the scope and packages available for affordable healthcare
- Adopt low price, high volume pricing models to expand access to vaccines, diagnostic tests, pharmaceuticals, supplements and family planning for low and middle income families.

WE BELIEVE AND LIVE THE ETHOS OF SUSTAINABILITY, GOING BEYOND COMPLIANCE TO DIFFERENTIATE OURSELVES IN THE MARKETPLACE AND REMAINING AT THE FOREFRONT OF THE INDUSTRY AS THE LARGEST AND MOST PREFERRED HEALTHCARE PROVIDER IN MALAYSIA.

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III

Resilient Healthcare
Collaborate with the Government to develop rigorous strategies to address growing anti-microbial resistance

• Help build resilient healthcare systems which are able to anticipate, respond to, cope with, recover from and adapt to ever changing climate-related shocks and stresses including increased morbidity arising from natural disasters such as heatwaves, floods, droughts and storms; conflicts; and forced migration.

IV

Environmentally Sustainable Healthcare
Develop and implement improved processes to reduce, reuse and recycle water, raw materials, non-renewable minerals, energy, hazardous waste, and non-hazardous waste

• Build environmentally sensitive hospitals and one-stop centres.

Contributing to the Greater Good
Through our sustainability agendas, KPJ believes in contributing to the greater global and national development agenda. The global and national agendas we are currently contributing towards comprise the following.

United Nations Sustainable Development Goals (UN SDGs)
In 2018, we began our journey to adopt the UN SDGs into our business model. We have begun our journey by aligning the SDGs to our sustainability initiatives and impacts. Based on our current range of EES initiatives, KPJ is contributing to the following UN SDGs.

NO POVERTY
Prioritising the health needs of the poor

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

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

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

GENDER EQUALITY
Fighting Gender Inequalities, Including Violence Against Women

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

AFFORDABLE AND CLEAN ENERGY
Promoting Sustainable Energy for Healthy

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

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

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

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

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

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

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

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

CREATING VALUE
THROUGH SUSTAINABILITY

Relevance of UN SDGs to KPJ Healthcare Berhad

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

Essentially, the UN SDGs employ an overarching objective of alleviating poverty through an integrated and interactive agenda. This requires a hands on approach, by addressing the root causes of poverty.

The emphasis is on providing assistance which build fundamental capacities, thus leading to enhanced national capacities.

Within the context of healthcare, WHO has taken into account new threats to health which have gained

prominence in the past few years. To ensure sustainable development within the context of healthcare, these need to be addressed, not just by the health sector acting alone, but in more partnerships to drive sustainable development within these new areas.

KPJ's efforts in addressing and aligning our business with the UN SDGs are thus founded on WHO's approach as outlined in the diagram below.

Malaysian Patient Safety Goals (MPSG)
KPJ is committed to adhering to the MPSG as developed by the Patient Safety Council of Malaysia to encourage both public and private healthcare organisations to improve patient safety outcomes in the country. Each year, KPJ submits data on our compliance with the 13 MPSG to the Patient Safety Council in our bid to contribute to the highest levels of quality medical care in the nation.

MPSG GOALS

GOAL NO. 1	GOAL NO. 2	GOAL NO. 3	GOAL NO. 4	GOAL NO. 5
To implement Clinical Governance	To implement the World Health Organisation's (WHO) 1st Global Patient Safety Challenge: "Clean Care is Safer Care"	To implement the WHO's 2nd Global Patient Safety Challenge: "Safe Surgery Saves Lives"	To implement the WHO's 3rd Global Patient Safety Challenge: "Tackling Antimicrobial Resistance"	To improve the accuracy of patient identification

GOAL NO. 6	GOAL NO. 7	GOAL NO. 8	GOAL NO. 9	GOAL NO. 10
To ensure the safety of transfusions of blood and blood products	To ensure medication safety	To improve clinical communication by implementing a critical value programme	To reduce patient falls	To reduce the incidence of healthcare associated pressure ulcers

GOAL NO. 11	GOAL NO. 12	GOAL NO. 13
To reduce Catheter-Related-Bloodstream Infection (CRBSI)	To reduce Ventilator Associated Pneumonia (VAP)	To implement an Incident Reporting and Learning System

CREATING VALUE
THROUGH SUSTAINABILITY

Source: This infographic provides an overview of The New Plastics Economy, and was obtained from the Ellen MacArthur Foundation which was launched in 2010 to accelerate the transition to a circular economy.

THE NEW PLASTICS ECONOMY IS ONE WHERE PLASTIC NEVER BECOMES WASTE OR POLLUTION, RESULTING IN A CIRCULAR ECONOMY.

New Plastics Economy

The New Plastics Economy will require us to eliminate all unnecessary plastic items, leverage on innovations to ensure that plastics used are reusable, recyclable or compostable, and circulate all plastic items used within the economy and away from the environment.

In 2018, the Malaysian Government announced that it aims to abolish single-use plastics by the year 2030, and many corporates and consumers have begun taking heed of this message and embarked on attempts to reduce their plastic use. As a responsible corporate citizen KPJ also underlines our

commitment to this agenda, and we have begun our journey with biodegradable approach within our supply chain and reducing plastic straw at our premises.

As we move forward, we will be looking at different ways and means in which we can live out the vision of the

New Plastics Economy within our business model guided by Malaysia's Roadmap Towards Zero Single-Use Plastic 2018-2030". With a vision "Towards zero single-use plastics for a cleaner and healthier environment in Malaysia by 2030" this roadmap aims to provide a policy direction in taking unified and collective approach in managing and reducing plastic use within our hospital operations.

KPJ President and Managing Director, Dato' Amiruddin bin Abdul Satar announced KPJ's Zero-Single Plastics journey at the annual Perhimpunan Dialogue dan Anugerah Tahunan Anggota Pekerja (PEDOMAN) in the first quarter of 2019. A total of RM1 million has been set aside to drive the delivery of our commitments. Our journey ahead in this area will see us exploring avenues to reduce single plastics use within our clinical operations, along with the conversion of plastic based products into recyclable paper based products. As well as that, we will maintain our efforts to minimise our business impacts on the environment, and explore further initiatives for recycling and maintaining hygiene in our healthcare operations.

SUSTAINABILITY STRATEGY

AS OF 2018, OUR SUSTAINABILITY STRATEGY IS DRAWN UP BY THE RISK AND SUSTAINABILITY COMMITTEE, AND IS CLOSELY ALIGNED WITH THE GROUP'S RISK MANAGEMENT PROCESS. THIS APPROACH ENSURES THAT WE REMAIN ON TRACK WITH OUR SEVENTH STRATEGIC THRUST OF CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS, WHICH IS UNDERPINNED BY THE SUSTAINABILITY DEVELOPMENT AGENDA AND OUR COMMITMENT TO EMBED IT INTO THE HEART OF HOW WE DO BUSINESS.

More details on our Seven Strategic Thrusts can be found in the Group Strategy section on pages 28 to 29 of our Integrated Report.

> IDENTIFY RISKS ASSOCIATED WITH SUSTAINABILITY ISSUES VIA OUR RISK MANAGEMENT PROCESS
>
> ↓
>
> BASED ON RISKS IDENTIFIED, ENSURE POLICIES AND PROCESSES ARE IN PLACE TO ADDRESS STAKEHOLDER CONCERNS
>
> ↓

PROTECTION OF PATIENTS	PROTECTION OF OUR EMPLOYEES	PROTECTION OF OUR ASSETS
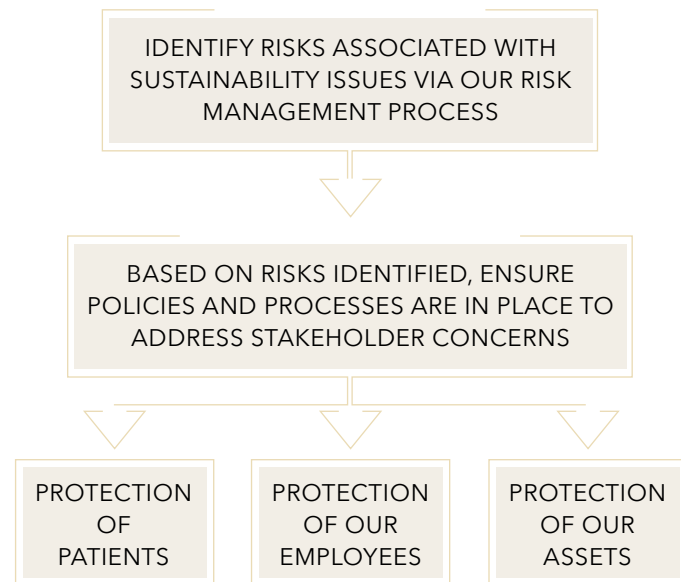
SUSTAINABILITY GOALS

Based on our Sustainability Strategy, each year we review and refine our Sustainability Goals and put in motion plans to achieve our goals. In 2018, we refined our goal of Ethical Behaviour to Anti-Competitive Behaviour in line with our commitment to ensure that the business practices we employ with regards responding to competition in the healthcare sector does not jeopardise patient safety and choice. The following comprised KPJ's Sustainability Goals for 2018.

ADHERENCE TO REGULATORY REQUIREMENTS Complying with local and international healthcare related quality and regulatory standards	**ANTI-CORRUPTION** Upholding the principles of transparency and accountability, and fighting corruption in all we do	**RESPONSIBLE PRODUCTS AND SERVICES** Ensuring that our products and services positively impact lives, especially in the areas of privacy, health and safety
ANTI-COMPETITIVE BEHAVIOUR Preserving ethical business practices across the Group	**ENERGY AND RESOURCES MANAGEMENT** Reducing our carbon footprint while improving our management of resources	**COMMUNITY INVESTMENT** Creating positive social impact on communities by contributing to their socio-economic wellbeing
SAFETY AND HEALTH Anticipating, recognising, evaluating and controlling hazards arising at the workplace that could impair the health and wellbeing of our people	**WORKFORCE INCLUSION AND DIVERSITY** Building and nurturing a diverse and inclusive workforce, including at Board and Management level	**TALENT MANAGEMENT** Implementing effective talent management strategies to strengthen our workforce and ensuring continuous succession planning, with a sharp focus on our consultants and key healthcare professionals

ALIGNING OUR SUSTAINABILITY GOALS WITH THE UN SDGs

As a responsible corporate citizen, KPJ is committed to embedding the UN SDGs into our healthcare operations and processes. In 2018, we began our chapter in this area through two focused efforts:

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

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

SUSTAINABILITY STRATEGY

SUSTAINABILITY GOALS	KPJ SUSTAINABILITY INITIATIVES	UNITED NATIONS SDGs
Adherence to regulatory requirements	Certification, Accreditation and Standards **(Materiality Economic 6)**	6 CLEAN WATER AND SANITATION / 17 PARTNERSHIPS FOR THE GOALS
Anti-corruption	Our Workforce **(Materiality People 2)**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Responsible products and services	Patient Satisfaction **(Materiality Economic 1)**	3 GOOD HEALTH AND WELL-BEING
	Delivering Safe and Excellence Clinical Care (**Materiality Economic 2)**	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION
	Improving Efficiency with Technology **(Materiality Economic 3)**	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Access to Quality Healthcare **(Materiality Economic 5)**	3 GOOD HEALTH AND WELL-BEING
	Waste Management **(Materiality Environmental 1)**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Anti-competitive behaviour	Our Workforce (**Materiality People 2)**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Energy and resources management	Waste Management **(Materiality Environmental 1)**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Water Consumption (**Materiality Environmental 2)**	6 CLEAN WATER AND SANITATION
	Energy Consumption (**Materiality Environmental 3)**	7 AFFORDABLE AND CLEAN ENERGY / 11 SUSTAINABLE CITIES AND COMMUNITIES / 13 CLIMATE ACTION
Community investment	Community Outreach (**Materiality People 1)**	1 NO POVERTY / 3 GOOD HEALTH AND WELL-BEING
Safety and health	Safety at the Workplace (**Materiality People 7)**	8 DECENT WORK AND ECONOMIC GROWTH
Workforce inclusion and diversity	Our Workforce (**Materiality People 2)**	5 GENDER EQUALITY / 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Diversity (**Materiality People 6)**	5 GENDER EQUALITY
Talent management	Training and Career Development **(Materiality People 3)**	4 QUALITY EDUCATION
	Employee Benefits and Welfare **(Materiality People 4)**	3 GOOD HEALTH AND WELL-BEING / 10 REDUCED INEQUALITIES
	Employee Engagement **(Materiality People 5)**	3 GOOD HEALTH AND WELL-BEING
	Nurturing Future Medical Professionals **(Materiality Economic 4)**	4 QUALITY EDUCATION

SUSTAINABILITY MATERIALITY FOR 2018

3 GOOD HEALTH AND WELL-BEING

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

KPJ conducts annual reviews of our sustainability materiality to ensure that they remain aligned with our greater purpose, objectives and strategies. In 2017, we had enhanced our materiality areas which was previously elaborated under Patient Satisfaction, by separating Clinical Services as Materiality Economic 2 - Delivering Safe and Excellent Clinical Services as a new Materiality Matter within our Economic sphere. We also identified how each of our Sustainability Materiality outcomes were aligned with the United Nations Sustainable Development Goals (UN SDGs), as well as healthcare focus areas outlined by WHO. All of our activities and initiatives are complemented by our patients' needs, discussed under Materiality Economic 1 - Patient Satisfaction.

SUSTAINABILITY
MATERIALITY FOR 2018

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

SDG	SDG TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
NO POVERTY	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Prioritising the health needs of the poor	Materiality People 1 - Community Outreach	Amount spent on community outreach program (KWAN)	GRI Standard 203-2 : Significant indirect economic impact
ZERO HUNGER	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	Addressing the causes and consequences of all forms of malnutrition	Materiality Economic 6 - Certification, Accreditation and Standards	Breast Feeding Hospital Initative (BFHI) certification	WHO's goal to avoid over a million child deaths each year and WHO's Global Nutrition Targets 2025

SDG	SDG TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
GOOD HEALTH AND WELL-BEING	3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-five mortality to at least as low as 25 per 1,000 live births	Ensure healthy lives and promote well-being for all ages	Materiality People 1- Community Outreach	Baby Hatches	Government Initiatives
			Materiality People 4 - Employee Benefits and Welfare	Employee Benefit and Welfare, Advocating Work -life Balance	GRI Standard 401-2 - Benefits which are standard for full-time employees of the organization; Parental Leave
	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being		Materiality Economic 2 - Delivering Safe and Excellent Clinical Services	MPSG - Goal No. 9 to reduce patient falls	MPSG- Key Areas of Safety Goal #3: Implementing evidence-based "best practice" and safety measures
			Materiality People 5 - Employee Engagement	Provides smoke-free health facilities (national legislation)	WHO Global Health Observatory Indicator (adapted)
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all		Materiality Economic 1 - Patient Satisfaction	Customer Satisfaction Index	GRI Standards 416-1 Assessment of the health and safety impacts of product and service categories
			Materiality Economic 5 - Access to Quality Healthcare	Senior & Assisted Living Care	Government's Initiative
QUALITY EDUCATION	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	Supporting High Education for All to Improve Health & Health Equity	Materiality Economic 4 - Nurturing Future Medical Professionals	Education Sponsorship	GRI Standard 404-1 - Employee Training and Education
			Materiality People 3 - Training and Career Management	Training and development in clinical programmes	GRI Standard 404-1 - Employee Training and Education

SUSTAINABILITY
MATERIALITY FOR 2018

SDG	SDG TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and girls everywhere	Fighting Gender Inequalities, Including Violence Against Women	Materiality People 2 - Our Workforce	Grievance Mechanism – Sexual Harassment	UN Global Compact - Oxfam Poverty Footprint PF-18.5
	5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation		Materiality People 6 - Diversity	Basic Salary and Remuneration of Women to Men	GRI Standards 202-1 - ratio of the entry level wage by gender
6 CLEAN WATER AND SANITATION	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	Preventing Disease Through Safe Water Sanitation for all	Materiality Environmental 2 - Water Management	Provides safely managed drinking water services	WASH Pledge and Guiding Principles for Implementation WWS2.1
				100% - facilities provide functioning wash services to patients and staff.	CEO Water Mandate's Corporate Water Disclosure Guidelines
	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations		Materiality Economic 2 - Delivering Safe and Excellent Clinical Services	MPSG - Goal No. 3 – Hand Hygiene	MPSG- Key Areas of Safety Goal #2: Managing major and significant aspect of safety risk to patients receiving health care - To implement WHO's 1st Global Patient Safety Challenge: "Clean Care is Safer Care"
7 AFFORDABLE AND CLEAN ENERGY	7.3 By 2030, double the global rate of improvement in energy efficiency	Promoting Sustainable Energy for Healthy	Materiality Environmental 3 - Electricity Consumption	Energy Consumption	GRI Standards 302-1 - In joules, watt-hours or multiples, the total (i) - Electricity Consumption
8 DECENT WORK AND ECONOMIC GROWTH	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Promoting Health Employment as a Driver of Inclusive Economic Growth	Materiality People 7 - Safety At The Workplace	Safety at the Workplace	UN Global Compact-Oxfam Poverty Footprint PF – 13.10 Occupational health and safety

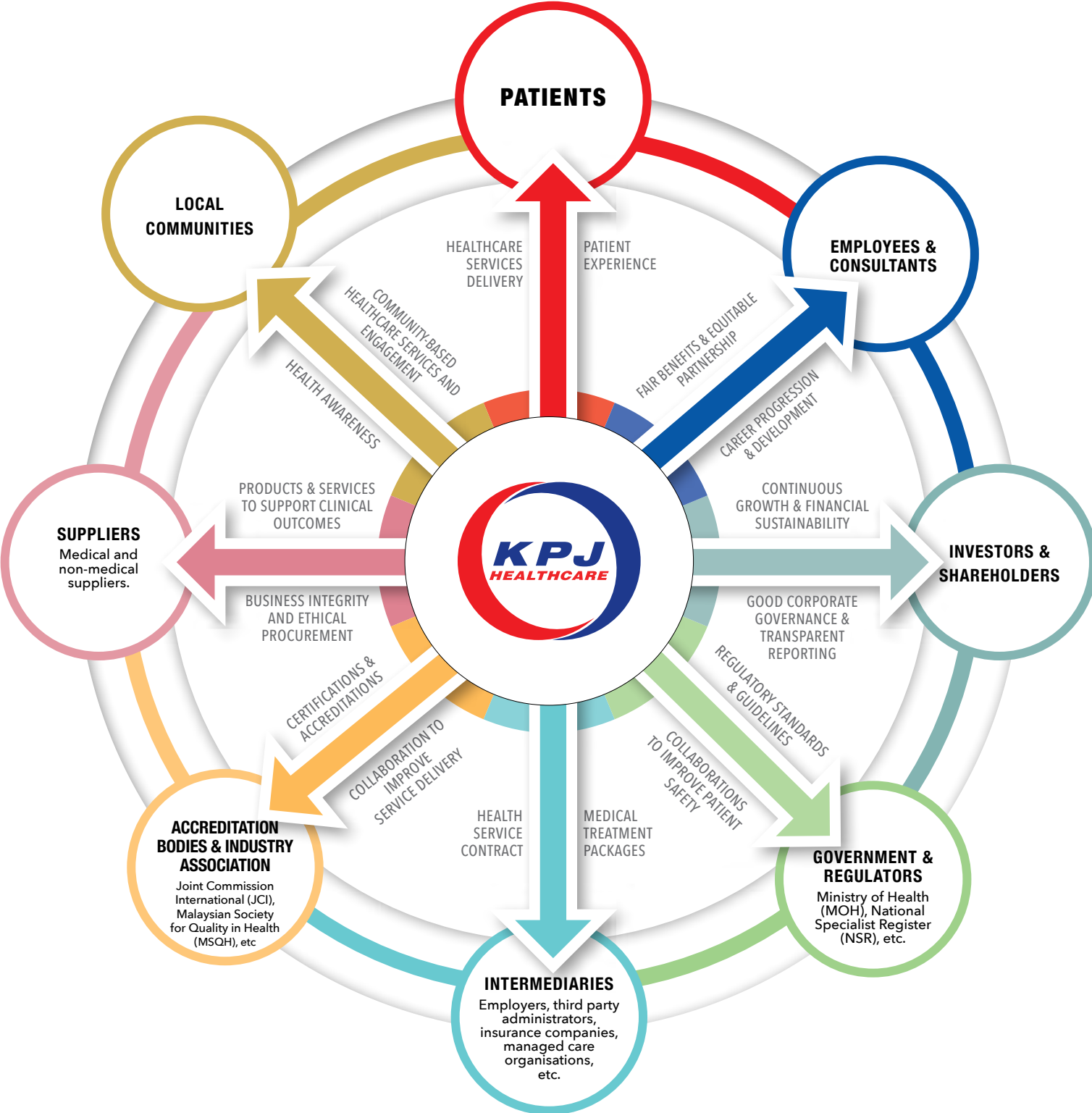| SDG	SDG TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	Promoting National R&D and Manufacturing of Affordable Essential Medical Products	Materiality Economic 3 - Improving Efficiency with Technology	Digital Transformation Value Innovation Platform (VIP) Programme with Malaysia Digital Economy Corporation MDEC	Government's Initiatives
REDUCED INEQUALITIES	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Ensuring Equitable Access to Health Services Through Universal Health Coverage Based on Stronger Primary Care	Materiality People 4 - Employee Benefits and Welfare	Employee Benefit and Welfare, Advocating Worklife Balance	GRI Standards 401-2 Benefits which are standard for full-time employees of the organization; Health care
SUSTAINABLE CITIES AND COMMUNITIES	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Fostering Healthier Cities Through Urban Planning for Clearer Air and Safer and More Active Living	Materiality Environmental 3 - Electricity Consumption	Reduction of energy consumption	GRI Standards 302-4(a) - Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
				Reduction of GHG emissions	GRI Standards 305-5 GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO_2 equivalent
RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Promoting Responsible Consumption of Medicine to Combat Antibiotic Resistance	Materiality Environmental 1- Waste Management	Waste by type and disposal method	GRI Standard 306-2 - Total weight of hazardous waste, with a breakdown by the following disposal methods : Other (clinical waste disposal contractor)

SUSTAINABILITY
MATERIALITY FOR 2018

SDG	SDG TARGETS	SDG FOCUS IN HEALTHCARE (WHO)	KPJ SUSTAINABILITY MATERIALITY	DISCLOSURE	SOURCE
13 CLIMATE CHANGE	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Protecting Health from Climate Risk and Promoting Health Through Low Carbon Development	Materiality Environmental 3 - Electricity Consumption	Training and awareness program the impact of energy consumption towards climate change	Activities and initiatives to manage Climate Change one of it, EMS 14001 environmental standards
16 PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTION AT ALL LEVELS	16.5 Substantially reduce corruption and bribery in all their forms	Empowering Strong Local Institutions to Develop, Implement, Monitor and Account for Ambitious National SDG Response	Materiality People 2 - Our Workforce	Publicly stated commitment to work against corruption in all its forms, including bribery and extortion.	The 10th Principle Against Corruption B.1
17 PARTNERSHIP FOR THE GOALS	17.14 Enhance policy coherence for sustainable development	Mobilizing Partners to Monitor and Attain the Health-Related SDGs	Materiality Economic 6 - Certification, Accreditation and Standards	Personal Data Protection Act 2010 (PDPA), ISO Integration with Management Systems, Accreditation of Joint Commission International (JCI) and Malaysian Society for Quality in Health (MSQH), 5S, Planetree	Government, Regulators, Accreditation Bodies and Industry Associations

STAKEHOLDER MANAGEMENT

KPJ's involvement in the healthcare sector affects a diverse spectrum of stakeholders within a complex interrelated system. Our stakeholder ecosystem details out the way in which adapt, innovate and refine our healthcare service model's systems and clinical processes in our quest to provide patient-centric medical services. It also plays a critical role in how we comply with changing healthcare regulations and policies, as we navigate other considerations such as changing disease patterns and healthcare needs in an evolving healthcare landscape. Our stakeholder ecosystem in 2018 comprised the following interrelated groups who bear the most influence on KPJ's business.

OUR STAKEHOLDER ECOSYSTEM

PATIENTS

LOCAL COMMUNITIES

EMPLOYEES & CONSULTANTS

HEALTHCARE SERVICES DELIVERY

PATIENT EXPERIENCE

COMMUNITY-BASED HEALTHCARE SERVICES AND ENGAGEMENT

FAIR BENEFITS & EQUITABLE PARTNERSHIP

HEALTH AWARENESS

CAREER PROGRESSION & DEVELOPMENT

PRODUCTS & SERVICES TO SUPPORT CLINICAL OUTCOMES

CONTINUOUS GROWTH & FINANCIAL SUSTAINABILITY

SUPPLIERS
Medical and non-medical suppliers.

INVESTORS & SHAREHOLDERS

BUSINESS INTEGRITY AND ETHICAL PROCUREMENT

GOOD CORPORATE GOVERNANCE & TRANSPARENT REPORTING

CERTIFICATIONS & ACCREDITATIONS

REGULATORY STANDARDS & GUIDELINES

COLLABORATION TO IMPROVE SERVICE DELIVERY

COLLABORATIONS TO IMPROVE PATIENT SAFETY

ACCREDITATION BODIES & INDUSTRY ASSOCIATION
Joint Commission International (JCI), Malaysian Society for Quality in Health (MSQH), etc

HEALTH SERVICE CONTRACT

MEDICAL TREATMENT PACKAGES

GOVERNMENT & REGULATORS
Ministry of Health (MOH), National Specialist Register (NSR), etc.

INTERMEDIARIES
Employers, third party administrators, insurance companies, managed care organisations, etc.

STAKEHOLDER MANAGEMENT

PATIENTS

STAKEHOLDER RELEVANCE	Patients are the cornerstone of KPJ's business and we place emphasis on enhancing the quality of life of our patients by providing comprehensive high-quality healthcare services. KPJ strives to be the most trusted provider of healthcare services in Malaysia.

METHODS OF ENGAGEMENT
- Customer Satisfaction Survey
- Corporate and hospitals' websites
- Comprehensive integrated social media presence
- Health-related information magazines
- Health Awareness Days

- Service Brochures with hospital information

FREQUENCY
- Quarterly
- Ongoing
- Quarterly

- According to the World Health Organisation's (WHO) calendar

KEY FEEDBACK/ EXPECTATIONS
- Delivery of quality healthcare and services
- Best possible clinical outcomes
- World class facilities and technology
- Patient experience within KPJ's hospital environment

- Respecting the needs and satisfaction levels of patients
- Health awareness and information
- Patient and family engagement during the recovery process

KPJ'S RESPONSE TO STAKEHOLDER EXPECTATIONS
- Standardised Customer Satisfaction Index (CSI), to enable comparative measurement of patient satisfaction among KPJ's hospitals and benchmark them with previous years' achievements
- The quality and safety of patient care is material for KPJ. Among the list of safety statistics and data collected to measure outcomes are:
  i. Clinical Indicators & Performance/Outcomes
  ii. Infection Control
  iii. Mortality & Mobidity

- KPJ contributes towards a sustainable healthcare system through improved patient access and maximising the use of latest technology in patient care to maintain patients' loyalty
- Encourage hospitals to initiate activities to increase patients' satisfaction such as voluntary programmes

IMPACT AND LINK TO STRATEGIC THRUSTS

Impact on Strategy
Concerns raised can impact KPJ's ability to offer quality healthcare services and best clinical outcomes. It also affects our ability to create sustainable long-term value for our stakeholders.

Link to Strategic Thrusts

02   07

EMPLOYEES & CONSULTANTS

STAKEHOLDER RELEVANCE	13,395 employees (which include 4,197 nurses and 1,768 allied health professionals) and 1,036 consultants are valuable human capital and their trust and respect are vital to KPJ's success. We listen and respond to their needs and concerns through effective communication. KPJ invests in our employees' welfare and programmes as the preferred employer of choice. KPJ communicates and invests in a marketing strategy for new packages and services, including sub-speciality and procedures, new medication and technology offered by our consultants.

	METHODS OF ENGAGEMENT • Town hall meetings such as our Corporate Address - PEDOMAN • Employee performance review • Staff wellness and recognition programmes • Talent Management Day • Employee Engagement Survey • Consultant - Management Meetings	**FREQUENCY** • Twice a year • Annually • Quarterly

KEY FEEDBACK/ EXPECTATIONS	• Training and development of employees • Recognition and competitive remuneration • Ethical leadership • Fair and equitable benefits • Recruitment and retention of skilled staff	• Provide positive workplace culture and a safe work environment • Address the shortage of key medical staff • Consultants' engagement with public • Address the long waiting time for patients due to ineffective process • Equitable partnership provisions of medical amenities

KPJ'S RESPONSE TO STAKEHOLDER EXPECTATIONS	• Fair and equitable employee benefits and welfare provision • Every employee is committed to ethical behaviour as set out in the Group's Code of Ethics and Business Conduct • Safety at the Workplace • The Group aims to minimise KPJ's environmental impact and guides employees in the identification and management of all risks and opportunities through our sustainability awareness program • Provide opportunity and involvement of the consultants in hospitals' activities to educate the public	• Provide well-trained staff, latest equipment and updated systems with KCIS2 and HITS2 • Provide well-trained staff with Disaster & Emergency Management Plan, Clinical Related (Code Blue, Code Pink) • Provide efficient medicine supply systems to ensure uninterrupted availability and accessibility of essential medicines • KPJ conducts ICC annually, as a platform for innovation to ease the patient's journey in their dealing with KPJ hospitals such as waiting time

IMPACT AND LINK TO STRATEGIC THRUSTS	**Impact on Strategy** Our employees and consultants expectations are related to KPJ providing them a safe, motivating and rewarding work environment and workplace. It is important that, the Management continues promoting a positive working environment at all times.	**Link to Strategic Thrusts** 02 05 06

STAKEHOLDER MANAGEMENT

INVESTORS & SHAREHOLDERS

KPJ's primary objective is to create value for our shareholders as the owners and providers of equity capital to the business. The Group is accountable to its stakeholders, and reports to shareholders and the public by effectively providing communications on our operational and financial performance.

METHODS OF ENGAGEMENT
- Financial Results
- Investor Relations Presentations which are available on the website at http://kpj.listedcompany.com/slides.html
- Corporate website
- Analyst meetings
- General Meetings (Annual General Meeting/Extraordinary General Meeting)
- Participation in Investor Roadshows/conferences

FREQUENCY
- Quarterly

- Ongoing
- On request basis
- Annually

- Continued growth and financial sustainability
- Clear and transparent reporting
- Good Corporate Governance

- Consistent financial and non-financial performance
- Timely reporting of results, data and statistics pertaining to operational and financial performance
- Transparent disclosure of corporate responsibility, integrity and accountability as enshrined in Malaysian Code on Corporate Governance 2017
- Transparent disclosure of Environmental, Social and Governance (ESG) in corporate reporting as provided in FTSE4Good Bursa Index, the globally recognised index launched by the FTSE Group, owned by the London Stock Exchange.

Impact on Strategy
Our investors and shareholders are linked to our shareholder wealth creation agenda.

Link to Strategic Thrusts

07

GOVERNMENT & REGULATORS

Our business model relies on full compliance to all affected regulations. The Group engages with various government bodies on a continuous basis.

Key government regulators include the Ministry of Health (MOH), Department of Occupational Safety and Health (DOSH), Department of Environment (DOE), BOMBA Resources (MOHR), along with Ministry of Higher Education (MOHE) for KPJ's education arm, KPJUC.

METHODS OF ENGAGEMENT
- Licence applications
- Inspection of facilities
- Active engagement on healthcare legislation/regulation
- Representation on government bodies - Dean of School of Nursing KPJUC is appointed as a Member of the Malaysian Nursing Boards

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

- Cost of private healthcare
- Enforcement to improve on patient safety via the Malaysian Patient Safety Goals
- Addressing training needs and skills shortage
- Regulatory reforms relating to hospital planning
- Awareness on safety measure for employee
- Promoting Environmental Sustainability

- KPJ's adherence to regulatory requirements and strategic response to the healthcare market and commitment to manage climate change is embedded into our Group's management and operations, and cascaded down to all business units

Impact on Strategy
The Government and regulators bear an impact upon our ability to offer quality healthcare services and our accountability in our stewardship of natural resources.

Link to Strategic Thrusts

01   02   03   06

INTERMEDIARIES

STAKEHOLDER RELEVANCE	All players in healthcare funding, such as employers, third party administration, insurance companies and managed care organisations, with privately insured patients remain the Group's largest client base. As at 2018, we had dealings with 200 intermediaries.

METHODS OF ENGAGEMENT
- Regular meetings regarding possible cost savings, clinical quality and healthcare delivery improvements
- Contract negotiations and renewal
- Update on promotions and value added services
- Panelship agreement

FREQUENCY
- Weekly/monthly/annually meetings

KEY FEEDBACK/ EXPECTATIONS	- High quality of services rendered in hospitals to garner high patient satisfaction levels - The price/cost of healthcare in private hospitals especially in medical treatment packages and services - Revised contracts and agreements - Panelship for new KPJ hospitals with major corporate clients
KPJ'S RESPONSE TO STAKEHOLDER EXPECTATIONS	- Corporate Client Management is a fundamental part of our Customer Service philosophy, particularly in relation to intermediaries and their activities and performance - In terms of quality and patient safety, KPJ shares and discuss relevant information to address healthcare intermediaries concerns
IMPACT AND LINK TO STRATEGIC THRUSTS	**Impact on Strategy** Our relationship with healthcare intermediaries affect the Group's ability to offer a wide range of healthcare packages and services. **Link to Strategic Thrusts** 01 04 06

STAKEHOLDER MANAGEMENT

ACCREDITATION BODIES & INDUSTRY ASSOCIATIONS

MSQH is an accreditation body promoting continuous quality improvements and safety in the Malaysian healthcare industry. As at January 2019, there were 57 accredited private hospitals in Malaysia. KPJ accounts for 33% of the accredited private hospitals in Malaysia, with 19 of our hospitals having MSQH accreditation.

Four of our hospitals are JCI accredited. Out of a total of 13 JCI accredited private hospitals in Malaysia, 31% are KPJ hospitals.

KPJ is also a member of the Association of Private Hospitals in Malaysia (APHM), which plays an important role in achieving the objective of raising of standards of medical care within the country.

METHODS OF ENGAGEMENT
- Membership of the following bodies:
  - 2 of KPJ's Management serve as President and a Treasurer in MSQH, respectively
  - KPJ Medical Director and Senior Management serves as Board members in APHM
  - KPJ Nursing Officer of KPJ serves as Nursing Committee Member in APHM
  - KPJ's Board serves as Specialty Subcommittee Medicine of Pediatric Respiratory Medicine in National Specialist Register (NSR).
- Participation in conferences

FREQUENCY
- Annually – MSQH's AGM
- Annually – APHM Conference
- Meetings by the representatives of MSQH, APHM and others

- KPJ Policy emphasis on accreditation based on industry standards are communicated through APHM and MSQH vis-à-vis MOH, MOF, etc

- KPJ complied with the MSQH 5th Edition Accreditation Standard in relation to hospital accreditation

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

Link to Strategic Thrusts

01 02 03 06

www.kpjhealth.com.my

SUPPLIERS

LOCAL COMMUNITIES

	SUPPLIERS		LOCAL COMMUNITIES	
STAKEHOLDER RELEVANCE	In order to deliver high quality healthcare services, we are dependent on a large and diverse range of suppliers such as medical and non-medical suppliers. KPJ relies on our vendors and suppliers to deliver products and services of the highest quality in line with internal, regulatory and accreditation agency standards.		KPJ is committed to a sustainable long-term engagement by Klinik Waqaf An-Nur (KWAN) with the communities within which our network of healthcare services operates. We practice an engagement policy of mutual understanding, trust and reliability. Significant investment in social healthcare services and education is made annually by hospitals. KWAN has served 1.5 million patients since its inception in 1985.	
	METHODS OF ENGAGEMENT • Regular Meetings with medical and non-medical suppliers • Contract negotiations • Product demonstrations and evaluations • Trainings and collaboration in events	**FREQUENCY** • Weekly, monthly, quarterly and annualy meetings	**METHODS OF ENGAGEMENT** • Klinik Waqaf An-Nur (KWAN) either as Static or Mobile Clinics • Baby Hatches • Educating the Public • Medical Camps • Reach-out Programmes	**FREQUENCY** • 1 KWAN per year • Weekly/Monthly activities by the hospitals • Annually
KEY FEEDBACK/ EXPECTATIONS	• Compliance with applicable regulatory requirements and quality standards • Availability of products and services and ability to provide continuous support • Fair and transparent negotiations		• Health awareness • Affordable and accessible healthcare • Development of communities with solidarity, social welfare, health and safety	
KPJ'S RESPONSE TO STAKEHOLDER EXPECTATIONS	• The Group is focused on streamlining and centralising our procurement processes to improve on efficiency and cost effectiveness • The procedure for the selection of suppliers/ contractors is based on consistency in promoting sustainable development, being environmentally friendly and concerns regarding corporate reputation. • Formal procurement processes apply regarding tenders, contracting and preferred supplier agreement • Overall responsibility for clinicians lies within the Clinical Governance Framework • Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ's Corporate Integrity Agreement (CIA) and the KPJ Safety, Health and Environmental Policy		• Continuous investments in identified community engagement programmes, in line with World Health Organisation's promotions and initiatives • Expanding reach of social healthcare services targeting urban poor and rural areas • In order to serve quality healthcare and services to our communities, 8 of KWAN clinics are MSQH accredited	
IMPACT AND LINK TO STRATEGIC THRUSTS	**Impact on Strategy** Our suppliers are a key enabler in achieving our objective to offer quality healthcare services. **Link to Strategic Thrusts** 01 04 07		**Impact on Strategy** Our engagements with local communities provide a platform for us to showcase our good corporate citizenship practices. **Link to Strategic Thrusts** 02 07	

ECONOMIC

KPJ's patient-centric healthcare model is premised on ensuring that our patients are satisfied with the quality of care that are provided at our hospitals and senior & assisted living care facilities. Patient satisfaction remains the cornerstone of our business model, in contributing to the value and recognition of the KPJ brand, so that it is synonymous with high quality healthcare experience, which is both compassionate and delivers on patients' medical and non-medical needs.

GOLD-LEVEL EXCELLENCE IN PERSON-CENTRED CARE (PLANETREE)

2 HOSPITALS
(KPJ Ampang Puteri & KPJ Damansara)

the first 2 in the Asia Pacific region to receive this certification

CUSTOMER SATISFACTION

87.4%

Customer Satisfaction Index score improved from 87% in 2017

PATIENT SAFETY

19 HOSPITALS

KPJ accounts for 33% of the total MSQH accredited private hospitals in Malaysia

SECURED EMPLOYMENT

85%
KPJUC GRADUATES

1,486 graduates since 2016

MATERIALITY	SUSTAINABILITY AREA	LINK TO UN SDGs	
MATERIALITY ECONOMIC 1	Patient Satisfaction	3 GOOD HEALTH AND WELL-BEING	Good Health and Well-Being
MATERIALITY ECONOMIC 2	Delivering Safe and Excellence Clinical Services	3 GOOD HEALTH AND WELL-BEING	Good Health and Well-Being
		6 CLEAN WATER AND SANITATION	Clean Water and Sanitation
MATERIALITY ECONOMIC 3	Improving Efficiency with Technology	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure
MATERIALITY ECONOMIC 4	Nurturing Future Medical Professionals	4 QUALITY EDUCATION	Quality Education
MATERIALITY ECONOMIC 5	Access to Quality Healthcare	3 GOOD HEALTH AND WELL-BEING	Good Health and Well-Being
MATERIALITY ECONOMIC 6	Certification, Accreditation and Standards	2 ZERO HUNGER	Zero Hunger
		17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals

Materiality Economic 1:

Patient Satisfaction

3 GOOD HEALTH AND WELL-BEING

SDG Target 3.8

TO ENSURE THAT WE SUSTAIN HIGH LEVELS OF PATIENT SATISFACTION WITHIN OUR NETWORK OF HOSPITALS, THE GROUP HAS IN PLACE A NUMBER OF CUSTOMER SERVICE TOOLS, INITIATIVES, TRAINING PROGRAMMES AND PROCESSES THAT EMPHASISES ON CONTINUOUS IMPROVEMENTS WITHIN A WORKPLACE CULTURE THAT PLACES OUR PATIENTS AT THE CENTRE OF ALL OUR EFFORTS.

Total number of staff trained in customer service

	Target (% of total no. of staff)		
	65%	65%	70%

Achievement (staff)

2016	6,235
2017	9,312
2018	11,786
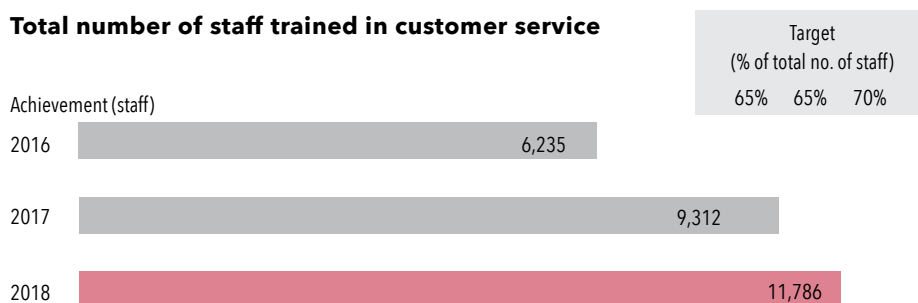
ECONOMIC

Customer Feedback

A key method by which we monitor our customer service levels is through obtaining regular feedback from our patients at the service unit level, on their hospital stay, upon their discharge. Based on the customer service feedback, we are able to enhance and upgrade services rendered according to current expectations and trends.

To enhance KPJ's competitiveness through service delivery improvement programmes and strengthen customer loyalty through customer engagement, Service Quality Management (SQM) Audits are conducted to ensure that our customer service levels are commensurate with best practice and reflect the service quality levels we aspire towards. The audits are conducted to ensure compliance to our customer service process.

Based on customer feedback, improvements are advised and recommended to hospitals in order to improve our customer service quality and enhance customer satisfaction.

Service Environment Audits (SEA) are also conducted in line with ascertaining that our hospitals' facilities and ambience are well maintained and serviceable. These are set as performance indicators for each of our hospitals within our healthcare network. In 2018, we enhanced the SEA by adding the Premier Ward Service Checklist with the objective of standardising services for the VIP and Premier rooms in our hospitals, and to enhance room amenities and offerings. For the year under review, our Customer Satisfaction Index recorded a summary result performance of an average of 87.4% for our Group of hospitals.

KPJ Service Quality Coach Programme

A key form of customer training our hospital staff participate in is the KPJ Quality Service Coach (SQC) programme, which is available throughout our network of hospitals. The programme provides intensive training courses focusing on customer services conducted by KPJ own certified coaches. Staff who participate in this training programme then graduate as Service Quality Coaches, and impart their newfound knowledge and skills to their fellow colleagues in the hospitals. Since this programme's inception in 2016, we have produced a total of 60 dedicated Service Quality Coaches as at end 2018.

Customer Services Workshops

Our SQM division is tasked with the objective of ensuring quality services are delivered within our network of hospitals in line with excellence standards. One of the primary means by which it ensures this objective is through inculcating a service oriented mind set, based on culture and service innovation amongst our employees through ongoing customer service workshop. In 2018, a total of 34 workshops were conducted for the Group and more than 1,100 KPJ staff took part in them.

Number of Customer Service Workshops

2016	2017	2018
20	33	34
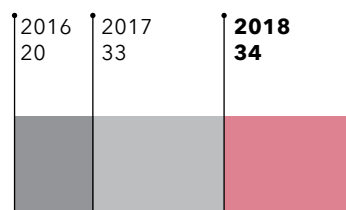
Number of Employees Who Participated

2016	2017	2018
900	1,000	1,128

Customer Satisfaction Index Achievement

86.1% 2016
87% 2017
87.4% 2018
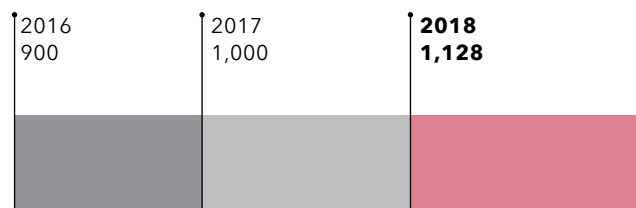
SQM Mentoring Programme

The SQM Mentoring Programme (SMP) is a structured nine-day programme designed to equip candidates with the right mind set, tools and techniques to conduct one-to-one mentoring and counselling. The programme is also intended to create new service leaders within KPJ's network of hospitals. As at end 2018, SQM has certified 17 mentors.

SQM Portal

KPJ's SQM portal comprises of three components as follows:

- **Patient Communication Management System (PCMS)**

  The PCMS has been designed to function as a workflow system for managing patient complaints and requests while monitoring service level agreements to ensure responses are timely and effective.

  The objectives of PCMS are:

  I — Accountability and Work Flow Management - to better manage Service Level Management of complaints to achieve timely responses on customer complaints and/or requests.

  II — Knowledge Base - to create a knowledge base so hospital personnel can reference similar cases to understand previous actions and leverage on those previous actions for speedier resolutions.

  III — Analytics and Reporting - to monitor the trend of complaints and performance of departments and hospitals with regards to the timeliness of resolutions and decreasing previous complaints types in cases of repetitive complaints.

- **SQM External Survey**

  The SQM External Survey allows for automated online surveys which track patient satisfaction and measure patient loyalty through the use of Net Promoter Score (NPS) surveys. We had implemented NPS Group-wide in the third quarter of 2018 to enhance our SQM External Survey. As well as that, we introduced new survey questions.

- **Service Initiative System**

  The aim of the service initiative system is to act as a knowledge base where our group of hospitals are able to share their service enhancements and service innovation initiatives. In 2018, we held a service initiative competition at the KPJ Quality Convention held in KPJ Damansara. The hospitals presented their best initiatives in digital transformation, customer engagement activity and enhanced internal processes. SQM plans to introduce some of the presented initiatives as initiatives to be implemented Group-wide.

Standard People Practice

KPJ's Standard People Practice (SPP) manual outlines best practices in customer service and provides KPJ Service Quality Coaches a valuable reference tool with which they are able to train their peers. As at end 2018, we have achieved 100% conversion of our SPP Manual 2018 edition into easy to access videos for our employees.

We also added 12 new SPP recitals depicting new and enhanced internal processes which were approved for implementation in 2018.

KPJ Care Card

In 2017, we had implemented the KPJ Care Card loyalty programme at our hospitals to reward frequent and returning customers such as discounted rate for Room & Board, Executive Screening and KPJ Healthshoppe. Further updates to the KPJ Care Card will be conducted once migration to KCIS2 and HITS2 are completed. We were able to successfully expand our base of loyal customers, with more than 55,000 KPJ customers signing up for the KPJ Care Card in 2018, compared to 22,367 the previous year.

Total no. of customers sign up for KPJ Care Card

2017 — 22,367 → 2018 — ± **55,000**

Corporate Client Management (CCM)

Our corporate clients form a growing revenue segment for the Group, comprising of corporate entities in Malaysia which provides healthcare benefits for their employees. The CCM function is centralised at Group-level, and manages end-to-end coverage of our services for this target group consisting of strategic partnerships, client servicing, improving operational integration with insurance providers and third party administrators. In 2018, our main focus was on renewing customer growth through account retention and expanding our customer base. To ensure this, we centred our efforts on aligning customer expectations with our performance to increase revenue growth from corporate clients.

A key initiative we conducted was embarking on an online portal for outpatient specialist guarantee letters (GL) and e-billing, with the objective of increasing the efficiency of the admission workflow process, thus ensuring greater customer satisfaction. The online portals initiated by Medkad Sdn Bhd and Healthmetrics were successfully executed at all KPJ hospitals. Besides that, we also collaborated with Prudential Assurance Malaysia Berhad (PAMB) on the Hospital Alliance Services (HAS) portal with an Electronic Pre-Authorisation Form (E-PAF), which is a web-based system designed with functions to assist doctors with the HAS processes. Since its inception, all front liners and doctors have been using the e-form to request pre-authorisation letters from PAMB. As at November 2018, the portal has been implemented at 23 KPJ hospitals.

With the launch of KPJ Perlis Specialist Hospital in 2018, we focused on building up a panel of major corporate clients for our new healthcare facility. During the year, we brought on board major corporate clients from the healthcare insurance sector and Managed Care Organisations (MCO). Additionally, we formalised business relationships through Hospital Service Agreements between major corporate clients and KPJ Perlis.

To add to our value proposition, we launched the KPJ Baby Programme in our network of hospitals with the aim of increasing the number of deliveries

ECONOMIC

and postnatal services, thus indirectly contributing to growing patient numbers at KPJ hospitals. The program extends special benefits and privileges to all new-born babies and mothers nationwide upon registering with our KPJ Care Card. As at December 2018, 304 applications have been generated through this programme.

We also made our hospitals more baby friendly by creating a conducive environment for breast feeding new-borns. This is in tandem with Ministry of Health (MOH) campaigns promoting exclusive breastfeeding for new-borns till they are six months old, as well as growing trends amongst mothers to offer their children breast milk as a healthier alternative to formula milk. By engaging with our corporate clients on this programme, we can leverage on existing partnerships and strengthen our business relationships, as well as seek out new corporate customers.

During the year, to remain on course with continuous improvements for our corporate clients, we developed a corporate clients' feedback survey to measure corporate clients' level of customer satisfaction towards our services. The implementation of the survey will commence in the first quarter of 2019.

Planned Preventive Maintenance (PPM)

PPM is used as a tool by which we manage our hospital network to ensure that all our medical devices and equipment are well maintained and in excellent condition. Our PPM activities are conducted by our intrapreneur company, Pride Outlet Sdn Bhd. In 2018, Pride Outlet launched its website *https://pridebiomed.com* in October to showcase their activities and services to our hospital. As at 2018, they have provided PPM services to 21 hospitals in our Group, and conducted 6,867 PPM activities, an increase of 42% from the previous year.

No. of PPM activities

increase
42%

2016	2017	2018
2,496	4,836	6,867
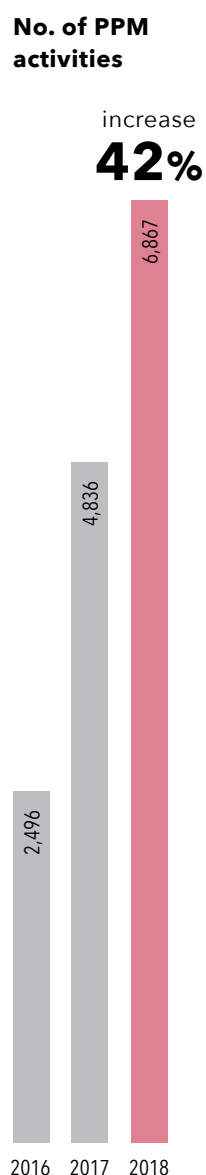
Reducing Patients Waiting Times

In 2017, KPJ had implemented an ICC excellence project comprising of a case study on patients average waiting times on admission and discharge within 18 hospitals in our network. We continued with this in 2018 and were able to record some commendable outcomes.

As well as this, six of our hospitals implemented the Lean Management programme, as an improvement tool, and their efforts were recognised by the Malaysia Productivity Corporation (MPC). The details of the Lean Management programme implemented are as follows:

NO.	HOSPITALS	LEAN PROJECT
1	**KPJ Johor**	Enhance the efficiency of operating theatre (OT) booking procedure and documentation (OT Information System)
		Enhance the efficiency of preparing and dispensing medication to outpatient
2	**KPJ Penang**	Reduction of Inventory in KPJ Penang
		Ensure completeness of billing for inpatients from admission until discharge
		To reduce total lead time for discharge from 6 hours to 3 hours
		To ensure completeness of nursing charges at Accident and Emergency (A&E)
3	**Kedah Medical Centre**	To reduce in-patient discharge waiting time from 6 hours to 3 hours
		To reduce outpatient (cash paying) lead time from arrival to exit at Physician Clinic
		Reducing stock turnover days in Kedah Medical Centre
4	**KPJ Klang**	Preventing J-Tube Contamination During Administer Contrast Media
5	**KPJ Perdana**	To reduce outpatient treatment time (orthopedic and x-ray) from 60 minutes to 30 minutes.
		To reduce discharge waiting time for cash payer in Jasmine ward – (post natal case) from 1 hours to 30 minutes
		To reduce discharge waiting time for patient with GL
		To improve the efficiency in preparation of disposal items to A&E services
6	**KPJ Selangor**	Improvement of discharge process
		Admission monitoring system

The Lean Management training will be expanded to other hospitals within the KPJ Group of hospitals and companies to enhance efficiency and improvements in internal processes with the aim of reducing patients' waiting times.

During the year, KPJ continued with initiatives to reduce patients' waiting times as follows:

Patient to fill up digital forms by using a digital tablet and the data is automatically sent to various departments for all tests	Implemented an online appointment system at 16 hospitals in 2018	Introduced payment kiosks in 2018 for billing which patients can utilise using a credit or debit card	Managed the flow of patients, with each staff given a specific role within the patient journey, beginning from the patient's arrival, till they seek treatment, based on the Lean Management principle	Developed standardisation of waiting times at Accident and Emergency Services

However, it is inevitable that patients do undergo some element of waiting for their appointments and discharges. In the event of this occurring, we have in place the following measures to make their wait as comfortable as possible:

- Facilities in hospital lobbies within the reception, lobby and other waiting areas which provide for a pleasant space and experience.

- Providing reading materials, complimentary coffee and tea, free WiFi, TV entertainment, and other amenities to make their wait as comfortable as possible

Materiality Economic 2:

Delivering Safe and Excellent Clinical Services

3 GOOD HEALTH AND WELL-BEING

SDG Target 3.4

THE DELIVERY OF CLINICAL SERVICES COMES WITH ITS OWN SET OF SAFETY RISKS. TO ENSURE PATIENT SAFETY IN LINE WITH PROVIDING EXCELLENT STANDARDS OF HEALTHCARE,

WE HAVE IN PLACE A RANGE OF MEASURES, PROCESSES AND PROCEDURES AIMED AT REDUCING OR LIMITING CLINICAL INCIDENT RATES WITHIN MOH AND INTERNATIONAL BENCHMARKS.

Clinical Incidents
A potentially inevitable yet unintended consequence in the delivery of healthcare services is the occurrence of unforeseen events which cause or potentially cause harm to a patient. These include patient falls and medication-related incidents. With regards to clinical incidents such as these, KPJ's approach is to minimise the risk as much as possible, or reduce the rate of these incidents.

All KPJ staff are mandatorily required to report all clinical incidents, upon which proper investigations will be conducted or Root Cause Analysis (RCA) carried out to determine the causes. Based on the findings of the investigation and RCA, KPJ then implements corrective and preventive actions to mitigate against these incidents occurring in future, resulting in the reduction or minimisation of these incidents. Lessons learnt are communicated Group-wide at all levels of the organisation along with corrective measures to instil a continuous learning culture. In supporting UNSDG 3, we ensure all the initiatives and preventive measure are in place in order to detect early warning, risk reduction and management of national and global health risks.

Early Warning System/Sign

Our goal is to "RESPOND TO A SPARK BEFORE IT BECOMES A FOREST FIRE"

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To improve our patients' outcome and enhance quality of life, we also have in place a scoring system that allows earlier recognition of patient deterioration; to enable early intervention leading to fewer Code Blues. The Early Warning Score (EWS) is a tool for nurses to help monitor their patients and improve how quickly a patient experiencing a sudden decline receives clinical care.

Objectives of EWS
• To identify early signs of deterioration
• To identify patients at risk for deterioration sooner and save lives
• Form Rapid Response Team (RRT)
• Monitor the outcomes of EWS
• Monitor the activation of RRT vs Code Blue

We provide education and training that addresses how to identify early warning signs of a change in a patient's condition and how to respond to a deteriorating patient, including how and when to contact responsible clinicians.

In 2018, we commenced with the EWS pilot project for paediatric and maternity care within Klang Valley hospitals. The system is aimed at preventing morbidity and mortality cases within obstetric and paediatric patients. The initiative is aligned with SDG 3 of the 2030 Agenda to reduce maternal mortality ratio and end preventable deaths of new borns.

• **Radio Frequency Identification (RFID)**
To ensure infant safety, we have in place the Radio Frequency Identification (RFID) programme, where we tag the infant to ensure we correctly match baby and mother, and there are no cases of mistaken identity. To date, RFID has been implemented at our four most popular hospitals for maternity services namely, KPJ Damansara, KPJ Tawakkal, KPJ Sentosa KL and KPJ Seremban.

Reducing Patient Falls
An innovative method which we use to reduce patient falls is the Anti-fall Collar Sensor which is used in our adult patients who face a high risk of patient fall. We embarked on a pilot project at Kedah Medical Centre in 2017, and with its success, then proceeded to introduce it to all KPJ hospitals. We are continuing with exploring initiatives to further prevent or minimise patient falls.

Through diligent monitoring of patient falls at our hospitals, we have found that the following are the main contributory factors:
• Patient Factor – the patient had sudden giddiness/loss of balance/weaknesses/ patient feeling disoriented/delirium/ dementia/failed to call for assistance.
• Staff Factor - not providing adequate information and follow ups.

To counteract these factors, we practice the following strategies to reduce patient falls within all our hospitals:
• Continuously assessing a patient's fall risk level especially after any invasive surgery or changes in their general condition
• Integrating fall prevention measures into the nursing care plan
• Engaging with consultants, patients and family members with regards to fall preventive measures and safety initiatives
• Implement hospital-led initiatives such as anti-fall systems and ongoing awareness campaigns and programmes on the issue

Clinical Incidents (1,000 inpatient days)

2016	2017	2018
0.88	0.83	0.38
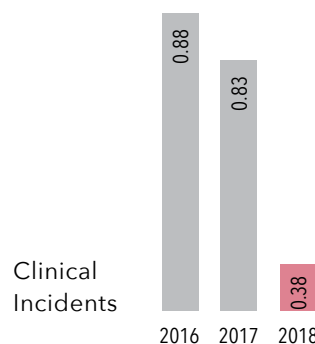
Inpatient Falls (1,000 inpatient days)

2016	2017	2018
0.22	0.21	0.20
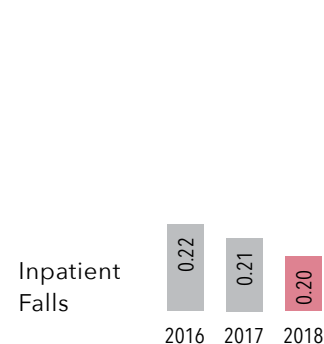
Hospital Acquired Infections (HAIs)

SDG Target 6.2
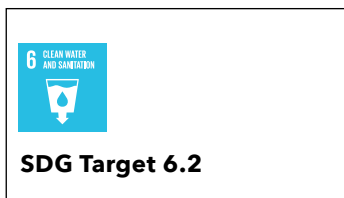
HAIS ARE BECOMING MORE COMMONPLACE WITHIN HEALTHCARE FACILITIES WORLDWIDE, LEADING TO AN INCREASE IN COMPLICATIONS ARISING FROM HEALTHCARE ASSOCIATED INFECTIONS.

Among the most common HAIs are intravascular device related infections, as well as infections acquired through the respiratory tract in critically ill patients with comorbidity. KPJ's efforts to prevent HAIs are aimed at preventing morbidity, mortality, the increase of a patient's duration of hospital stay and escalating cost.

The most common means by which HAIs are transmitted is via the hands of healthcare providers. Hand hygiene is therefore the most important and effective measure in HAI control. In supporting Target 6.2, we conduct a continuous

programme of educational interventions in sanitation and hygiene based on the World Alliance for Patient Safety ethos that "clean care is safer care". We also ensure that all healthcare providers within the KPJ Group strictly adhere to good hygiene and aseptic techniques to ensure hand hygiene.

We also engage with patients through the Patient for Patient Safety (PFPS) initiative which focuses on empowering patients to ask the healthcare provider whether they have perform hand hygiene before giving them the care they are due.

We have in place strict compliance with the MOH's hand hygiene rules, with a compliance rate of 83.4%. KPJ conducts hand hygiene audits based on WHO's guideline on the five moments when healthcare providers should perform hand hygiene.

In line with UN SDG 6 to ensure adequate and equitable sanitation and hygiene for all, KPJ hospitals conducted hand hygiene awareness for the public at our hospitals and events. The programme allows the public to learn the steps of proper hand washing with liquid sanitation and soap.

Hand Hygiene compliance rate is based on the opportunities of 5 moments as follows:

Moment No. 1: Before patient contact	Moment No. 2: Before clean and aseptic procedure	Moment No. 3: After body fluid exposure risk	Moment No. 4: After patient contact	Moment No. 5: After contact of patients' surrounding

Malaysian Patient Safety Goals (MPSG)

KPJ submits data on the 13 MPSG to the Malaysia Patient Safety Council each year. Through the years, our Group has shown improvements in our compliance.

KEY AREAS FOR SAFETY GOALS	GOAL NO.	DESCRIPTION	KPJ INITIATIVES
#1: Implementing a systematic framework for the health care sector by integrating quality, safety and risk management through Clinical Governance	1	To implement Clinical Governance	- KPJ has KPJ Clinical Governance in place. Please refer to Corporate Governance Overview and Medical Advisory Committee at page 128 and pages 139 to 144 respectively.
#2: Managing major and significant aspect of safety risk to patients receiving health care	2	To implement WHO's 1st Gobal Patient Safety Challenge : "Clean Care is Safer Care"	- KPJ's Hand Hygiene compliance rate 83.4% more than ≥75% required by MOH
	3	To implement the WHO's 2nd Global Patient Safety Challenge : "Safe Surgery Saves Life"	- KPJ patient safety goal policy on site marking for elective cases, states holding bay as the last point for marking the site. Site marking compliance is at 98%. Time out has been initiated at points of care of invasive procedures at different clinical settings and random audits are been initiated to ensure compliance
	4	To implement the WHO's 3rd Global Patient Safety Challenge: "Tackling Antimicrobial Resistance"	- KPJ adopted 10 Antibiotic Stewardship Policy (MOH) and additional two policy for KPJ's hospitals

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KEY AREAS FOR SAFETY GOALS	GOAL NO.	DESCRIPTION	KPJ Initiatives
#3: **Implementing evidence-based "best practice" and safety measures**	**5**	To improve the accurance of patient identification	- To use ID Band for registered patient in order to avoid wrong procedure/ treatment to a wrong patient
	6	To ensure the safety of transfusions of bloods and blood products	- Check points at various level by the nurse with the Consultant or Medical Office are some of the initiatives to ensure safe use of blood and blood product. However zero number of transfusion error has not been achieved
	7	To ensure medication safety	- Mentor-Mentee program for junior staff - Extemporaneous preparation and independent checking practice in accordance with Managing High Alert Medication policy - Reinforce policies and procedures 7R guidelines
	8	To improve clinical communication by implementing a critical value programme	- Notifications of critical lab and radiology results are initiated via technology. Majority of the critical results are notified within 30 minutes
	9	To reduce patient falls	- Continue to monitor re-assessing the patient's fall risk level especially after invasive procedures or changes in general condition of the patients - To engage patients and family in these safety initiatives
	10	To reduce the incidence of healthcare associated pressure ulcers	- KPJ has initiated assessment of patient who are bedridden 48 hours and more to assess the skin integrity and identify the level of risk to pressure sore. Various measures are taken up to prevent pressure sore
	11	To reduce Catheter-Related-Bloodstream Infetion (CRBSI)	- CRBSI care bundles compliance are been initiated to correlate to KPJ CRBSI rate of 0.48 per 1,000 catheter days to ensure all
	12	To reduce Ventilator Associated Pneumonia (VAP)	- VAP rate is < 10per 1,000 days meeting the National target. Generally the ventilated cases are rather low and ventilated days are rather short
#4: **Assessing and understanding issues of unsafe care**	**13**	To implement an Incident Reporting and Learning System	- KPJ's reporting of Incident & Root Cause Analysis is via Q-Radar online risk reporting system. To date, all hospitals successfully reported their incidents via Q-Radar

Antimicrobial Stewardship (AMS)

KPJ utilises AMS as a key strategy to overcome antimicrobial resistance as an essential component of healthcare service providers bring gate-keepers controlling judicious antimicrobial use. This approach ensures that antimicrobial use is carefully and responsibly managed. This is critical as it counteracts what WHO has identified as rising antimicrobial resistance amongst the global population, along with a lack of new antibiotics in the development pipeline and infections caused by multi-drug resistant (MDR) pathogens becoming increasingly difficult to treat.

Since 2010, KPJ has adopted 10 Antibiotic Stewardship Policy statements based on from MOH's "Protocol on Antibiotic Stewardship Program in Healthcare Facilities 2014" with an additional two policy statements specifically for KPJ's network of hospitals.

We conduct ongoing workshops for our pharmacists and lab managers to collaboratively develop KPJ's Guidelines on Antibiotic Panel Testing, Antibiogram Reporting and Antibiotic Usage Reporting. The Guideline focuses on surveillance and feedback mechanisms on specific antibiotic resistance and consumption, and provides practical recommendations on reporting antibiotic resistance and consumption surveillance. The implementation of these policies has been divided into two phases between 2016 and 2020.

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Quality Nursing

With around 50% of our staff comprising of nurses, nurses are the cornerstone of KPJ's patient-centric and compassionate health care provision, as the front liners who follow up on the condition of the patient. The ongoing and continuous improvement of their skills and knowledge are therefore of crucial importance in enhancing the patient's healthcare experience.

KPJ is deeply committed to supporting our nurses with their career progression, by awarding them credentialing privileges to work in specialised areas whilst awaiting post-basic certification programmes. We also offer them access to a range of continuous education programmes to upskill themselves such as Degree, Master's and PhD nursing programmes at KPJ University College (KPJUC). More information on education sponsorship and programmes for nurses is available within our Nurturing Future Medical Professionals section on pages 44 to 47 of this Sustainability Report.

When we launch new hospitals, KPJ nurse leaders identify opportunities to develop successors to be ready to take up new nursing leadership roles based on the established career pathway. Integrating KCIS2 and HITS2 into our hospital systems as digital enabling tools have enhanced the efficiency and productivity of our nurses as it allows them to retrieve patient information faster than conventional methods, thus facilitating timely test scheduling and treatment.

Nurses Initiative

- **KPJ Nursing Seminar**
  In May 2018, countries around the world celebrated International Nurses Day with the theme for of "Nurses A Voice to Lead – Health is a Human right". In line with this, KPJ celebrated Nurse's Day at KPJ Rawang on 15 May 2018.

  To support UN SDG 3 which focuses on health and well-being for all at all ages, we strive to ensure that our nurses are equipped to tackle today's health challenges, thus contributing towards good health to all. Achieving universal health coverage requires well-trained and motivated nurses who are appropriately compensated for the work that they do.

- **Magnet Hospital**
  KPJ's Magnet Hospital is a new initiative that we are adopting for our nursing fraternity. This initiative is aimed at attracting and retaining professional nurses who experience a high degree of satisfaction in their workplace and attract patients in search of the best healthcare.

  At the same time, it improves patient care, safety and satisfaction, fostering a collaborative culture, advancing nursing standards of practice, and growing our business and financial success.

In 2019, KPJ will be implementing the Magnet Hospital initiatives via a pilot project at one of our hospitals located in Klang Valley. Magnet Hospital refers to professional credentials given by the US-based American Nurses Credentialing Centre (ANCC). The prestigious ANCC recognition is awarded to hospitals which are able to exhibit nursing excellence and high quality patient care.

- **Nurses Bed Side Report (BSR)**
  BSRs have gone through a metamorphosis, moving from the nurse's station to the patient's bedside. It is carried out at the patient's bedside and is designed to improve safety and give patients a better understanding of their condition and treatment plan.

  By definition, a BSR is the change-of-shift report between the off going nurse and the oncoming nurse that takes place at the bedside. This makes patients a part of the process in the delivery of care.

  Objectives:
  - Create a patient and family centered care by giving the patient a more active role in their care;
  - Provide safer care for patients and increase patient safety;
  - Increase patient satisfaction; and
  - Improve teamwork between care providers and promote responsibility for patient's care.

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- ***ICU Level of Care***
  Comprehensive Critical Care - 3 levels of care based on clinical judgement to determine which level of care would be most appropriate based on the criteria below.

  ### LEVEL 3
  Patients requiring two or more organ support (or needing mechanical ventilation alone). Staffed with one nurse per patient and usually with a doctor available 24 hours per day.

  ### LEVEL 2
  Patients requiring more detailed observation or intervention including support for a single failing organ system or postoperative care and those stepping down from higher level of care. They are staffed with one nurse to two patients

  ### LEVEL 1
  Ward based care where the patient does not require organ support (for example, they may need an IV, or oxygen by face mask).

  Benefits of level of care in ICU:
  - Personalised care;
  - Assigning appropriate staffing with the right skill mix and qualification for the level of care required;
  - Able to identify the ideal number of ICU beds needed based on Level 2 and Level 3 patients; and
  - ICU utilisation can be identified.

Materiality Economic 3:

Improving Efficiency with Technology

SDG Target 9.2

THROUGHOUT THE WORLD, THE CHALLENGES TO HEALTHCARE DELIVERY IS INCREASING, ALONG WITH PATIENT EXPECTATIONS AND DEMANDS.

The onus is on healthcare providers to provide better healthcare outcomes through diagnosis, surgeries and treatments, as well as to run hospitals more efficiently to be able to respond to patient needs in a timely manner. The extensive and rapid growth in knowledge and technological capacity globally provides opportunities for KPJ to improve healthcare outcomes through MedTech and IT innovations. In supporting SDG 9, we support domestic technology and research development in driving our vision to be a leading healthcare provider offering excellent state of the art facilities to our patients. Our approach is to leverage on technologies such as Cloud, Social, Mobile, Internet of Things (IoT), 3D Printing, Genomics and Big Data to create new business avenues and improve our healthcare offerings to ensure we provide our patients and customers with the best solutions.

IBM Watson for Oncology
IBM Watson for Oncology is the MedTech KPJ brought on board in 2017 to improve the outcomes of cancer diagnosis and treatments. The platform combines leading oncologists' deep expertise in cancer care to help clinicians identify individualised cancer treatments for their patients. IBM Watson for Oncology is armed with a database of information from relevant guidelines, best practices, and medical journals and textbooks. The solution assesses information from a patient's medical record, evaluates medical evidences, and displays potential treatment options which is ranked by level of efficacy of the treatment based on medial evidences. The oncologist can then apply their own expertise to identify the most appropriate treatment options. It is available as a Cloud-based software-as-a-service

technology which doctors can access as and when they need to.

As at end 2018, KPJ had licences to utilise the cognitive platform in five of our hospitals, namely KPJ Damansara, KPJ Ampang Puteri, KPJ Johor, KPJ Ipoh and KPJ Sabah. A total of six of KPJ's Oncology Consultants have obtained licenses by IBM to utilise this platform. Continuous discussions were conducted with doctors on improving the application utilisation during the year. For 2018, a total of 150 cancer cases were used in consultations.

KCIS2 and HITS2
In 2018, KPJ continued with its journey in upgrading its native HIS system, namely KCIS (KPJ Clinical Information System) and HITS (KPJ Health Information System) to KCIS2 and HITS2 in a Cloud Computing Information System. Cloud Computing, an initiative in the Industry 4.0 Revolution, enables KCIS2 and HITS2 as a Core System help our business to rapidly adapt to changing technology to improve business efficiency by lowering operational costs and enable future growth.

Patients will experience an integrated and more secured medical records by enabling information sharing among care providers in a mobile and agile environment. It will extend its system collaboration with tech titans by enabling services through Internet of Things (IoT), inside and outside of the hospital to serve patients as well as enhance patient outcomes by increasing the use of Artificial Intelligence (AI) to enhance early detection and warning for critical diseases.

Through the year, we continued with upgrading hospital systems and by end 2018, seven hospitals had been upgraded with HITS2 and six with KCIS2 as follows.

7
HITS2

- KPJ Selangor
- KPJ Kajang
- Taiping Medical Centre
- KPJ Kluang
- KPJ Sentosa
- KPJ Pahang
- KPJ Perlis

7
KCIS2

- KPJ Selangor
- KPJ Klang
- Taiping Medical Centre
- KPJ Kluang
- KPJ Sentosa
- KPJ Perlis
- Kedah Medical Centre

10
Target 2019

- KPJ BDO
- KPJ Pahang
- KPJ Klang
- KPJ Rawang
- KPJ Johor

- KPJ Sabah
- KPJ Miri
- KPJ Batu Pahat
- KPJ Sibu
- KPJ Pasir Gudang

Upgrading Patients Data Security

Following on from our decision the previous year, in 2018 KPJ embarked upon the upgrading of patients' data security by implementing the User Access Matrix (UAM). UAM is applied within the KCIS2 and HITS2 framework as KCIS2 UAM and HITS2 UAM.

KCIS2 UAM and HITS2 UAM are based on MOH User Access Policy (UA Policy) and guidelines aimed at maintaining the confidentiality of patients' electronic information and to set standard guidelines for system design and implementation. The UA Policy fulfils the legal requirements of various laws, regulations, rules and circulars including The Medical Act 1971, The Malaysian Medical Council (MMC) Ethical and Guidelines and Ministry of Health Circulars and Guidelines such as Management of Patient Records in Hospitals and Medical Institutions (2010) and ICT Security Policy (2010).

More details on KCIS2 and HITS2 can be found within our Operational Review section on pages 90 to 91 of our Integrated Report.

3D Printing

Since 2017, KPJ has been utilising 3D printing at the KPJ KL Dental Specialist Centre within Tawakkal Health Centre where our maxillofacial surgeons use this technology in surgeries for their patients. It has proven to be a beneficial technology to leverage on in healthcare, with studies showing that 3D printing-led surgeries saves on 30% of surgery time, as well as providing more precision for patients. This ensures patients are fitted with implants individually shaped for their bodies, and correspondingly reduces any potential for failure or follow up corrective surgeries.

More details on our 3D printing surgeries can be found within our Operational Review on page 73 of our Integrated Report.

Online and Mobile Appointment Booking Systems

Since its launch in 2017, we have been progressively implementing our online booking system within our network of hospitals. This has greatly reduced waiting times for patients, and has resulted in an increase by 47% from 2017 of 947 appointments scheduled each month within our Group of hospitals. As at end 2018, 16 of our hospitals have been integrated with the online appointment booking system.

We also launched the mobile application KPJ Connect in 2017, which became available on Play Store and Apple Store in 2018. The app allows for users to make appointments with doctors, find doctors and specialists within the KPJ Group, find KPJ the hospitals located closest to them, ask doctors questions and health tips. It has proven to be popular, and since has had around 500 downloads since its launch.
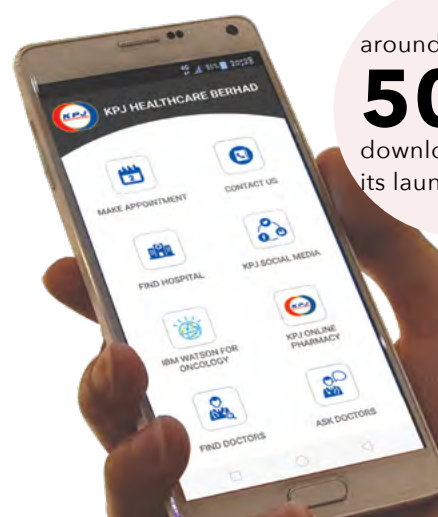
around
500
downloads since its launch

Available on

PAYMENT KIOSK PILOT PROJECT IN KPJ TAWAKKAL

A significant move in 2018 was the payment kiosk pilot project in KPJ Tawakkal. The aim of the project was to test the viability of payment kiosks as a long-term solution to reduce customers waiting times when paying their bills. Before piloting the project, we conducted system testing to ensure that all systems were working efficiently. To cascade this throughout the KPJ network of hospitals, we have identified the need to enhance KCIS2 and HITS2 changes in workflows by allowing kiosk integration to divert patients to an alternate payment option instead of only relying on cashiers. We plan to embark on this in 2019.

The Evolution of Payment Kiosks	The Payment Kiosk Solution	Challenges Identified
First introduced in 1977 for informational purposes at the University	Changes business process flow	Culture change
In the early 1980s, an Interactive Voice Response Unit was integrated	All patients to make kiosk payment as alternate service instead of cashier dependence	Process change
In the late 1980s, consumers began demanding more innovative self-service technology to reduce waiting times	Increase the efficiency of billing and back-end finance services	HIS systems upgrades
By the 1990s, significant advances had been made in self-services kiosks and increasing spending mechanisms	Increasing the efficiency of billing when the patient receives bills via SMS and increases the efficiency in back-end finance services	Alternate payment solutions available such as JOMPay, AliPay and SamsungPay
	Reducing Credit Interest Cost through online banking services and other payment gateways	Digital information experience brings on the dilemma of Mobile POS versus Kiosk
	New technology adoption	
	Introduces the Kiosk System	
	Secures payment and customer security assurance	
	Enhanced platform	
	Integrated JOMPay as an electronic gateway payment	

KPJ Kiosk Payment Flow System
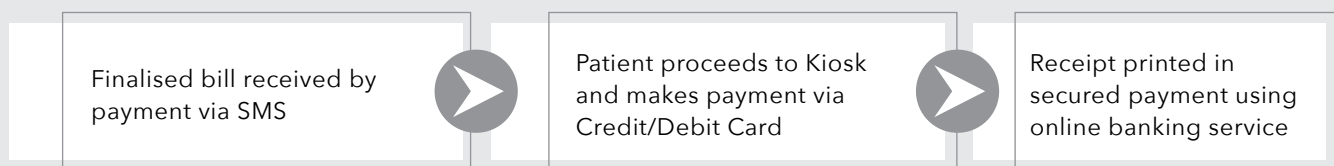
Finalised bill received by payment via SMS	▶	Patient proceeds to Kiosk and makes payment via Credit/Debit Card	▶	Receipt printed in secured payment using online banking service

Digital Transformation Value Innovation Platform (VIP) Programme with Malaysia Digital Economy Corporation (MDEC)

In line with UN SDG 9 of supporting domestic technology development and innovation, KPJ had signified our commitment to MDEC's VIP Programme which is conducted in collaboration with Rainmaking Innovation UK in 2017. During the year, we made significant progress on this government initiative to drive digital adoption by businesses in Malaysia. The Digital Transformation VIP Programme provides a platform to assist businesses in selected verticals in embracing digital innovation. KPJ was one of the six Malaysian companies to be selected to sign on to the programme, which provides a structured approach to kick-start digital transformation within an organisation.

Our primary involvement is through the Rainmaking Project within the digital vertical of telemedicine. We commenced with the DoctorOnCall.com.my pilot initiative in December 2018, and will continue with its implementation during the coming year. Our involvement in this project is subject to regulations within MOH's amendment of the Telemedicine Act 1997.

RAINMAKING PROJECT

Rainmaking is a global cooperative of entrepreneurs which serves as an accelerator where start-ups can co-work in partnerships. For the Malaysian project, three pilot areas were recommended, namely:

Remote patient monitoring and surveillance	Patient registration	Communication and collaboration

KPJ's involvement is within the remote patient monitoring and surveillance space, which falls within the vertical of telemedicine, focuses on the remote delivery of healthcare services such as health assessments or consultations over the telecommunications infrastructure.

Benefits of Telemedicine

FOR HEALTHCARE GROUP	FOR PATIENTS

SIMPLE
Device with a camera and high-speed internet

PREVENTIVE
Delivering more preventive care

Reduce no-shows/cancellations	**CONVENIENT** Deliver behavioural health services from your home, office or when travelling Reduce waiting time
	AFFORDABLE Offering more affordable care service

REMOTE AREA
Able to reach to the areas that are not having the specialties

RELATIONSHIP
Strengthening patient relationships

Challenges of Telemedicine

Doctors' acceptance of the technology	Regulatory and legal challenges such as licensing, liability and legality	Population readiness to adopt with preconceived bias on efficacy of remote health monitoring

ECONOMIC

Start-up Selection

The project underwent a rigorous selection process which involved sourcing potential start-ups from 135 separate data sources. Rainmaking then shortlisted 26 start-ups for a more detailed review, after which the list was trimmed down to 12 candidates. Further due diligence in terms of interviews and other procedural processes reduced this list to the top five finalist start-ups.

The start-up that KPJ is working with is DoctorOnCall, a Malaysian-based company whose digital medical application connects with patients, doctors, insurers, pharmacies and third party administrators (TPA) to deliver remote care. It also solves last-mile medication delivery services to the doorstep, which results in medication cost reducing by 30% to 40%. DoctorOnCall has agreed to white label their solution for KPJ Group, and has contracts in place with six insurers, two major pharmacy chains and three TPA. It has an experienced and strong management team with industry backgrounds in corporate strategy and the healthcare sector.

There are six KPJ specialist took part in the Telehealth pilot project with DoctorOnCall.

KPJ Pilot Project

The pilot project is being conducted with consultants at KPJ Damansara, KPJ Rawang and KPJ Tawakkal Health Centre focusing on the following areas:

- Rehabilitation and Speech therapy
- Oncology
- Rheumatology
- Ophthalmology
- Gastroenterology
- General Medicine

As we move into 2019, we will be able to evaluate the data we have collected from our pilot project, and make the necessary refinements to the programme to enhance patient care.

Retail Online Pharmacy and Fully Online Pharmacy

Our retail pharmacy has been providing a more accessible and convenient customer journey via www.kpjshoppe.com since end of December 2017 where customers can purchase almost 1,000 health related non-prescription items online. Based on our online record, 65% customers are spending on supplements, 15% on foot care and 20% on other items.

To expand access to prescription items, KPJ commenced with the plan for online-prescriptions going live in the near future. This is an ongoing project and throughout the year, we continued to develop our online pharmaceutical model in line with our future plans to enable us to fill our e-prescriptions.

More details on our pharmacies can be found within our Operational Review on page 81 of the Integrated Report.

Employee Innovation Day Talks

We continued with holding Employee Innovation Day Talks focusing on Healthcare 4.0, as one of the ways in which we are inculcating an innovation mindset and culture within our employee base. This is part of the holistic employee experience we are creating so as to build a strong culture of innovation within the Group. In 2018, a total of eight Innovation Talks were conducted, in collaboration with various partners as follows:

17 January 2018
Robotics - Pepper Showcase

27 January 2018
Genomics - Precision Medicine

10 March 2018
Commerce and Digital Marketing - Outlook 2018

14 April 2018
3D Augmented Reality in Healthcare

28 April 2018
Home health/ACC and 3D Hologram Building

29 September 2018
Google Glass by Roboxa

13 October 2018
Dato' Amiruddin Abdul Satar - IDC Malaysia Digital Transformation Leader Award

24 November 2018
University Malaya CIME Innovative Products

Nurturing Future Medical Professionals

SDG Target 4.3

OUR EDUCATION ARM, KPJ HEALTHCARE UNIVERSITY COLLEGE (KPJUC) PROVIDES A COMPREHENSIVE RANGE OF MEDICAL AND HEALTHCARE EDUCATION PROGRAMMES, THROUGH WHICH IT IS CONTRIBUTING TOWARDS NURTURING THE CAPACITIES OF FUTURE MEDICAL PROFESSIONALS IN THE COUNTRY.
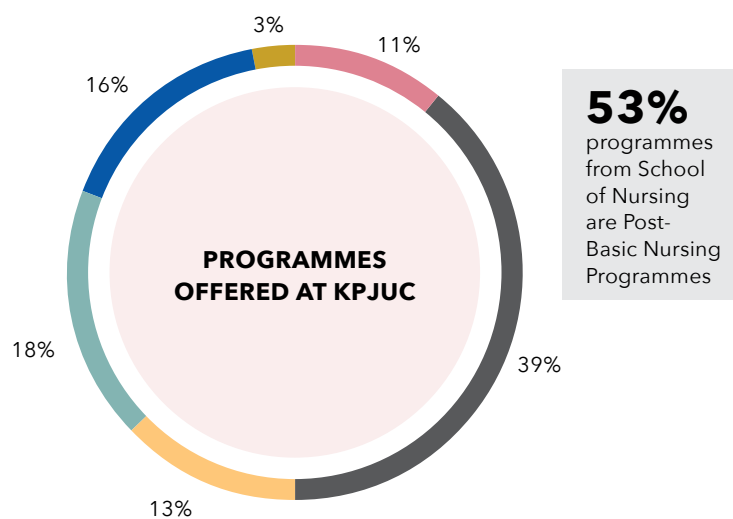
Established in 1991, KPJUC has three campuses across Malaysia with two located in the state of Johor and another in Penang. Throughout the years, KPJUC has established itself as a premier medical and healthcare education provider, and is now recognised as the number one private college offering Diploma in Nursing. It leverages on support from KPJ's 25 hospitals in Malaysia, and more than 1,000 specialist doctors acting as mentors and advisors.

At KPJ, we believe that KPJUC will be at the core of the achievement of Target 4.3 of the 2030 Agenda to ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university studies. From our point of view, access to quality education has presented a barrier to individual and social development, with inequal access to higher education the main reason for the continuation of poverty. Thus, KPJUC is a valuable asset to expand our capital, as well as a driver for new medical breakthroughs with its research centre.

A point of pride for us is KPJUC being the only private medical university college allowed to conduct Medical Specialist Programmes in the country, namely Master of Otorhinolaryngology (Head and Neck Surgery), Master of Radiology, Master of General Surgery and Master of Orthopaedic. We added more short-term programmes such as life support and paediatric programmes which are proving more popular. As at year end, KPJ now has 38 courses with an additional three new courses within its stable of education programmes. A complete list of medical education programmes can be found on KPJUC's website *https://www. kpjuc.edu.my*

In 2018, three new programmes were introduced as follows.

PROGRAMME	DURATION	RATIONALE
Healthcare Assistant Course	4 months	To assist nurses to provide better patient services
Diploma in Healthcare Management	3 years	To accommodate the demand for better hospital administration and management. This is to ensure that staff understand the overall standing of healthcare institutions which is different from the administration of a general office.
Bachelor in Healthcare Management (KPJUC Nilai)	3 years	A continuation from diploma to degree level of healthcare management.

PROGRAMMES OFFERED AT KPJUC

3%, 11%, 16%, 18%, 13%, 39%

53% programmes from School of Nursing are Post-Basic Nursing Programmes

- School of Medicine
- School of Nursing
- School of Pharmacy
- School of Health Sciences
- School of Business & Management
- Centre for Global Professional and Social Development

Areas of study
1. Otorhinolaryngology
2. Radiology
3. General Surgery
4. Orthopaedic
5. General Nursing
6. Midwifery Nursing
7. Critical Care Nursing
8. Renal Nursing
9. Pharmacy
10. Pharmaceutical Science
11. Physiotherapy
12. Medical Imaging
13. Occupational Therapy
14. Psychology
15. General Healthcare Management
16. Healthcare Information Management

ECONOMIC

Academic Healthcare Centre (AHC)

In 2018, KPJ continued to put in place the mechanism to launch our first AHC the following year. The aim of the AHC is to provide KPJUC students with the opportunity of hands on training within real clinical environments, providing our students the opportunity to spend almost 45% of their school hours within hospitals, thus allowing them to put their theoretical knowledge into practice in a real hospital environment.

The pilot AHC project will be launched at KPJ Seremban Specialist Hospital where both KPJUC and the hospital will collaborate to form an integrated centre with the tripartite mission of excellent healthcare services, education and research. This approach ensures that academics, healthcare professionals and students are brought together in a real world setting, where they can engage in a scientific and clinical environment looking at different MedTech, treatment modalities and informatics.

Programmes under AHC are as follows:

DEPARTMENT/SCHOOL	PROPOSED ACTIVITY/INVOLVEMENT
Physiotherapy	Clinical attachment for outpatient services
Medical Imaging	Continuous Professional Development (CPD) training
Pharmacy	Outpatient services on counselling for medication
Nursing	• 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 • KCIS access
Centre for Global Professional and Social Development	CPD training focusing on soft skills

Research and Development (R&D)

R&D activities are conducted within KPJUC as part of its domain as a university college. Each year, we allocate RM50,000 for new research, excluding external grants which the medical school or project teams are able to access. For the year 2019, we have successfully obtained a research grant from the Government valued at RM72,500.

We also conduct training on how to develop research questions, to review medical and healthcare literature and journals, to conduct interviews and surveys, and to write analysis and findings.

The following table outlines KPJUC's research and development activities in 2018.

SCHOOLS/CENTRE	ONGOING	NEW	RESEARCH COMPLETED	SUBMITTED FOR EXTERNAL GRANT	PAPER PUBLICATION		CONFERENCE/WORKSHOP PRESENTATION	
					INDEXED JOURNAL	NON-INDEXED JOURNAL/ OTHERS	INDEXED CONFERENCE	NON-INDEXED CONFERENCE/ OTHERs
School of Medicine	10	1	-	-	1	1	-	6
School of Pharmacy	28	2	2	-	26	11	-	8
School of Health Sciences (Medical Imaging)	14	-	8	-	3	5	2	7
School of Health Sciences (Physiotherapy)	22	2	20	-	-	6	-	1
School of Nursing	7	5	-	-	-	6	-	7
School of Business & Management	4	2	-	-	-	-	1	-
Centre of Global Professional Social Development	4	1	-	-	1	2	-	-
Research Management Centre	-	-	-	5	-	-	-	-
TOTAL	**89**	**13**	**30**	**5**	**30**	**32**	**3**	**29**

Research activities conducted in 2018

Total research projects conducted			Total papers published in journal	Presentation papers at Conference
13	**89**	**30**	**62**	**32**
new	ongoing	completed		
	2017 : 135	2017 : 46	2017 : 23	2017 : 44

ECONOMIC

Education Sponsorship

Throughout the years, we have offered education sponsorships to talented and ambitious students who do not have the financial means to support their studies in the field of nursing. Among them are full and partial scholarship programmes for our nursing staff who have shown promise and dedication in their jobs.

AMONG THE CHALLENGES DURING THE YEAR, WAS A REDUCTION IN EXTERNAL FUNDING FOR STUDENT LOANS, WITHIN THE NON-KPJ STAFF STUDENT COMMUNITY. THIS WAS MAINLY DUE TO SLOWER ECONOMIC GROWTH OVER THE PAST TWO YEARS, WHICH HAS LED TO A REDUCTION IN THE AVAILABILITY OF STUDENT LOANS.

KPJ has been working on a potential solution by looking into student financial assistance programme via contributions through KPJ Zakat.

In 2018, we sponsored a total of 85 staff and students in their education, of which 73 were for our staff to pursue the Post-Basic Nursing Programme.

Post Basic Nursing Programme

	2017	2018
Professional Certificate in Education Training for Nursing & Professional	3	2
Professional Certificate in Critical Care Nursing	40	20
Certificate in Renal Nursing	13	13
Certificate in Paediatrics Nursing	17	17
Advanced Diploma in Midwifery Nursing	7	8
Post-Basic Certificate in Renal Nursing (Johor Bahru Campus)	3	3
Post-Basic Certificate in Orthopaedic Nursing	9	8

Secured Employment for KPJUC Graduates

To set our graduates on a promising career path, we have consistently assisted them by securing employment within our hospitals and other subsidiaries. In 2018, a total of 90% of KPJUC graduates secured their future employment in this manner. This has helped us in our hospital network expansion strategy as it ensures we have a ready pool of educated and trained talent to man our new hospitals to ensure a smooth start-up. We also direct our graduates to other healthcare providers in the country wherever possible.

| SCHOOL	TOTAL GRADUATES	2016-2018 EMPLOYER			
		KPJ Hospitals	Private Hospitals	Other Employer	Further Study
School of Medicine	3	-	3	-	-
School of Nursing	766	698	55	11	-
School of Pharmacy	496	116	70	176	82
School of Health Science	284	59	47	81	60
School of Health Sciences – Medical Imaging	140	32	56	19	20
School of Business & Management	69	33	14	16	2
TOTAL	**1,758**	**938**	**245**	**303**	**164**

Secured Employment since 2016 **85%**

No of students received sponsorship from KPJ since 2016 **630** students

More details on KPJUC can be found within our Operational Review on page 86 of the Integrated Report.

www.kpjhealth.com.my

Materiality Economic 5:

Access to Quality Healthcare

SDG Target 3.8
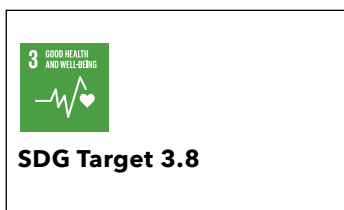
UNIVERSAL ACCESS TO QUALITY HEALTHCARE IS ONE OF THE OBJECTIVES WHICH HAS BEEN OUTLINED BY THE 11TH MALAYSIA PLAN 2016 – 2020.

As a responsible corporate citizen, and in line with our own strategy of creating value for our stakeholders, KPJ has been advancing universal access to healthcare within our model of healthcare delivery through a variety of different initiatives. Our initiatives focus on enhancing targeted support, especially for underserved communities in rural areas, as well as expanding capacities to increase public accessibility.

Medical Air Services

Following on from the launch of our medical air services at KPJ Sabah Specialist Hospital in December 2017, throughout the year we continued to build strong foundations for this new area of service. Our medical air services are targeted at people living in rural and remote areas in the state of Sabah. It is conducted via a strategic collaboration with a third party vendor to provide medical air lifting services to transport patients from Tawau, Lahad Datu and Sandakan to KPJ Sabah. The service involves a KPJ medical team onboard to accompany the patient and provide any necessary emergency and stabilising treatments. In 2018, a total of 13 patients utilised this service.

Improving Access to Pharmacies

A crucial component of an accessible healthcare system is one where patients can easily obtain the medicines they have been prescribed with. In expanding public access to pharmacies, KPJ Healthshoppe has focused on increasing its network of retail pharmacies. As at end 2018, there are five outlets located in KPJ Selangor, KPJ Damansara, KPJ Pahang, KPJ Tawakkal and KPJ Johor.

We also embarked into full flede retail pharmacy under the name of JX Pharmacy which will be located in strategic locations within Klang Valley, Selangor and Johor. We are expecting six JX Pharmacy will be opened in 2019. The first JX Phamarcy outlet was launched in 2018 at Street Mall, Bandar Baru Bangi.

More details on our pharmacies can be found within our Operational Review on page 81 of the Integrated Report.

Senior & Assisted Living Care

The aging population demographic is a fast growing trend which is having implications on the type of healthcare services and treatments required. In line with Target 3.8 of the 2030 Agenda, KPJ supports government efforts to achieve universal health coverage at all ages. Along with National Policy for Older Person 2011, by the Ministry of Women, Family and Community Development, we commenced our Senior & Assisted Living Care (SALC) initiative in 2011. KPJ is providing care for the senior citizen segment through our SALC homes which provides the aged with assisted nursing care services in a home like atmosphere. We added one SALC in 2018 and currently have five centres as follows:

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

More details on our Aged Care Centres can be found within our Operational Review on page 76 of the Integrated Report.
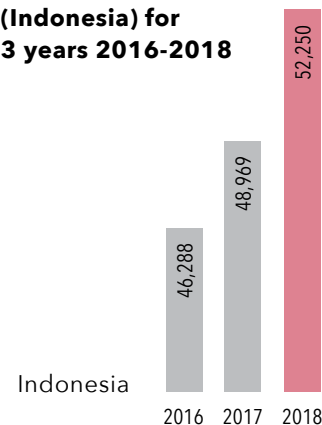
Health Tourism

Health tourism (HT) or medical tourism is one of the strongest sectors of growth within the healthcare industry in Malaysia.

This is predominantly down to the excellent levels and standards of healthcare services we have in the country. Malaysia has remained at the top of the list of preferred healthcare tourism destinations for a number of years, a clear sign of the levels of healthcare available here.

- ***KPJ Info Centre***
  Our KPJ Info Centres located in Dhaka, Bangladesh and three in Indonesia (Batam, Padang & Palembang). By opening KPJ Info Centres in Indonesia, the number of Indonesian patients will see an increase tremendously.

**Statistic of HT Patients (Indonesia) for 3 years 2016-2018**

Indonesia: 2016: 46,288 | 2017: 48,969 | 2018: 52,250

ECONOMIC

Enhancement of Health Tourism segment

Our new area of focus on marketing and expansion activities are Vietnam and Brunei, with a four hour flight journey from Kuala Lumpur and at the same time, we maintain our focus on the superpower markets of China and India as stated in our strategic focus in 2018.

Statistic of HT Patients (China & India) for 3 years 2016-2018

China

6,627 (2016) | 7,002 (2017) | 8,558 (2018)

India

8,365 (2016) | 9,796 (2017) | 10,826 (2018)
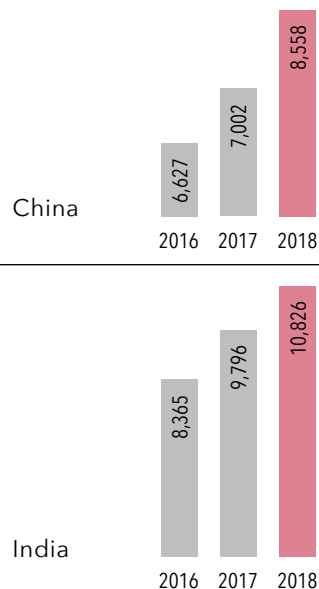
HT Friendly Hospitals

HT friendly hospitals are hospitals with International Patient Centre and HT Liaison Officer.

More details on Medical Tourism can be found within our Operational Review on page 75 of the Integrated Report.

Confinement Centre

In 2018, KPJ launched its first Confinement Care Centre at Damai Wellness in Kota Kinabalu providing new mothers who have been recently discharged with personalised care for them and their babies in the comfort of their home. Currently we have six residents and upfront bookings up to July 2019. The after birth care confinement services commenced in the first week of December 2018, with 10 suites and 6 twin sharing rooms. Among the services offered are:

i.   Confinement packages priced between RM5,500 for shared rooms and RM8,500 for single rooms
ii. Options for special confinement meals which are outsourced to suppliers
iii. Additional add-on services available for traditional massages and spa services which are outsourced to suppliers

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Materiality Economic 6:

Certification, Accreditation and Standards

17 PARTNERSHIPS FOR THE GOALS

SDG Target 17.14

WE BELIEVE IN ENSURING THAT OUR NETWORK OF HOSPITALS ARE ABLE TO PROVIDE HIGH QUALITY HEALTHCARE SERVICES TO OUR PATIENTS.

As such, a key mechanism by which we manage and control the quality of our healthcare facilities and services is by adhering to the requirements and criteria of internationally and locally recognised certification, accreditation and standards. In line with Target 17.14 we are working together with accreditation bodies to support international cross-sector initiatives and to reach global alignment on sustainable business behaviour with an aim to make sustainability "business as usual" towards patients safety.

Baby Friendly Hospitals

2 ZERO HUNGER

SDG Target 2.1

THE BABY FRIENDLY HOSPITAL INITIATIVE (BFHI) AND CERTIFICATION IS A GLOBAL PROGRAM THAT WAS LAUNCHED BY THE WORLD HEALTH ORGANISATION (WHO) AND THE UNITED NATIONS CHILDREN'S FUND (UNICEF) TO ENCOURAGE AND RECOGNISE HOSPITALS AND CENTRES THAT OFFER OPTIMAL LEVELS OF CARE FOR INFANT FEEDING AND MOTHER/BABY BONDING.

Breastfeeding is the best way to provide infants with the nutrients they need. WHO recommends exclusive breastfeeding starting within one hour after birth until a baby is six months old. Nutritious complementary foods should then be added while continuing to breastfeed for up to two years or beyond.

www.kpjhealth.com.my

As per Global Nutrition Target 2025, the BFHI aims to increase the number of babies who are exclusively breastfeeding in the first six months worldwide, a target which WHO estimates could contribute to avoiding over a million child deaths each year, and potentially many premature maternal death as well. WHO aims to increase global exclusive breastfeeding rates to at least 50% by the year 2025.

In supporting UNSDG Goal 2 for zero hunger, breastfeeding is a vital source of nutrition that can save children's lives under age 5 and contribute to improved health outcomes for children with a lower rates of infectious disease, low-risk of being overweight and breastfeeding is associated with an IQ increase of three to four points. Whereas for breastfeeding mothers it could prevent death from breast cancer, low-risk of diabetes and ovarian cancer. As at end 2018, 14 KPJ hospitals are BFHI certified.

Personal Data Protection

Part of our strong governance is focused on ensuring the protection of our customers and patients' personal data. As from 15 November 2013 till end 2018, we have remained in full compliance with the Personal Data Protection Act 2010 (PDPA). In 2018 there were no substantiated compliants concerning breaches of customer privacy.

ISO Integrated with Management Systems

KPJ's Integrated Management System (IMS) integrates the ISO 9001:2015 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Safety and Health Management System) where all hospitals are fully certified. During the year, all our hospitals with IMS had completed the conversion for ISO 9001:2015 and are currently undergoing conversion of ISO 45001 (Occupational Health and Safety Management System).

More details on our ISO integration and training provided to employee can be found within the Intellectual Capital section on pages 64 to 65 of the Integrated Report and under Materiality People 3 : Training and Career Development of this SR.

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

Our hospitals are certified by recognised bodies such as JCI and MSQH. We have achieved compliance with the MSQH 5th Edition Accreditation Standard. In 2018, KPJ Ampang completed the survey for the third cycle of the sixth edition of JCI standards was awarded for another three consecutive years of JCI accreditation, while KPJ Seremban, KPJ Johor and KPJ Penang will be

undergoing the third cycle of JCI certification in 2019. As at end 2018, 19 KPJ hospitals are MSQH-accredited, while four are JCI-accredited.

In 2018, KPJ KL Dental Specialist Centres was the first dental ambulatory care centre in Malaysia to be awarded MSQH accreditation status.

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

We remain wholly committed to the values that have made us what we are today: A leader in Dental Health Management and Services. Your SATISFACTION is our PRIDE.

5S

The 5S concept is one of several lean manufacturing (Lean) tools designed to improve workplace efficiency through facility-wide organization and cleanliness. Each of the 5S guidelines help managers and workers achieve greater organisation, standardisation and efficiency – all while reducing costs and boosting productivity.

Some core principles of the 5S concept involve creating and maintaining visual order, organisation, cleanliness and standardisation. With these goals in place, the hope is

that workplaces can become more efficient, and equipped to carry out daily tasks in a safe manner. In 2018, MPC reviewed the marking criteria and included the kaizen activity as part of the assessment.

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

Planetree

KPJ embarked on the Planetree project in 2013 with the aim of enhancing our service care levels to be aligned with patient-centred care that prioritises the active participation of patients and their families throughout the healthcare process with an emphasis on partnership, compassion, transparency, inclusion and quality.

The programme is conducted with Planetree International, a non-profit organisation that assists healthcare providers around the world to transform healthcare delivery services. During the year, two of our hospitals, namely KPJ Ampang Puteri and KPJ Damansara were certified with the Gold-Level Excellence in Person-Centred Care from Planetree International. Our two hospitals were also the first two in the Asia Pacific region to receive this certification. The Gold Certification represents the highest level of achievement in this category, based on evidence and standards.

ECONOMIC

CASE STUDY

KPJ Damansara Embedding Patient-Centred Care via Planetree

Planetree is a new model of health care service which focus on healing and nurturing body, mind and spirit. This model integrates human caring with the best of scientific medicine and complimentary healing traditions. The Planetree Model is committed to enhancing healthcare from the patient's perspective by empowering the patient and their family through information, education and encouraging "healing partnership".

OBJECTIVE
To build and nurture the right environment in which patients and their families can connect with best in class professionals in order to receive a comprehensive and complete range of excellent healthcare solutions in an environment that is caring, compassionate and always mindful of their anxiety and personal dignity.

PLANETREE RECOGNITION AND TIERED RECOGNITION
Planetree recognises three tiers of recognition in terms of achieving the objective of the programme. The programme is based on integrating the patient and their family's voice into hospital operations within 10 core components.

GOLD

EXCELLENCE
100% PLANETREE
Designation Criteria
must be met

SILVER

SIGNIFICANT ADVANCEMENT
88% of PLANETREE
Designation Criteria
must be met

BRONZE

MEANINGFUL PROGRESS
75% of PLANETREE
Designation Criteria
must be met

PLANETREE

PATIENT CENTERED CARE (SERVICE)

Integating the Patient and Family Voice Into
Hospital Operation

Component of PLANETREE Model (Committee)	
1.	Human Interactions
2.	Family, Friends and Social Support
3.	Architectural Design Condusive to Health and Healing
4.	Empowering Patients through Information and Education
5.	Nutrition and Nurturing Aspects of Food
6.	Nutrition for the Soul
7.	The Importance of Inner Resources
8.	Human Touch
9.	Complimentary Therapies: Expanding Patient Choices
10.	Expanding the Boundaries of Healthcare

CASE STUDY

KPJ Damansara Embedding Patient-Centred Care via Planetree (Continued)

THE JOURNEY

Started

2013 — Gap Analysis

2014 — Gap Analysis Report Received
↳ Preparation for PLANETREE Certification

2015 — 1st Assessment
↳ Improvement

2016 — Application for PLANETREE Certification
↳ Self Assessment
↳ Improvement

2017

Ready for GOLD Recognition
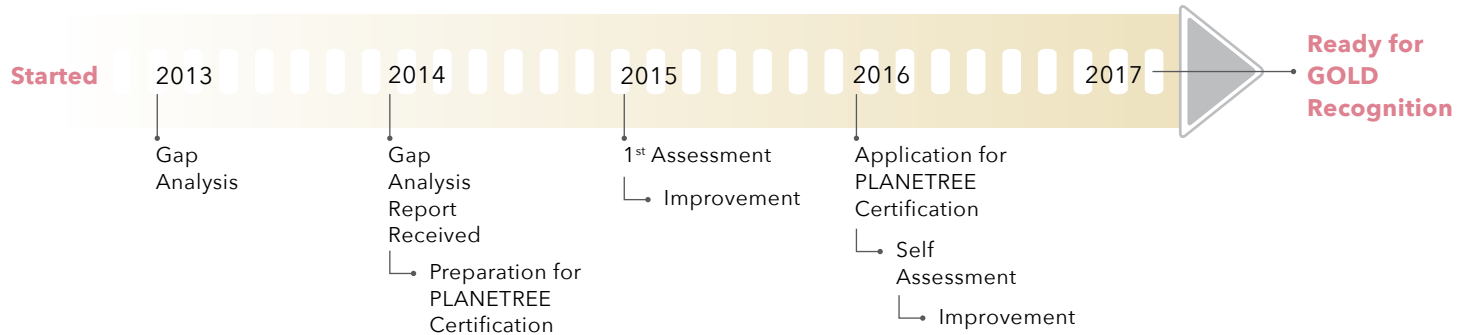
KPJ'S CERTIFICATION, ACCREDITATION AND STANDARDS

	2017	2018
5S	24	24
BFHI	13	14
IMS	21	21
ISO 9001:2015	-	1
JCI	4	4
Medical Clinic (KWAN)	7	7
MSQH	18	19
MSQH - Dental Clinic	-	1
PDPA	25	25
Planetree	-	2

ELECTRICITY MANAGEMENT

24.24kwh
per sq ft

achieved target of not more
than 27.69 kWh per sq ft

WATER MANAGEMENT

111m^3
per employee

achieved target of not more
than 111m^3 per employee

WASTE MANAGEMENT

0.5KG
per patient

achieved target of not more
than 0.5kg per patient

ENVIRONMENTAL

"KPJ is firmly committed to expending our best efforts towards supporting the United Nations Sustainable Development Goals 2030 agenda targets through initiatives which aim to improve education and raise awareness of human and institutional capacities on climate change mitigation, adaptation, impact reduction and early warning. We are also aware and fully support the Malaysian's Government's target to reduce greenhouse gas (GHG) emissions intensity of GDP from 35% to 45% by 2030."

Dato' Amiruddin Abdul Satar
President & Managing Director

MATERIALITY	SUSTAINABILITY AREA	LINK TO UN SDGs	
MATERIALITY ENVIRONMENTAL 1	Waste Management		Responsible Consumption and Production
MATERIALITY ENVIRONMENTAL 2	Water Management		Clean Water and Sanitation
MATERIALITY ENVIRONMENTAL 3	Electricity Consumption		Affordable and Clean Energy
			Sustainable Cities and Communities
			Climate Change

KPJ's environmental initiatives are aligned with our need to balance the impact of our business on the environment against the imperatives of providing high quality healthcare services in line with our vision to be the preferred healthcare provider.

Hospital operations are energy and water intensive by nature, as the provision of medical care involves, among others, ongoing monitoring of equipment, laboratory tests and refrigerated storage facilities, along with ensuring patient safety and a comfortable inpatient and outpatient experience. Thus, any moves which greatly reduces energy and water consumption may impair the quality of healthcare services rendered.

As well as that, hospitals tend to be large buildings, which have to operate 24 hours a day all through the week. Healthcare service provision results in hazardous and non-hazardous waste, which if not properly managed could contribute to a large carbon footprint as well as bring about spread of disease. Bearing all this in mind, our approach is to mitigate our use as much as we can, without compromising on healthcare standards and quality.

Monitoring Our Environmental Impact
In carrying out our environmental stewardship duties and obligations, we keep track of our hospital operations environmental impact by diligently monitoring performance indicators across the board. This ensures that we are able to stay on track with initiatives we have formulated and are conducting which are designed to minimise our environmental impacts.

While we stringently adhere to all relevant regulations and best practices pertaining to our industry, our approach goes beyond compliance where we also maintain the highest standards of health and safety for our patients, employees and visitors through enforced safety and health standards and requirements, as well as fire safety and environmental regulations.

All quantitative environmental data in this section refers to the 19 MSQH accredited hospitals in our Group.

Safety, Health And Environment
We practice a robust Safety, Health and Environment (SHE) policy Group-wide which is in compliance with the Integrated Management System (IMS) quality certification, covering the following standards:

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

To ensure that we are able to retain our quality certifications, we conduct both internal and external audits annually. Each one of our hospitals has a committee which oversees SHE policy and all its related procedures. Our SHE policy statement covers areas such as energy and water consumption, as well as conventional and hazardous waste disposal.

Managing Environmental Aspects and Impacts
KPJ's initiatives related to managing our impact on climate change is part of the risk assessment under the EMS 14001 environmental standard. Each of our hospitals is required to conduct awareness programmes and training for their employees, as well as encourage staff to propose and develop strategies and initiatives to combat global warming.

ENVIRONMENTAL

Materiality Environmental 1:

Waste Management

SDG Target 12.5

OUR QUEST IS TO SUPPORT TARGET 12.5 BY 2030, AND SUBSTANTIALLY REDUCE WASTE GENERATION THROUGH PREVENTION, REDUCTION, RECYCLING AND REUSE.

In line with this, KPJ practices a series of comprehensive and vetted processes with regards to how we manage the disposal of clinical and non-clinical waste generated from our hospital activities. Part of this comprises hazardous waste, which has stringent protocols safeguarding its proper disposal. Through the years, and as we expand our network of hospitals along with our hospital capacities, we have remained on course with disposing our waste in a proper manner which safeguards public health. We diligently monitor and track our activities pertaining to waste management, and as we move into the future, will be exploring how we can implement Key Performance Indicators (KPIs) to ensure we remain on track and retain our momentum in this area.

Our Waste Management Practices

Our Waste Management Practices form the crux of how we responsibly manage our clinical and non-clinical waste. It comprises of the following elements:

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

In 2018, we recorded 1,342,908 kg of hazardous waste produced, an increase of 13% from the previous year due to increased hospital activities in surgeries from 91,906 in 2017 to 93,573 in 2018, as well as increases in inpatients and outpatients by 8%. However, we have achieved our target to maintain the amount of hazardous waste generated at 0.5 kg per patient for the past three years and our clinical waste cost for 2018 was RM3.9 million which decreased by 5% from RM4.1 million in 2017.

	2016	2017	2018	TARGET 2019
Amount of hazardous waste produced	1,170,870 kg	1,190,888 kg	1,342,908 kg	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
No. of Patients Served	2,289,990	2,329,830	2,508,639	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
Average of hazardous waste generated per patient	0.5 kg	0.5 kg	0.5 kg	≤0.5 kg

Average of Hazardous Waste Generated per Patient
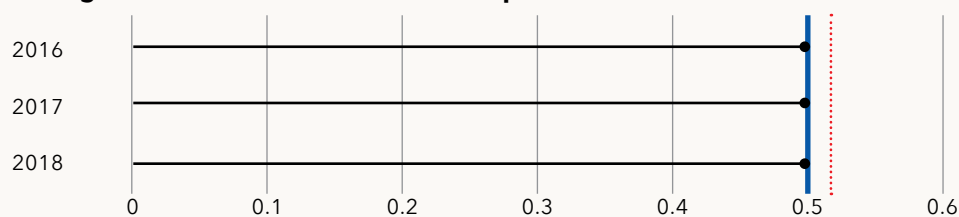
Our baseline target is based on 2016 performance of 0.5kg per patient.

Materiality Environmental 2:

Water Management

6 CLEAN WATER AND SANITATION

SDG Target 6.1

AN INEVITABLE REQUIREMENT OF EFFICIENT HOSPITAL OPERATIONS WHICH RESULT IN MAINTAINING A HIGH QUALITY OF CARE FOR PATIENTS IS AN ADEQUATE SUPPLY OF WATER.

In supporting Target 6.1of the 2030 Agenda, KPJ provides safely managed drinking water services to our patients. As well as that, 100% of our facilities provide functioning wash services to our patients and staff.
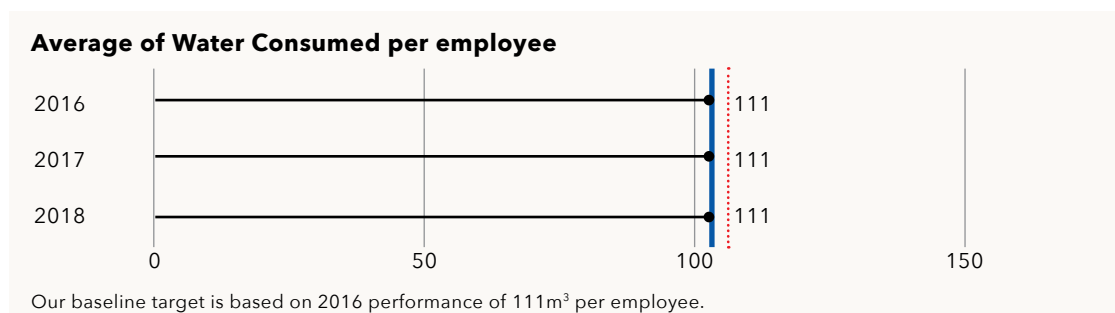
Within our hospitals, many of its facilities are water intensive by nature, such as our cooling equipment, plumbing, cleaning and medical process rinses. Conversely, the abundant use of water places pressures on municipal water supplies which are also required for other businesses and homes. Along with this, there is the need to consider contributing

to national environmental mitigation measures such as the reduction of energy used to treat and deliver water supply.

Bearing these complex factors in mind, we encourage all our hospitals to conduct proactive water saving initiatives, to contribute towards the green agenda. While providing full access of facilities of fully functioning wash services for all staff and patients and limited in our water saving initiatives due to the nature of our operations, we conscientiously monitor and track all water leakages in our operations, as well as install water-flow limiters

In 2018, we consumed 1,137,477 m^3 of water, an increase of 4% from the previous year. The increase was due to an increase in staff numbers by 9%. We achieved our water consumption target of not more than 111 m^3 per employee for three years in the row.

	2016	2017	2018	TARGET 2019
Water Consumption	1,021,647 m^3	1,096,918 m^3	1,137,477 m^3	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
No. of Employees	9,189	9,843	10,751	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
Average of water consumed per employee	111 m^3	111 m^3	111 m^3	≤111 m^3

Average of Water Consumed per employee

Our baseline target is based on 2016 performance of 111m^3 per employee.

ENVIRONMENTAL

Materiality Environmental 3:

Electricity Consumption

7 AFFORDABLE AND CLEAN ENERGY

SDG Target 7.3

11 SUSTAINABLE CITIES AND COMMUNITIES

SDG Target 11.6

13 CLIMATE ACTION

SDG Target 13.3

ANOTHER INEVITABLE CONSEQUENCE OF HOSPITAL OPERATIONS IS HIGH ENERGY CONSUMPTION.

This is typical of our facilities which are open 24/7, and cater to the health needs of patients, along with those of our staff and visitors. The majority of our electricity use is focused on sophisticated Heating, Ventilation and Air Conditioning (HVAC) systems to control temperatures and air flow. Other energy intensive activities comprise cleaning hospital laundry, medical and lab equipment use, sterilisation, computer and server use, food service and refrigeration.

Throughout the years, we have maintained a culture which prioritises energy efficiency through regular campaigns to increase staff awareness on energy efficiency and electricity saving initiatives. In supporting Target 7.3 of the 2030 Agenda to double the global rate of improvement in energy efficiency, each of

our hospitals has a strategic direction to enhance the initiatives which we commenced in 2017 to reduce our electricity consumption:

- Upgrading the chiller systems
- Replacement of light bulbs with LEDs
- Installation of timers
- Consistently maintain an awareness programme for staff
- Implementation of scheduled Plan Preventive Maintenance
- Training and awareness programmes on the impact of energy consumption towards climate change

In 2018, our electricity consumption stood at 128,739,552 kWh, a 8% increase from the previous year. Due to the merger exercise of two hospitals, Damai Medical Centre and KPJ Sabah, our average electricity consumption for square foot reduced by 3.5%. Damai was delisted and is now being operated as a Wellness Centre. As such, the number of square footage of KPJ hospitals have been adjusted accordingly. Our Enery Indirect (Scope 2) GHG emission per sq ft also reduced by 4.5% from 18.85 CO_2 in 2017 to 17.71 CO_2 in 2018.

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

	2016	2017	2018	TARGET 2019
Electricity Consumption	104,610,410 kWh	119,661,200 kWh	128,739,552 kWh	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
GHG emission	77,203,768 CO_2	88,388,575 CO_2	94,043,490 CO_2	
Total Area of KPJ Hospitals in Square Foot (sq ft)	3,966,948 sq ft	4,764,109 sq ft	5,310,919 sq ft	It is not possible to set an absolute target as the number of hospitals vary from year to year with MSQH exercises
Average electricity per square foot (sq ft) of consumption	26.37 kWh	25.12 kWh	24.24 kWh	≤27.69 kWh
GHG emission per square foot (sq ft)	19.46 CO_2	18.55 CO_2	17.71 CO_2	

Average Electricity Consumption kWh/sqft

2016		26.37
2017		25.12
2018		24.33
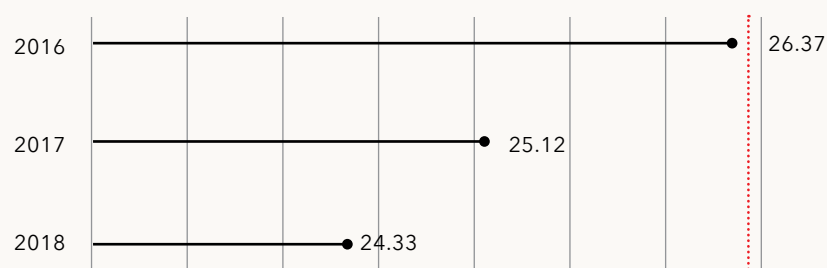
Baseline target is based on 5% increase from 2016 performance of 26.37kWh/sqft.

Air Quality Management, Radiation Management and Noise Monitoring

- ***Air Quality Management***

  We diligently monitor and manage our Indoor Air Quality (IAQ) as a critical component of ensuring the safety and health of our patients, customers, employees and visitors. Hospital operations and healthcare services rendered to people suffering from diseases and other ailments bear the risk of air contamination resulting in allergic reactions, viruses, respiratory problems and the onset of diseases and health issues within people. Additionally, there is also chemical and biological waste as a result of treatments and surgeries would could also affect a person's health and wellbeing.

  Therefore, in maintaining healthy IAQ levels, we take into consideration factors such as temperature, humidity, as well as chemical and biological contaminants which could be present.

  Throughout 2018, we ensured high IAQ levels through the following IAQ programmes which focus on control and mitigation measures:
  - Restricting air movement in and between departments
  - Ensuring property humidity and temperature levels for various hospital areas
  - Complying with specific requirements for ventilation and filtration to dilute and remove contaminants from the air
  - Regular upkeep of the Air Handling Units (AHU) by replacing filters in a timely manner
  - Decontamination of ventilation ducts and making sure that all related mechanical aspects are maintained in accordance with the hospital's requirement and standards

- ***Radiation Management***

  The proper management of radiation emissions from medical equipment used such as Diagnostic Imaging, Radiotherapy and Oncology Services, are another critical component of a healthy hospital environment. Exposure to harmful levels of radiation could result in radiation burn, acute radiation syndrome and cancer. Being mindful of these dangers, we have in place measures which comply with safety regulations pertaining to this area, namely:

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

- ***Noise Monitoring***

  Noise pollution refers to unwanted sound, independent of loudness that can produce undesirable physiological or psychological effects in a person and which may interfere with the social activites and wellbeing of an individual or group. Within hospital environments, high noise levels impact negatively on patient recovery rates.

  With regards to ambient noise which includes all sounds present in our hospital environment, we monitor these guided by the requirements of the Environmental Quality Act 1974, Part IV, regarding the Prohibition and control of pollution, and Regulation 23 on Restrictions on noise pollution.

  The noise limits set for our hospitals are within the following parameters:
  - Not Exceeding 65.0 dB(A) for Daytime
  - Not Exceeding 55.0 dB(A) for Nightime

  Following the Guidelines for Environmental Noise Limits and Control by Department of Environment (DOE) Malaysia and the Guidelines for Control of Occupational Noise 2005 (DOSH), we measure the following noise level parameters within our hospitals:
  - Equivalent Continuous Sound Level (LAeq)
  - Statistical Indices (LA10, LA50 and LA90)
  - Maximum Noise Level (LAmax)
  - Minimum Noise Level (LAmin)

COMMUNITY INVESTMENT

RM13.2 MILLION

invested in Community Outreach Programmes

TRAINING AND CAREER DEVELOPMENT

Average training man-hours of

43 HOURS

per employee

Achieved above target of 30 hours of average training per employee

UPHELD SAFETY AT THE WORKPLACE

Strong Disaster and Emergency Plan

Ensured patient safety by effectively managing potential bomb threat incident at KPJ Seremban in 2018

SOCIAL

"KPJ's initiatives in the social sphere are focused on providing affordable community healthcare services through our Klinik Waqaf An-Nur (KWAN) and mobile clinics nationwide. We also focus our efforts on disseminating information related to health and disease prevention and detection through public awareness talks and programmes. Our Baby Hatch programme provides a safe environment within our hospitals for troubled mothers to drop off their infants whom they are unable to care for. As well as that, we have maintained our high levels of commitment towards our workforce, in providing them a comprehensive range of benefits and welfare, along with various talent development and career progression opportunities."

Dato' Amiruddin Abdul Satar
President & Managing Director

MATERIALITY	SUSTAINABILITY AREA	LINK TO UN SDGs	
MATERIALITY PEOPLE 1	Community Outreach		No Poverty
			Good Health and Well Being
MATERIALITY PEOPLE 2	Our Workforce		Gender Equality
			Promote Peaceful and Inclusive
MATERIALITY PEOPLE 3	Training and Career Development		Quality Education
MATERIALITY PEOPLE 4	Employee Benefits and Welfare		Good Health and Well Being
			Reduced Inequalities
MATERIALITY PEOPLE 5	Employee Engagement		Good Health and Well Being
MATERIALITY PEOPLE 6	Diversity		Gender Equality
MATERIALITY PEOPLE 7	Safety At The Workplace		Decent Work and Economic Growth

Materiality People 1:

Community Outreach

SDG Target 1.2

KPJ'S COMMUNITY OUTREACH PROGRAMMES AND ACTIVITIES ARE ALIGNED WITH GOVERNMENT ASPIRATIONS TO ENGENDER

COMMUNITY DEVELOPMENT AND SOCIAL WELFARE, AS WELL AS INCREASE UNIVERSAL ACCESS TO HEALTHCARE WITHIN THE NATION, THUS PROMOTING PUBLIC HEALTH AND SAFETY.

Our efforts within this sphere encompass basic health screenings, public health talks and campaigns promoting healthy lifestyles and good hygiene. In supporting Target 2030 Agenda 1.2, we provide affordable and accessible healthcare services to the underprivileged and people with low-income communities through Klinik Waqaf An-Nur (KWAN) and mobile clinics throughout the country. To maintain our quality of KWAN's services, seven of our KWAN received MSQH accreditation. We also make regular zakat (Islamic Tithes) contributions and donations in line with Islamic beliefs. In 2018, a total of 18 KWAN and five mobile clinics were available throughout Malaysia and KPJ invested a total of RM13.2 million in comunity outreach programmes.

Amount Spent in comunity outreach programmes (RM million)

	2016	2017	2018
	9.1	10.0	13.2
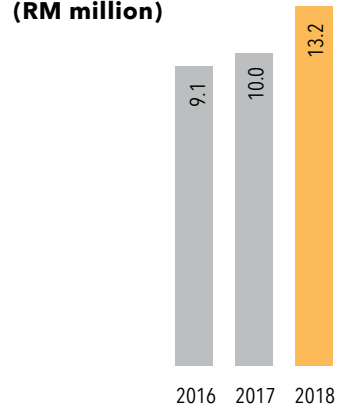
SOCIAL

Klinik Waqaf An-Nur (KWAN)

KWAN is KPJ's flagship initiative which provides quality healthcare services for less fortunate and low-income households at an extremely affordable rate. Healthcare consultations are available for only RM5 per consultation, while dialysis treatments are available at RM90 per treatment. People from the community who are able to utilise these services are usually unable to afford private healthcare treatments. By providing this service, we are helping to alleviate pressure on public healthcare services provided by the Government, thus doing our part to contribute to the socioeconomic wellbeing of communities in Malaysia.

Since inception in 1998, Kumpulan Klinik Waqaf An-Nur has treated in total of 1.5 million patients. A total of 70 dialysis machines were allocated at eight KWAN clinics with 174 active patien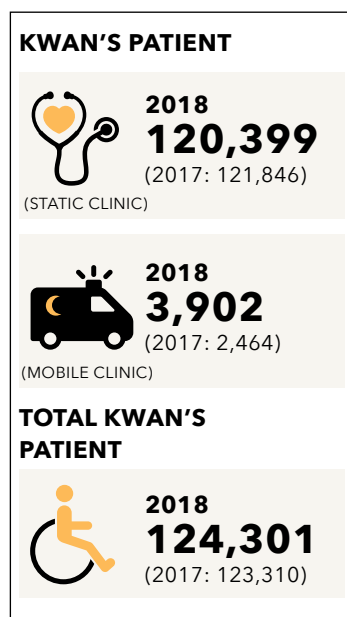ts. As well as that, seven KWAN have been certified by MSQH. In 2018, we received seven new dialysis machines with five donated by PERKESO and two from Lembaga Zakat Selangor. New KWAN buildings were opened in November 2018 at Masjid Seberang Jaya, initiated by KPJ Penang.
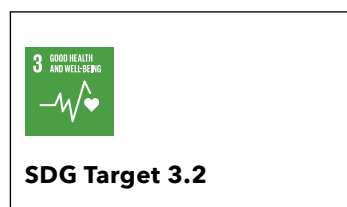
Our KWAN clinics are supported by our reputable smart-strategic partnerships with seven state Islamic Religious Authorities, namely Majlis Agama Islam Negeri-Negeri of Johor, Negeri Sembilan, Selangor, Perak, Penang, Kelantan and Sarawak; three 3 religious bodies of Lembaga Zakat

Selangor, Baitul-Mal Sarawak and Perbadanan Waqaf Selangor; and two non-governmental organisations (NGOs) of Bank Muamalat and Yayasan Semesta Berdaftar.

Moving into the future, our goal is to enhance our focus on mobile clinic operations. In 2019, we will focus on building a strategic partnership for mobile clinics between Kedah Medical Centre with Lembaga Zakat Negeri Kedah, and between KPJ Sabah and Majlis Ugama Islam Negeri Sabah.

KWAN'S PATIENT

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

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

TOTAL KWAN'S PATIENT

2018
124,301
(2017: 123,310)

Baby Hatches

3 GOOD HEALTH AND WELL-BEING

SDG Target 3.2

KPJ SUPPORTS GOVERNMENT ACTIONS IN ENSURING THE PROVISION OF NECESSARY MEDICAL ASSISTANCE AND

HEALTH CARE TO ALL CHILDREN BY PROVIDING BABY HATCHES AT EIGHT OF OUR HOSPITALS.

KPJ's baby hatch programme is conducted in collaboration with the Social Welfare Department (JKM) and OrphanCare, a child protection NGO which provides unfortunate mothers with the option of safely dropping off their new-borns where they are unable to take care of them. This is in response to the unfortunate social trend in the country where mothers who are unable to care for their babies have chosen to abandon them in unsafe places, which in many cases has resulted in the infant's death. By providing this option, and conducting public awareness programmes on the initiative, KPJ is able to contribute to the reduction of this social ill.

According to an article in The Star dated 14 September 2018, between January and April of the year, a total of 49 babies were abandoned, of whom only 17 survived. Through the provision of baby hatches, we hope to provide young mothers who do not want their babies with an anonymous and safe way to absolve themselves of the responsibility of bringing up their child.

Since the commencement of the programme in 2014, we have received some 31 babies in our baby hatches. The babies found are placed for adoption through a regulated process overseen by OrphanCare and JKM in Peninsular Malaysia, and by JKM in East Malaysia.

KPJ's Baby Hatches

Currently, baby hatches are available in the following KPJ hospitals nationwide:
- KPJ Ipoh Specialist Hospital
- KPJ Johor Specialist Hospital
- KPJ Damansara Specialist Hospital
- KPJ Tawakkal Specialist Hospital
- KPJ Seremban Specialist Hospital
- KPJ Penang Specialist Hospital
- KPJ Perdana Specialist Hospital
- KPJ Kuching Specialist Hospital

Notes:
1. KPJ Kuantan closed their Baby Hatch on 23rd May 2016 when they shifted operations to the new KPJ Pahang Hospital.
2. KPJ Damai closed their baby hatch in June 2018 when they moved over to KPJ Sabah.

Total Babies Received at Baby Hatches in 2018

			Total
KPJ Ipoh 19 Jan 2018	1	-	1
KPJ Kuching 26 Feb 2018	-	1	1
KPJ Penang 31 Mar 2018	-	1	1
KPJ Seremban 13 Jul 2018	-	1	1
KPJ Kuching 8 Aug 2018	-	1	1
KPJ Damansara 6 Oct 2018	-	1	1
Total for 2018	1	5	6

Educating the Public

We maintain public education and awareness talks, and health screenings throughout the year, as a sign of our commitment to help educate the Malaysian public on the prevention and early detection of disease and other health impediments. Our education and awareness initiatives include public health screening sessions, health talks, safety and other events.

In 2018, we maintained continuous public engagements, in line with our desire to strength our relationships with all our stakeholders, including members of the public. These activities comprised the following:

- Lifestyle partner with the Association of Chartered Certified Accountants (ACCA), a global body for professional accountants, in the Health and Wellness space with the launching of its Women's Network in line with the Government of Malaysia's plan to elevate the role of women. We also sponsored an Eye Screening booth at the ACCA Malaysia Annual Conference 2018.
- Collaborated with Alzheimer's Disease Foundation Malaysia (ADFM) for the 2nd World Alzheimer's Month 2018 Health Screening and Health Talk in September 2018. Talks were conducted by the Specialist in Stroke/ Neurorehabilitation & General Rehabilitation, KPJ Tawakkal Health Centre and a Dietitian from KPJ Damansara Specialist Hospital for more than

200 people. A health screening booth was set up by KPJ Tawakkal Specialist Hospital and an eye check booth by KPJ Centre for Sight. In total, 73 people had their eyes screened by CFS and 126 health screenings were conducted.

- In conjunction with the World Breast Cancer Awareness Month in October, KPJ launched the #OurPinkStories at KPJ Damansara Specialist Hospital to create awareness on breast cancer early detection for women above 40 years old using mammogram and breast ultrasound. Group-wide packages were developed at very affordable prices: RM99 for 3D Mammogram, RM80 for 2D Mammogram and RM90 for Breast Ultrasound. We also donated to three NGOs, namely, National Cancer Society of Malaysia, Breast Cancer Association and IMARET.
- Participated in Kumpulan Wang Persaraan Di Perbadankan (KWAP) MyPesara Phase 2 Benefits Program offering Health services to more than 700,000 pensioners nationwide. As a start, KPJ Group signed an

MOU to offer services and packages by KPJ Sentosa and KPJ Health Shoppe through the MyPesara Mobile App.
- In conjunction with Universal Children's Day 2018, KPJ Damansara hosted the Australia-based international children's visual art and literacy programme Big Ones Little Ones (BOLO) in November 2018. The BOLO group consists of 12 Aboriginal children and four elders from the Yurungai Learning Centre in Sydney, Australia.

Materiality People 2:

Our Workforce

Our employees are at the centre of all our efforts to provide the highest and safest quality of healthcare services to all our patients. They play a key role in ensuring KPJ's top of the mind recall in the healthcare sector. KPJ's commitment is to be an employer of choice within the healthcare profession, and we ensure this through a diverse range of policies, benefits and work life balance initiatives, along with talent development platforms and programmes.

To ensure our people's professional growth and development, we have made

significant investments in the following policies, programmes and benefits:
- Fair and equitable benefits and welfare provisions
- Development growth through training and career programmes
- Engaging employees, encouraging a 'speak up' culture
- Cultivating a positive workplace culture and environment
- Facilitating work-life balance
- Creating a safe workplace
- Promoting diversity and inclusion within the workplace
- Adopting current and future trends of IT at the workplace

Employee Breakdown According to Position

Permanent/Full Time Employee

■ Female
■ Male

	2016	2017	2018
Female	9,973	10,604	10,663
Male	2,662	2,450	2,732

Contract Staff (Management Training Program)

■ Female
■ Male

	2016	2017	2018
Female	14	9	15
Male	5	5	2
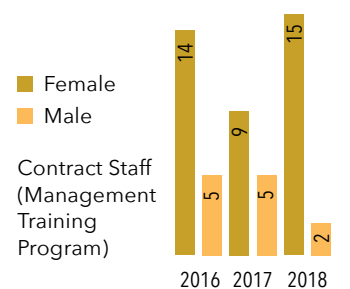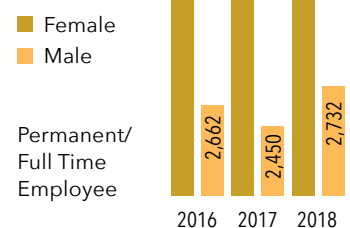
SOCIAL

New Hires

It is in our policy to fill vacancies for replacement and promotion through recruitment and transfers when possible. We post notices, advertising vacancies within the organisation before or concurrently. In order to employ quality staff, the selection must be prudent, based on their merit that includes qualifications and past experiences. To ensure we have availability of key medical staff, KPJUC conducted four in-campus interviews for working placements as per hospitals' requirements in 2018.

The following are the activities conducted to hire new staffs:

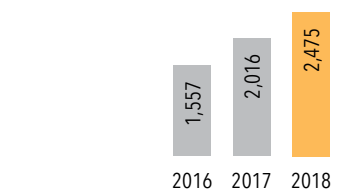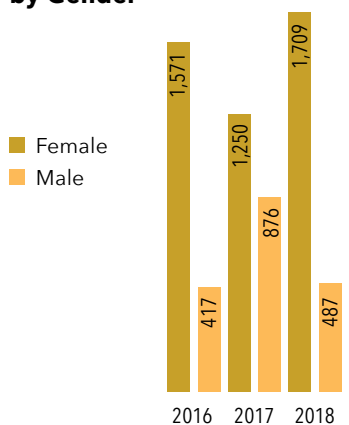- Participated in Career and Campus Job Fairs organised by selected Public and Private universities and colleges.

- Job Advertisements:
  - to get external candidates via main newspapers, Job Portals such as *Jobstreet. com*, WOBB and Rice Bowl, LinkedIn
  - to get internal applicants via internal job advertisement to all KPJHB Hospitals and Companies
  - Posting job advertisments at Public and Private selected universities and colleges

- Recruitment Agencies

- Employee Referrals – candidates referred by JCorp, EXCO members, KPJHB middle management and employees.

We enforce a requirement of not accepting new hires below 18 years old and who need to have a minimum qualification of Sijil Peperiksaan Malaysia (SPM).
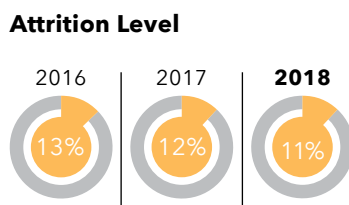
Interest from potential candidate resumes

Year	Value
2016	1,557
2017	2,016
2018	2,475

New Hire Breakdown by Gender

■ Female
■ Male

Year	Female	Male
2016	1,571	417
2017	1,250	876
2018	1,709	487

Attrition Level

Attrition Level

2016	2017	2018
13%	12%	11%

Attrition Breakdown by Gender

	2016	2017	2018
Female:	1,269	1,106	1,401
Male:	407	504	459

Attrition Breakdown by Age Group

	2016	2017	2018
Under 30	1,241	1,059	1,262
Between 30 and 50	391	472	478
Above 50	44	79	120

Retention rate of women (with more than 5 years of services)

2016	2017	2018
42%	51%	50%

Grievance Mechanism

5 GENDER EQUALITY

SDG Target 5.2
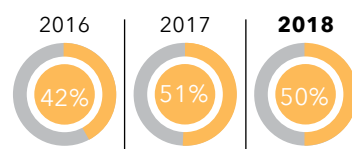
THE GROUP PROMOTES COMPLIANCE OF ITS WORKPLACE HARASSMENT POLICY/CODE, INCLUDING NON-DISCRIMINATION AND SEXUAL HARASSMENT, ALONG THE VALUE CHAIN VIA OUR KPJ EMPLOYEE HANDBOOK.

The handbook is available on the Employee Self Service (ESS) portal. We also have in place an accessible and structured grievance process for employees who wish to bring matters regarding the workplace or their job to our attention.

Our Grievance Mechanism Process

STEP 1
IMMEDIATE SUPERIOR

- Employee discusses the grievance with immediate superior, or in the case that the grievance is about the immediate superior, with the latter's superior
- Superior to solve the problem within 2 working days
- If employee is unsatisfied with the outcome, employee to proceed to Stage 2

STEP 2
HEAD OF TALENT MANAGEMENT

- Employee to complete grievance form with all relevant details, and hand in to Head of Talent Management
- Head of Talent Management to solve the problem within 2 working days
- If employee is unsatisfied with the outcome, employee to proceed to Stage 3

STEP 3
GRIEVANCE HEARING

- Matter will be referred to the President/ Managing Director or the CEO/GM of the hospital
- A grievance hearing will be convened and a final decision on the matter will be reached within 10 working days

	2017	2018
Complaints received	74	148
Complaints resolved	74	148

Building a Culture of Corporate Integrity

SDG Target 16.5

INTEGRITY IS ONE OF THE PRINCIPLES KPJ GROUP HOLDS NEAR TO OUR HEART, AND IT IS EXEMPLIFIED BY THE ACTIONS OF OUR STAFF MEMBERS WITHIN THE COURSE OF THEIR JOBS AND TASKS EVERY SINGLE DAY.

To ensure that our employees live and breathe the KPJ ethos of integrity and comply with all relevant laws and regulations in line with our Corporate Integrity Pledge and to support Target 2030 Agenda, 16.5 we develop policies and programmes to effectively address all forms of corruption and collaborate with stakeholders especially employees and vendors or suppliers to promote transparency and a zero approach to corruption and bribery.

The standard of behaviour and conduct we expect of our people is set out within our Code of Ethics and Business Conduct. Each staff member is expected to take an oath of the "Service Pledge" declaration at our annual staff assembly or "PEDOMAN"

(Perhimpunan, Dialog dan Anugerah Tahunan Anggota Pekerja) held in our hospitals. Additionally, in 2014, we had launched an e-integrity pledge (e-pledge) on the Employee Self Service (ESS) portal. In 2018, the Talent Management services conducted roadshows to 21 hospitals and subsidiaries. A total of 877 staff attended and we have achieved 90% acknowledgement of the e-integrity pledge.
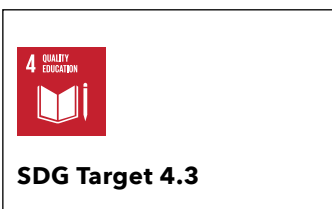
At Group level, all hospitals and subsidiaries are expected to sign the Corporate Integrity Agreement (CIA) with their suppliers, contractors and other related third parties. To prevent conflicts of interest, corruption and mismanagement, and promote transparency, we have a Human Resource Information System (HRIS) module on the Declaration of Assets which is compulsory for all employees to complete. In 2018, there are 7,858 vendors and suppliers, which included 1,277 new vendors and suppliers, who signed the CIA. Also, there was no significant changes to our supply chain. We have not received any incidents of the suppliers were terminated or not renew due to integrity matter.

INTEGRITY INITIATIVES IN 2018

877 employees	Integrity Talk at 21 hospitals and subsidiaries
7,858 vendors and suppliers	Corporate Integrity Agreement
90%	e-integrity pledge via Employee Self Service (ESS) portal

SDG Target 4.3

Training in 2018

Seminars & Conferences	21%
Clinical Workshop	13%
Technical Skills	47%
Soft Skills	15%
Others	3%

Others: Master, Degree, Leadership & Managerial Skills, Communication & Teamwork Skills
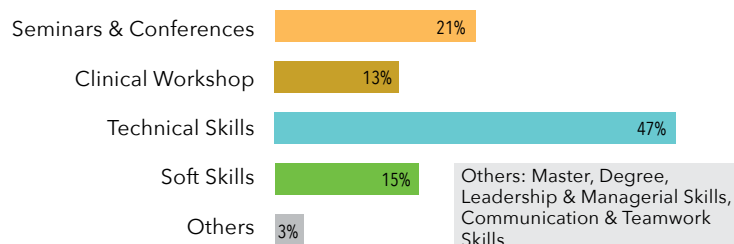
2018 HIGHLIGHTS

In supporting WHO's focus on UN SDG 4, KPJ provides high quality education for all our staff to improve health and health equity. We have conducted Clinical Workshops and Post-Basic Programmes which were attended by 1,011 clinical employees. We invested a total of RM1,568,414 in our Post-Basic Nursing Programme in 2018. For more details please refer to Materiality Economic 4 – Nurturing Future Medical Professionals.

At KPJ, we provide our employees with the support they require for their continuous learning and development through structured talent development programmes which aids them in their clinical or management careers. In 2018, we spent a total of RM11.3 million on training and development programmes which benefitted 99% of our employees, a reduction of 7.4% from the previous year due to high utilisation of the Human Resources Development Fund. In

2018 employees received an average of 43 hours of training, exceeding the mandatory of 30 hours.

Root Cause Analysis Training for ISO 9001 Improvement

During the year, KPJ's Clinical Services conducted basic training on concepts of Root Cause Analysis for the ISO working committee members. The objective of the training was to provide knowledge to the ISO working committee, on the Root Cause Analysis process using the correct tools, and strengthen

their analysis of Non Conformance Reports to determine what actually went wrong, why, and identifying the necessary actions to prevent recurrence.

This knowledge will help the auditor or any working committee member when they are reviewing non-conformance reports, by ensuring that the corrective action taken by the auditee is appropriate and will prevent similar occurrences in future. Thus, this ensures that we are able to effect continuous improvements in our systems and work processes.

The Root Cause Analysis training conducted covered the following topics:
- Understanding the objective and the process of conducting Root Cause Analysis
- Iceberg Concepts of Errors and Accidents
- Active failures and Latent Conditions
- Understanding the work processes at the work place
- Swiss Cheese Model – understanding the successive layers of defences
- The different type of Root Cause Analysis tools
- Understanding the Contributory Factors and the Contributory Causes

Breakdown of Talent Development at KPJ

	2016	2017	2018
Amount Invested in Talent Development	RM10.3 million	RM12.2 million	RM11.3 million
Average Training Hours per employee	47 hours	40 hours	43 hours
Training Hours by Gender			
Female	338,319	264,400	451,155
Male	89,933	62,040	112,789
Training Hours by Category			
Manager	34,260	30,840	45,116
Executive	209,843	178,840	287,611
Executive Assistant	184,148	116,760	255,578

Materiality People 4:

Employee Benefits and Welfare

3 GOOD HEALTH AND WELL-BEING

SDG Target 3.2

10 REDUCED INEQUALITIES

SDG Target 10.3

KPJ'S COMMITMENT TO SUPPORT TARGET 3.2 AND MAINTAIN OUR POSITION AS EMPLOYER OF CHOICE WITHIN THE HEALTHCARE SECTOR IS TO A LARGE PART CONDUCTED BY RESPECTING THE RIGHTS OF ALL EMPLOYEES TO A STANDARD OF LIVING ADEQUATE FOR THE HEALTH AND WELLBEING OF THE INDIVIDUAL AND THEIR FAMILY.

This is evident from the equal comprehensive benefits and welfare we offer our people. This is also in line with Target 10.3, where we ensure there is no discrimination practiced across our business operations especially with regards to remuneration and benefits. Within a sector which is intensively competitive in terms of talent recruitment, we are cognisant that remaining an employer of choice is vital for the long-term sustainability of our business, to ensure that our people choose to remain with us for our long-term growth.

In addition to competitive salaries and benefits, we offer our full-time staff the following:

- Annual medical screening for employees aged 45 and above;
- Inpatient and outpatient medical costs which cover spouses and child dependents;
- Maintained employer EPF contribution up to 15% since 2015 for employees that have been in service for a minimum four years;
- Employee Share Option Scheme (ESOS) for employees with at least three years of service in the Executive category and above. To date, a total of 267,253,656 units of shares have been allocated for the scheme. Employees in Executive Assistant category are given cash consideration each year over a five-year period (2015-2019);
- Sponsorship as study support for employees' children pursuing higher education healthcare-related at KPJUC. Placement in KPJ hospitals upon graduation is provided subject to their final results;
- Parental leave for our employees, to support them with their family duties and obligations;
- The Living Well programme for employees, diagnosed with critical lifestyle-related illness such as diabetes and hypertension, or those with BMI that fall within the Pre-Obese to Obese I – III category. Through this programme, employees can access up to date information on their health

status, thus enabling them to make better lifestyle choices and decisions; and
- KPJ Top Up Fund for employees to ease the burden of excess medical bills that employees and their dependents may face due to unforeseen circumstances, with an allocation of up to RM1.5 million Group-wide.

Advocating Work Life Balance
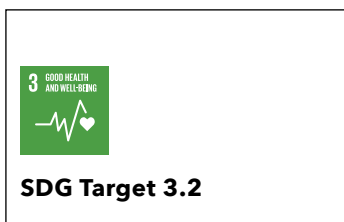
SDG Target 3.2

WE SUPPORT TARGET 3.2 BY PROVIDING HEALTHCARE OPTIONS TO FEMALE EMPLOYEES, ENCOURAGING HEALTHY LIFESTYLES AND PROVIDING DECENT WORKING CONDITIONS.

Our work life balance initiatives are aimed at providing our employees with the latitude they require to balance their family and work commitments. It contributes to high employee satisfaction levels, and positive retention rates. Among our ongoing work-life balance initiatives are:
- Flexible working hours;
- Onsite crèches for our staff members' children childcare with breastfeeding room which are open 24/7 to accommodate nurses working on shifts;

- Promoting healthy living attitudes amongst our employees through voluntary wellness and health initiatives such as our BMI programme;
- Time off for personal matters;
- Special parking for pregnant employees;
- Work from home programme for employees in Information Technology (IT) Services, for up to two days in a week; and
- Healthy breakfast.

PARENTAL LEAVE	2016	2017	2018
No. of male employees entitled to 2 days parental leave who utilised their entitlement	64	90	172
No. of female employees entitled to 60 days parental leave who utilised their entitlement	864	1,018	1,020
No. of employees who utilised Living Well Programme	625	585	505

Materiality People 5:

Employee Engagement

SDG Target 3.4
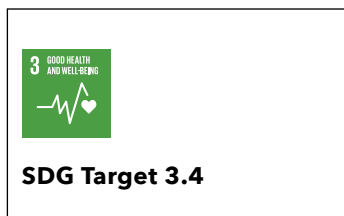
BY MAINTAINING CONSISTENTLY HIGH LEVELS OF EMPLOYEE ENGAGEMENT, KPJ HAS BEEN ABLE TO MOTIVATE OUR TALENT BASE TO PERFORM THEIR BEST ON THE JOB. THEIR EFFORTS TO DRIVE THE KPJ BRAND IN MALAYSIA IS SYNONYMOUS WITH HIGH QUALITY PATIENT-CENTRIC HEALTHCARE.

Our employee engagements are centred around what we view as the larger KPJ family, where our people are not just mere staff, but individuals who form the face of KPJ in the healthcare sector.

A focal point of our efforts revolve around meaningful events and moments in our employees' lives. Our efforts to make a positive impact and show our appreciation of our employees on their lives are seen through personalised birthday e-mail messages, festive greetings, condolence messages in the event of the passing of a loved one and group e-mails focusing on topics which are meaningful to our staff.

In 2018, we conducted the following Group employee engagement activities:

- **Talent Management (TM) Open Day**
  The TM Open Day is one of our initiatives for employees to engage directly with the TM Team. It is an annual event held at all hospitals and companies where employees are able to join the activities and manage their personal finances at the same time. We invite companies and government agencies such as insurance companies, banks, Tabung Haji and Pemodalan Nasional Berhad to open booths and give awareness talk to our employees.

- **Corporate Integrity Roadshow**
  Our Integrity Officer and TM team visited all hospitals and companies to highlight new policies and incentives for employees. An integrity talk focusing on integrity and ethics at the workplace which included bribery, whistle blowing procedures, CIA, e-pledge and employee declaration of assets.

- **KPJ Pedoman**
  KPJ's annual event is one which all employees look forward to. Its beginnings tie with our ultimate holding corporation, Johor Corporation in 1985. This interactive sharing and communication platform, provides an important avenue for employees to share, give feedback and engage in dialogue with the President and Managing Director of KPJ.

SOCIAL

- **Healthy Breakfast**
  Healthy Breakfast for Staff was initiated by KPJ Headquarters and subsequently adopted by all hospitals and subsidiaries. Currently, there are 18 hospitals who serve healthy breakfast to their staff. A survey was conducted by TM to receive feedback on the food provided and suggestions for future reference and improvements.

- **KPJ Buzz Intranet Portal**
  KPJ Buzz was officially launched during Majlis Sambutan Hari Raya Adilfitri KPJ 2018 on July 5th by our President and Managing Director Dato' Amiruddin Abdul Satar. The event was kick started with the introduction of KPJ Buzz or also known as The Intranet Portal together with the explanation of facilities provided. The ploy of the launch was inspired by the concept of transitioning analogue to digitisation with the element of the recent FIFA World Cup 2018 fever. The process of digitisation allows information available and accessible in a digital format for KPJ staff making information centralised for all. This platform is equipped with updated current announcements, upcoming events or activities, feedback or complaint form and work-related materials that would be easier for the staff to retrieve.

- **Psychosocial well-being staff**
  The nature of the healthcare business exposes our medical staff to extremely stressful environments. KPJ prioritises the wellbeing and welfare of our medical team and staff, and provide counselling on work related or personal issues, as well as support staff exposed to traumatic incidents, stress management and motivational sessions. We also promote safe and healthy surroundings around our facilities and sites, along with encouraging active mobility and sports such as rejuvenating working environments, offering help to quit tobacco use and smoke-free health care facilities.

Materiality People 6:

Diversity

SDG Target 5.1
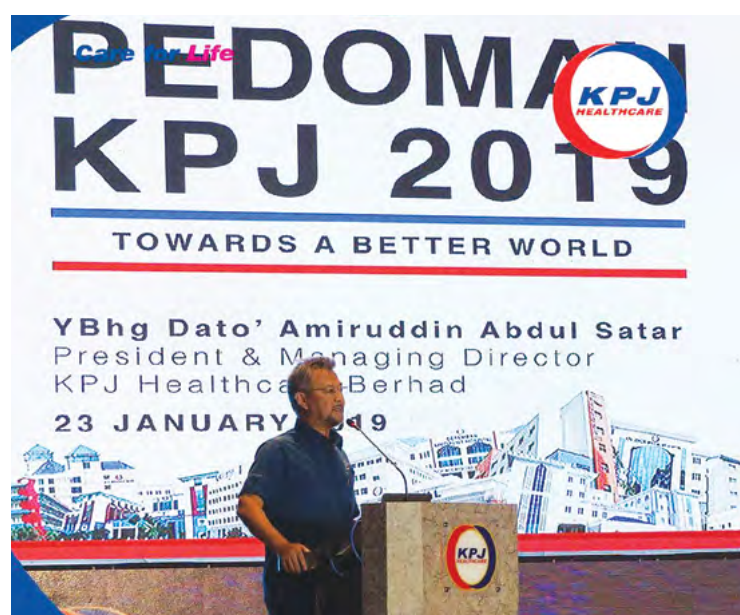
WE STRONGLY BELIEVE IN A DIVERSE WORKFORCE AS THE MEANS BY WHICH OUR BUSINESS CAN BENEFIT FROM DIFFERENT VIEWPOINTS AND OPINIONS.

This is an important means by which we can effect improvements within our organisation.

KPJ supports Target 5.1 in respecting women's right and supporting women's empowerment at the workplace. We provide equitable training and education, level of wages and non-discrimination matters to all of our employees which comprises of a majority of women at 80% of our total workforce.

	2016	2017	2018
Basic Salary Ratio of Men to Women	1.2:1	1.4:1	1.4:1

In ensuring inclusivity and diversity in terms of persons with disabilities and old age pensioners, we have in place a Persons with Disabilities (Orang Kurang Upaya or OKU) recruitment drive. This includes the collaboration with SOCSO under the 'Return to Work Programme' to give the disabled and pensioners the opportunity to return to work and share their experience and perspectives on the job.

	2016	2017	2018
Disabled staff	4	2	4
Visually impaired staff	2	11	4

Employee Diversity

Diversity of KPJ Hospitals' Employee (Malaysia) - Race (11,959 Employee)

9% Indian
4% Chinese
7% Others
80% Malay
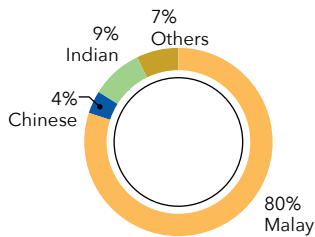
Diversity of KPJ Hospitals' Employee (Malaysia) - Gender (11,959 Employee)

18% Male
82% Female
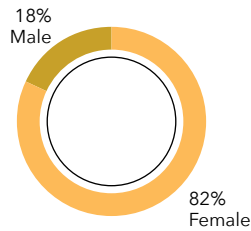
Diversity of KPJ's Specialist Consultants (Malaysia) - Race (1,036 Consultants)

9% Others
10% Indian
23% Chinese
58% Malay
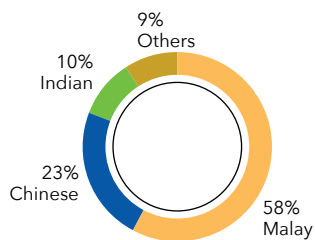
Diversity of KPJ's Specialist Consultants (Malaysia) - Gender (1,036 Consultants)

21% Female
79% Male
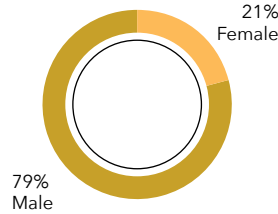
Diversity of KPJ Hospitals' Management (Malaysia) - Race (52 HM)

2% Indian
6% Chinese
6% Others
86% Malay
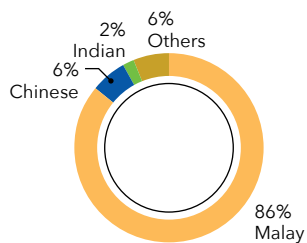
Diversity of KPJ's Hospitals' Management (Malaysia) - Gender (52 HM)

42% Female
58% Male
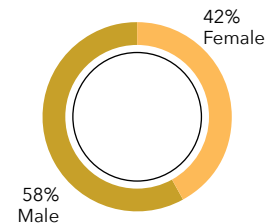
Diversity of KPJ EXCO's Management (Malaysia) - Race (12 EXCO)

0% Indian
0% Others
8% Chinese
92% Malay
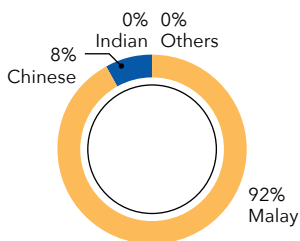
Diversity of KPJ EXCO's Management (Malaysia) - Gender (12 EXCO)

17% Female
83% Male

Materiality People 7:

Safety At The Workplace

8 DECENT WORK AND ECONOMIC GROWTH

SDG Target 8.8

Policies and Regulations which KPJ Adheres to

Management of Accident of Staff

Management of Accident of Patients/Visitors

Management of Infection Control

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

Management of Incident Reporting

Permit to Work and Management of Contractor/ Vendor

Management of Mercury Spillage

Office Safety, Health and Environmental Manual

Chemical and Biohazard (Body Fluid) Spillage Management

Management of Scheduled Waste

Workplace Inspection

Management of Permit To Work for Contractor/ Vendor/Supplier

SOCIAL

We believe in ensuring the highest standards of health and safety at the workplace, within both our hospital environments as well as office locations. Within our hospitals, this sets the foundations for our high quality healthcare services, which needs to be conducted within an environment which has regard not just for our patient safety, but for our staff as well. Our health and safety policies, systems and processes are informed by the IMS within our JCI and MSQH accredited hospitals which covers OHSAS 18001:2007.

Our SHE Policy sets out planned and preventive maintenance measures with regards to the safe and proper disposal of sharp objects and hazardous materials, as well as monitoring the exposure levels of staff working with medical equipment that emit radiation. Additionally, we also have in place vaccination policies for Typhoid and Hepatitis B for all our clinical and support services staff to ensure they do not get these diseases and transmit them to others.

KPJ's Safety and Health Officer and Environmental Officer are registered with the Department of Occupational Safety and Health (DOSH) Malaysia and have undergone DOSH-recognised safety

training programmes provided by the National Institute of Occupational Health and Safety (NIOSH) Malaysia and Environment Institute of Malaysia (EiMAS). As well as that, we have adopted the Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Environmental Aspect Impact (EAI) system to identify potential hazards, and to assess and control risks of injury or harm due to the exposure of these hazards to staff, visitors and environment.

Ongoing and regular training is conducted for all our employees with regards to updating them on the latest OSH practices and procedures. We share information on this Group-wide to ensure that all employees are on the same page with regards to the adoption of preventive measures. Our contracted vendors and also suppliers are also required to adhere to our health and safety standards.

We continuously monitor our employee health and safety incidents and are committed towards achieving zero incidents. In 2018, we recorded a 58% reduction in OSH-related incidents as a result of our enhanced efforts during the year. At present, all our hospitals report their OSH-related incidents to DOSH.

Initiatives to Reduce Health & Safety Incidents at KPJ Hospitals

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

Hazard Identification Risk Assessment and Risk Control/Determining Risk (HIRARC/HIRADC)
Reviewed and revised HIRARC/HIRADC as part of compliance to IMS for ISO Certification, MSQH and JCI.

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

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

Disaster and Emergency Management Plan (DEMP)
Our hospitals are required to have a Disaster and Emergency Management Plan (DEMP) which describes how a facility will respond to and recover from all hazards. The emergency management plan is established and maintained in order to permit appropriate response to internal and external disasters. As per our policy, all staff must be equipped with guidance provided in the plan by conducting training and disaster drills. Disaster drills will be conducted once a year to test and evaluate the plan.

The DEMP within KPJ hospitals are as follows:

i. Disaster Management Plan
- Disaster and Emergency Management Plan – Code Related to Hospitals are Code Yellow, Code Blue, Code Red, Code Pink and Code Black
- Fire Rescue and Prevention Plan/Fire Safety Plan - Code Red
- Bomb Threat - Code Black

ii. Clinical Related
- Code Blue – Cardiac or Respiratory Arrest
- Code Pink – Baby or child who has been abducted or missing

OSH RATES	2016	2017	2018
Fatality Rate	0	0	0
Incident Rate	14.4	12.5	5.3
Frequency Rate	5.8	5.1	2.2
Severity Rate	19.9	19.9	8.1
Occupational Poisoning and Disease Cases	0	0	0
Total man-hours worked	**22,935,744**	**24,568,128**	**32,722,312**

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

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A CASE OF CODE BLACK

HOSPITAL CRISIS AND DISASTER MANAGEMENT

On 27 November 2018, KPJ Seremban Specialist Hospital received a bomb threat, and took all the necessary precautions and measures in responding to this scare, especially in managing the potential risks upon the lives of patients, staff and members of the public who were on its premises. The hospital's exemplary handling of the situation is testament of KPJ's strong Disaster and Emergency Plan, which was developed with unforeseen emergencies such as these in mind.

Event Rundown

TIME	WHAT HAPPENED
4.30pm	Hospital operator received a phone call of a bomb threat, with the caller stating that the bomb was within the KPJ Seremban hospital premises, and that everyone should evacuate the building.
4.45pm	Code Black (1st Announcement) was activated as granted by the top management. The Emergency Response Troopers and Emergency Response Team (ERT) at ward level gathered at the Control Room to receive more information from the Incident.
4.49pm	Police Department IPK Jalan Campbell was informed about the incident.
5.15pm	Code Black Evacuation announced as granted by the Medical Director and OCPD Police Department Seremban. Partial Evacuation began. A total of 117 inpatients comprising 72 stable patients and 45 unstable cases, 169 staff and 60 visitors were evacuated to the Assembly Point. The 45 unstable cases were evacuated to the Medical Base, consisting of 8 Red Zone cases, 10 Yellow Zone cases and 27 Green Zone cases.
6.21pm	One patient was safely delivered in the ambulance at Assembly Point and one unstable dengue case from HDU was transferred to Hospital Tuanku Jaafar. As advised by OCPD and agreed by Medical Director, a total of five ICU/CICU patients remained in the unit comprising one ventilated patient, two post-angiogram, one unstable paediatric dengue fever accompanied by parents, and one post-major operation, along with eight staff members.
6.45pm	KPJ Seremban was declared safe by OCPD. All patients were brought in to the wards level by level.
7.30pm	All patients back in their respective wards.
8.30pm	All transferred patients were back in KPJ Seremban.

Resolution from the Post-Mortem Conducted

Upon resolution of the event, KPJ conducted a detailed analysis and came up with a series of measures to further improve our capabilities should any future disaster events occur as follows:

- Line of Authority to give command for "Evacuation Process" during bomb threat events
- To develop Standard Operating Procedures (SOP) between the private and government sector during any Disaster Event
- Future Memorandum of Understanding (MOU) between private and Government hospital relating to transfer process
- Capability of each hospital in receiving Ventilators and Critical Cases

GRI CONTENT INDEX

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

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
General Disclosures				
GRI 102: General Disclosures 2016	**Organisational Profile**			
	102-1	Name of the organisation	cover page	
	102-2	Activities, brands, products, and services	-	Refer to pages 10-12 of the Integrated Report 2018
	102-3	Location of headquarters	back cover	
	102-4	Location of operations	-	Refer to page 13 of the Integrated Report 2018
	102-5	Ownership and legal form	-	Refer to pages 8-9, 114-147 of the Integrated Report 2018
	102-6	Markets served	-	Refer to pages 71-90 of the Integrated Report 2018
	102-7	Scale of the organisation	-	Refer to pages 4-6, 10-27 of the Integrated Report 2018
	102-8	Information on employees and other workers	pages 62-70	
	102-9	Supply chain	page 8, 13, 28, 64, 69	
	102-10	Significant changes to the organisation and its supply chain	page 69	
	102-11	Precautionary Principle or approach	-	Refer to pages 46-51 of the Integrated Report 2018
	102-12	External initiatives	pages 13, 48-52, 53, 62, 67	
	102-13	Membership of associations	page 27	
	Strategy			
	102-14	Statement from senior-decision maker	pages 4-8	
	Ethics and Integrity			
	102-16	Values, principles, standards, and norms of behaviour	inner cover	Refer to page 28 of the Integrated Report 2018
	Governance			
	102-18	Governance structure	page 7	Refer to page 113 of the Integrated Report 2018
	Stakeholder Engagement			
	102-40	List of stakeholder groups	page 22	
	102-41	Collective bargaining agreements	N/A	We have 2 hospitals that has 494 staff who have joined a union, out of the 13,395 total staff in KPJ
	102-42	Identifying and selecting stakeholders	page 22	
	102-43	Approach to stakeholder engagement	pages 22-28	
	102-44	Key topics and concerns raised	pages 22-28	

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
General Disclosures				
GRI 102: General Disclosures 2016	**Reporting Practice**			
	102-45	Entities included in the consolidated financial statements	-	Refer to pages 8-9 of the Integrated Report 2018
	102-46	Defining report content and topic Boundaries	page 3	
	102-47	List of material topics	page 17-21	
	102-48	Restatements of information	page 3, 57	
	102-49	Changes in reporting	pages 2-3	
	102-50	Reporting period	page 3	
	102-51	Date of most recent report	page 3	
	102-52	Reporting cycle	page 3	
	102-53	Contact point for questions regarding the report	page 3	
	102-54	Claims of reporting in accordance with the GRI Standards	page 2	
	102-55	GRI content index	pages 71-76	
	102-56	External assurance	page 3	

GRI 200: Economic Standard Series				

Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 29-52	
	103-2	The management approach and its components	pages 29-52	
	103-3	Evaluation of the management approach	pages 29-52	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	page 60	Refer to pages 6, 17 of the Integrated Report 2018

Anti-Fraud, Bribery and Corruption				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 64	
	103-2	The management approach and its components	page 64	
	103-3	Evaluation of the management approach	page 64	

GRI CONTENT INDEX

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
GRI 205: Anti-Corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	page 64	
	205-3	Confirmed incidents of corruption and actions taken	page 64	

GRI 300: Environmental Standard Series				

Responsible Resource Management - Energy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 3, 55-57	
	103-2	The management approach and its components	pages 53-58	
	103-3	Evaluation of the management approach	pages 55-57	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	page 57	
	302-3	Energy intensity	page 57	
	302-4	Reduction of energy consumption	page 57	

Responsible Resource Management - Water				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 3, 56	
	103-2	The management approach and its components	pages 3, 56	
	103-3	Evaluation of the management approach	pages 3, 56	
GRI303: Water 2016	303-1	Water withdrawal by source	pages 3, 56	

Responsible Resource Management - Effluents and Waste				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 3, 55	
	103-2	The management approach and its components	pages 3, 55	
	103-3	Evaluation of the management approach	pages 3, 55	
GRI306: Effluents and Waste 2016	306-2	Waste by type and disposal method	pages 3, 55	

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Climate Change (Mitigation and Adaptation) - Emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 3, 57	
	103-2	The management approach and its components	pages 53, 57	
	103-3	Evaluation of the management approach	page 57	
	305-2	Energy indirect (Scope 2) GHG emissions	page 57	
	305-5	Reduction of GHG emissions	page 57	

GRI 400: Social Standard Series

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Employee Diversity, Inclusiveness and Equal Opportunity - Employment				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 3	
	103-2	The management approach and its components	page 62	
	103-3	Evaluation of the management approach	page 62	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	page 63	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	page 65	

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Occupational Safety, Health and Well-being - Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	pages 69-70	
	103-2	The management approach and its components	pages 69-70	
	103-3	Evaluation of the management approach	pages 69-70	
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	page 69	Starting in 2019, we will collate data by gender.

GRI CONTENT INDEX

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Employee Diversity, Inclusiveness and Equal Opportunity - Diversity and Equal Opportunity				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 3	
	103-2	The management approach and its components	pages 67-68	
	103-3	Evaluation of the management approach	pages 67-68	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	pages 63-68	Refer to page 117 of the Integrated Report 2018

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Employee Diversity, Inclusiveness and Equal Opportunity - Non-discrimination				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 3	
	103-2	The management approach and its components	pages 63-64	
	103-3	Evaluation of the management approach	pages 63-64	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	page 64	

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Workforce Learning and Development - Training and Education				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 3	
	103-2	The management approach and its components	pages 64-65	
	103-3	Evaluation of the management approach	pages 64-65	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	page 65	
	404-2	Programme for upgrading employee skills and transition assistance programmes	pages 33, 44, 64-65	
	404-3	Percentage of employees receiving regular performance and career development reviews	page 64	

GRI STANDARD			PAGE NUMBER (S)	COMMENT/REASONS FOR OMISSION(S)
Customer Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	page 3	
	103-2	The management approach and its components	pages 49-52	
	103-3	Evaluation of the management approach	pages 49-52	
GRI 413: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	page 50	

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