



SUSTAINABILITY REPORT 2019

Sustainability Report 2019

Health Management International Pte Ltd

Table of Contents

Board Statement	2
About this Report	2
About HMI	3
HMI'S Sustainability Philosophy	4
Sustainability Governance	6
Stakeholder Engagement	6
Materiality Assessment	8
Environmental Performance	9
Energy Management	9
Medical Effluents and Waste Management	11
Social Performance	13
Training and Education	14
Occupational Health and Safety	16
Community Engagement	18
Service Excellence and Quality	25
Economic performance	26
Economic Growth	26
Corporate Governance	27
GRI Standards Reference Index Table	29

Board Statement

The Board of Directors of Health Management International Pte Ltd (“the Board”) is pleased to present the second sustainability report of HMI for the financial year ended June 2019.

Sustainability represents an underlying part of all our operations at HMI. This commitment to high quality of service that is in the same time sustainable at its core, is extended to regular assessment of environmental, social and governance risks pertaining to the healthcare sector and applicable to our hospitals.

The Board is continuously involved in the oversight of all the assessments, but more importantly it is involved in setting the pace. We have the responsibility of establishing the sustainability philosophy, built upon the 3Cs – Compassion, Competence and Collaboration. From there, upon discussion with senior management, the Board determines the material topics on which the sustainability performance is assessed. These are the key factors identified as important to our stakeholders and as factors where HMI has impact arising from its operations.

From here, the report contains our FY2019 performance on the material topics from three areas: Environmental, Social and Economic. We are also presenting our refreshed sustainability philosophy and Sustainability Governance. Finally, we are hoping to shed light on our strengthened CSR approach, which presents how we leverage our competencies in order to give back to the local communities.

About this Report

Health Management International Pte Ltd (“HMI” or “the Group”) presents its second annual sustainability report, which is in line with the Singapore Exchange (“SGX”) Sustainability Reporting requirements.

This report presents data and information for the financial period from 1 July 2018 to 30 June 2019 (“FY2019”). It covers the Group’s operations and sustainability initiatives for its two hospitals in Malaysia namely, Regency Specialist Hospital (“Regency”) in Johor and Mahkota Medical Centre (“Mahkota”) located in Melaka.

This report has been prepared with reference to Global Reporting Initiatives (“GRI”) Standards. While we have not sought external independent assurance for this reporting period, we will consider it for future years. Should you have any questions or feedback regarding this Sustainability Report (“Report”), or HMI’s sustainability performance, please contact us at ir@hmi.com.sg.

About HMI

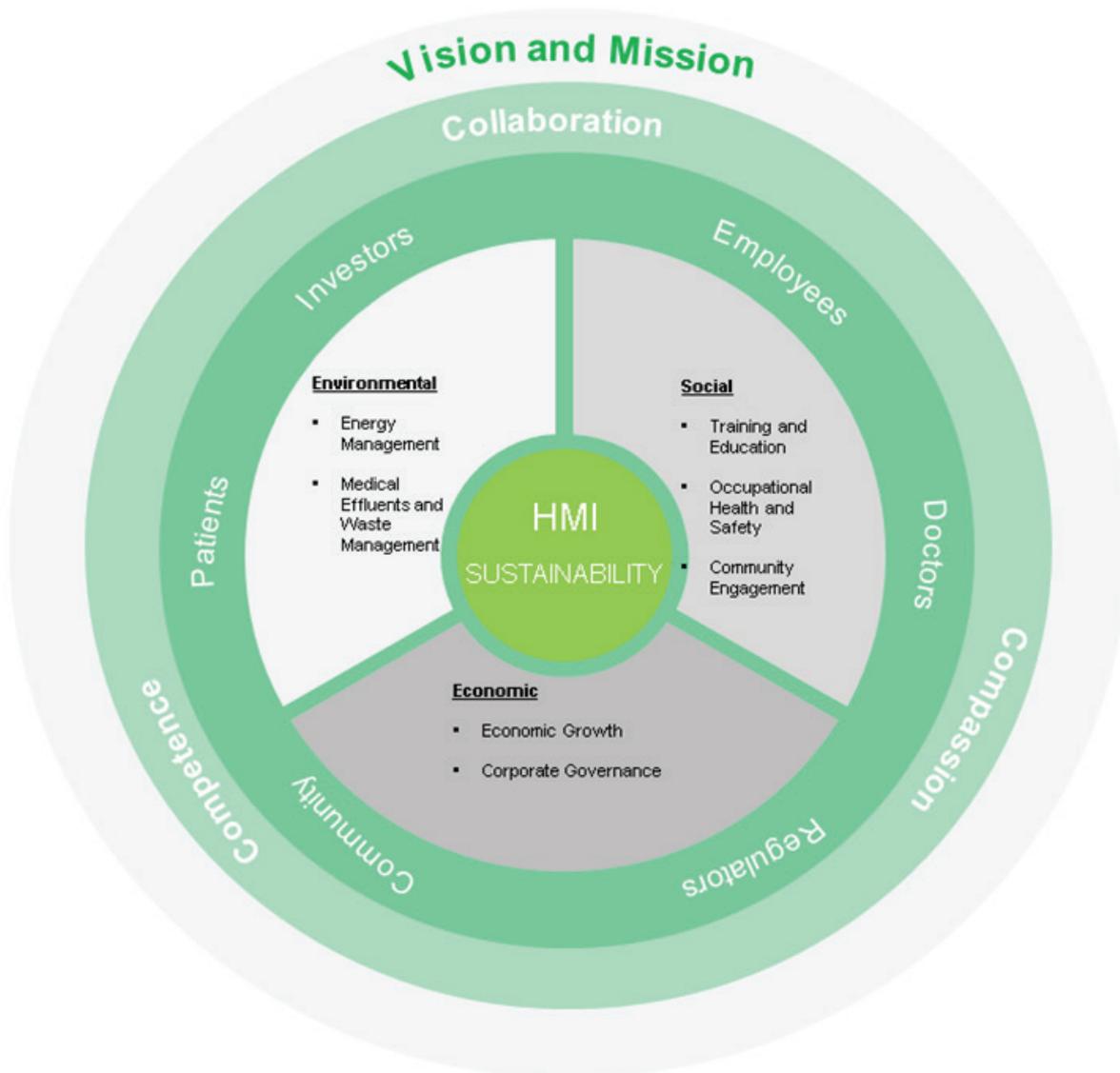
Established in 1998 and listed on the Singapore Exchange until 24 December 2019, HMI is a regional private healthcare provider with presence in Singapore, Malaysia and Indonesia. The headquarters of the Group are located in Singapore.

Our facilities, listed below, cover different branches of the healthcare industry:

- Mahkota Medical Centre, a tertiary care hospital, located in Melaka, Malaysia, with capacity of 340 beds
- Regency Specialist Hospital, a tertiary care hospital, located in Johor, Malaysia, with capacity of 218 beds
- StarMed Specialist Centre, an ambulatory care facility in Singapore
- OneCare Medical, a chain of primary care clinics in Singapore
- HMI Institute, a training school in Singapore



HMI'S Sustainability Philosophy



At HMI, we believe in our overall responsibility to our stakeholders and have identified our key stakeholders that we impact, as well as our material topics which are important to HMI and its stakeholders, across the Environmental, Social and Economic spheres.

Our key stakeholders include our employees, doctors, regulators, community, patients and investors.

Our business strategy, and from there our sustainability philosophy have been shaped on the Group's vision, mission, pledge and values.

Our vision is to be a leading healthcare group in Asia committed to providing excellence in medical care and healthcare education.

Our mission is to help enhance overall health of our communities by building and leveraging human capabilities and technical innovation.

The Group's pledge to the community is – Together, building a healthier society.

Our core values Compassion, Competence and Collaboration, (“3Cs”) represent the means to achieve our mission and vision. These values shape and inform our sustainability philosophy, as well as our operations at HMI. Our vision and mission were reviewed and refreshed last year, and HMI strives to use them as guidelines for everything we do.

Our core values are front and centre on how we approach our sustainability priorities and achieve our vision and mission.

HMI believes that people are the cornerstone of ensuring a successful healthcare organisation. It is through our people, and their passion to improve the quality of human life, that HMI is able to flourish and thrive. HMI also believes in continuously engaging with the local communities, to ensure that there is a sustained value that we continue to build, on a year to year basis.

We also pride ourselves in our high ethical standards and quality of services, which we believe sets us apart. Our motto, “Hands that treat, hearts that heal” drives our people to deliver excellent services to all our patients.

While HMI’s values span across all the branches of operations, and are similarly embodied by Mahkota and Regency Hospitals, which are in the highlight of this Report, the Hospital leaderships have chartered their own missions and visions whilst staying aligned to the Group’s vision and mission.

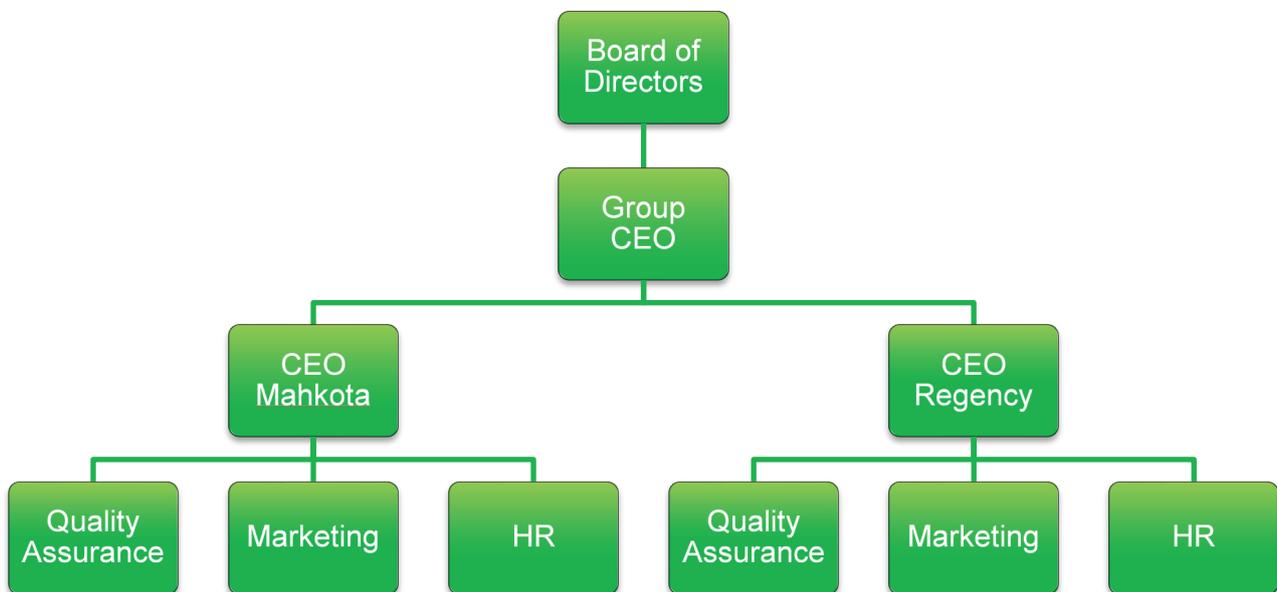
These are the individual statements of each of the Hospitals, which are specific to their own goals and measures of achievement, but still stem from the Group’s commitments. The Hospitals embody the values by serving patients in the best possible way, by collaborating within, and by truly living by the motto “Hands that treat, hearts that heal”. These factors are intertwined and build on everything HMI is doing.

Our sustainability philosophy helps us identify the issues of high importance to HMI and its Stakeholders – known as material topics, and how we address them.

Sustainability Governance

As sustainability, ethics and integrity are in the core of HMI's everyday operations, every employee has the responsibility to contribute to the sustainability journey. The Board of Directors has the ultimate oversight over our sustainability philosophy. The notion of robust governance of the sustainability matters is transferred through our Group CEO to the CEOs of our two hospitals – Mahkota and Regency. The sustainability performance of the hospitals is regularly reported back to the Board through this channel. On a department level, the responsible managers keep track of the determined sustainability indicators. The departments which contribute to the sustainability reporting process are Quality Assurance, Marketing and Human Resources (HR).

Based on industry best practices and continuous oversight of current trends in the healthcare industry, the Board with the help of the executive management continuously shapes and refines HMI's sustainability philosophy.



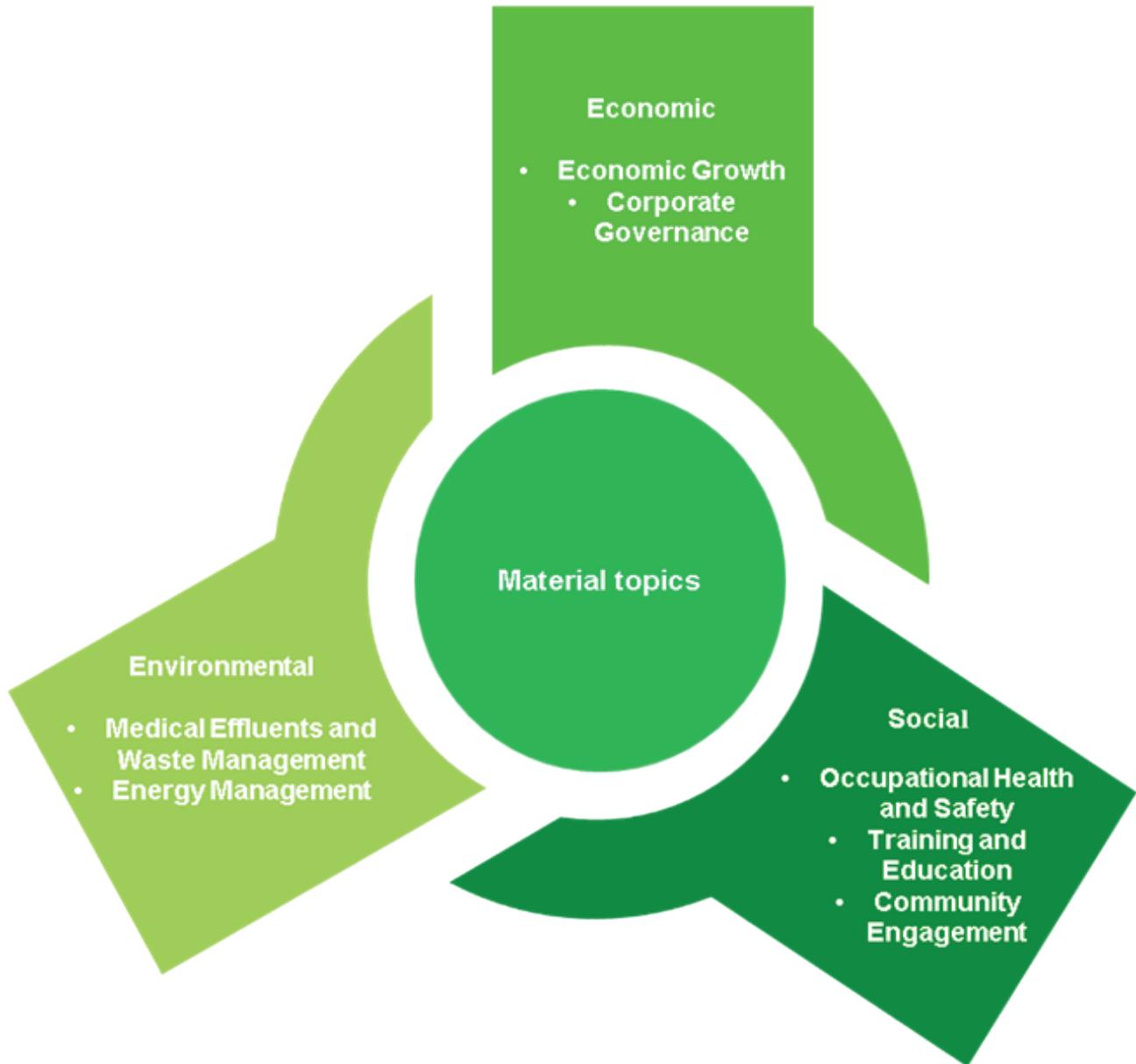
Stakeholder Engagement

HMI recognises the importance of robust stakeholder engagement for long-term business success and ensured quality of service at all times. HMI incorporates stakeholders' opinions into day to day activities and operations. The Group has identified key internal and external stakeholders, based on their relevance to business as well as how they impact the company.

Stakeholder	Frequency	Mode of engagement	Key concerns	Our response
Employees (and Nurses)	<ul style="list-style-type: none"> Regularly Monthly 	Meetings, satisfaction surveys, feedback sessions, grievance forms, celebratory events, CSR events	<ul style="list-style-type: none"> Welfare and well-being Occupation health and safety Training and education Performance appraisal 	Frequent training sessions, support for career development and personal growth, enhancements of medical benefits
Doctors	<ul style="list-style-type: none"> Regularly Monthly Ad hoc 	One-to-one meetings, group forums, committee meetings	<ul style="list-style-type: none"> Training and development Quality of service Welfare and wellbeing 	Flexible support on career development, good working conditions, various benefits
Board of Directors	<ul style="list-style-type: none"> Regularly Monthly Ad hoc 	Meetings, forums	<ul style="list-style-type: none"> Corporate governance Quality of service Compliance 	Presenting annual results, presenting material decisions for every department and operations for approval
Patients and their families	<ul style="list-style-type: none"> Ad hoc 	Feedback forms, meetings in-person, calls and e-mails	<ul style="list-style-type: none"> Customer satisfaction Quality of service 	Frequent communication on feedback to ensure patient well-being and satisfaction
Investors	<ul style="list-style-type: none"> Annual Semi-annual Ad hoc 	Annual general meeting, Annual Report, conferences, calls	<ul style="list-style-type: none"> Performance review Legal and regulatory compliance 	Provision of annual announcements on performance and compliance (Annual Report)
Regulators and various accreditation bodies	<ul style="list-style-type: none"> Ad hoc Annual 	Meetings, conferences	<ul style="list-style-type: none"> Legal and regulatory compliance 	Frequent interaction with regulatory bodies to ensure constant compliance
Community	<ul style="list-style-type: none"> Regularly Ad hoc 	Events, conferences, focus groups, lectures	<ul style="list-style-type: none"> Community wellbeing Education Healthcare 	Caring, Giving, Educating – various CSR activities, donation drives, health talks

Materiality Assessment

In FY2019, HMI confirms that the seven material topics, identified in March 2017, remain relevant and important to the operations and are aligned with HMI's business strategy. This was decided after careful revision and discussion within the management teams and departments of the two hospitals under the scope of the report. Our material topics are presented below:



HMI's Sustainability leadership is aware that there are some other Environmental, Social and Governance ("ESG") factors which must be kept into consideration. These are diversity in workplace, water usage, waste to landfill and Ethics and Integrity. HMI recognised the importance of these and has put in place policies and procedures for regular monitoring. We will consider making some of them material in our future materiality re-assessments. For now, we continue investing the necessary efforts to maintain satisfactory performance on the above-mentioned topics.

Environmental Performance

HMI understands the critical link between health and environment and strives to ensure that its operations create positive impacts on the environment. We believe that it is important to respect both the physical environment which we impact, as well as the working environment of our facilities, to create sustainable practices. Our primary focus is on waste and energy management. As we extend our sustainable handprint and reduce our environmental footprint, we will consider addressing other areas of environmental sustainability.

Our Quality Assurance units considers waste and energy management as key to environmental performance. Thanks to their endeavours, both Regency and Mahkota have established sound management systems in place. These systems have created a link between the employees and the sustainable environment practices, as well as external partnerships on a need and competency base, for example in the case of proper disposal of waste.

While HMI follows and implements all national, regional and industry standards and practices on waste and energy management, environmental protection goes beyond legal compliance – it is reflected in our day to day activities. Some of our efforts include:

- Encouraging and practising proper disposal of biohazardous waste
- Promoting recycling of general waste across our hospitals
- Substituting all light bulbs with LED type bulbs

Energy Management

Management Approach

To demonstrate our commitment to environmental responsibility, wherever we can, we pay close attention to energy consumption. Besides decreasing operational costs, the rationale also includes our endeavour to decrease our environmental footprint.

Both Mahkota and Regency comply with the Electrical Supply Act 447 (1990). This ensures they manage their electricity usage in a safe and efficient manner. The Act obliges the hospitals to meet strict control standards, in particular to the air-conditioning system.

Mahkota have existing energy management measures that include the use of electricity-saving equipment such as LED lighting and heat wheels installed across high-energy consuming Air Handling Units to recycle energy. These measures also include the regular testing of equipment to monitor their energy efficiency and consumption levels. The staff are also encouraged to switch off any and all electrical equipment that is not essential or in use.

Regency follows a few externally established, energy management policies. Apart from those, the Hospital Quality Innovation Unit has established general guidelines and practices. Since FY2017, energy saving equipment has been sourced for Regency, such as LED type bulbs and changing the control for the Air Handling Unit and Fan Coil Units with digital control systems.

Performance

Electricity is still the major source of energy at Mahkota and Regency. Starting from FY2019, HMI has refined the metric for tracking energy intensity in the hospitals from total energy consumption per patient to total energy consumption per square foot of area. The reason behind this update is the fact that the hospitals are likely to be expanded in the future, so the metric reliant on gross floor area ("GFA") would be more relevant for tracking the energy consumption. Furthermore, it is observed that some of the hospital areas have to use energy for lighting or air conditioning even if there are no patients staying or visiting. The combined performance is presented in the graph below.

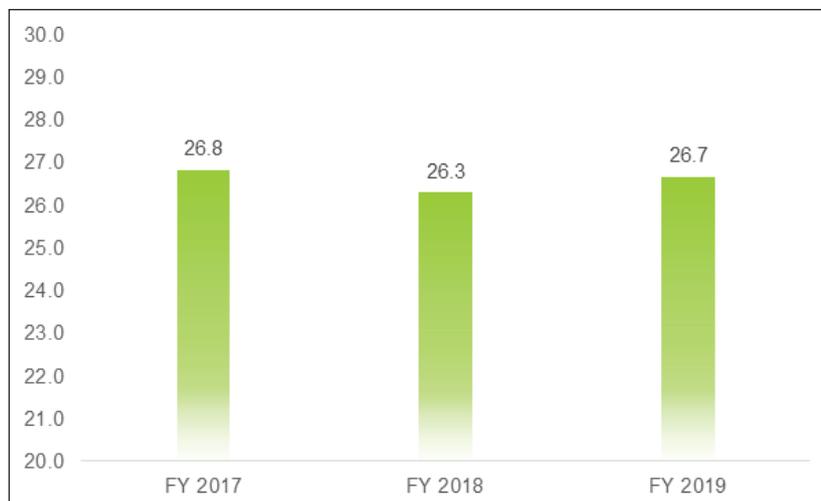


Figure 1 Total energy consumption per square foot in the hospitals (kWh)

Energy intensity has remained relatively consistent from FY2017 to FY2019. Throughout the three years the hospitals increased in size, which is reflected onto the GFA, while the energy consumption was following the trend. Mahkota and Regency will continue to record their energy performance and take measures to become more energy efficient.

Both hospitals already have various general practices for energy saving. During this period, new areas of Regency have opened up (such as a new ward) and internal refurbishing was required. Another of Regency's energy management efforts and initiatives includes introducing energy saving equipment. There are future plans to introduce an Energy Manager, once the average consumption reaches certain level, as advised by local regulations. While this is expected to happen in FY2020, Mahkota already has an Energy Manager in place. The appointment of an Energy Manager follows the regulations established by the Malaysian Energy Commission.

Mahkota has an Electrical Energy Efficiency Management Policy for the management of their electricity in their hospital. Throughout the year they have continued to replace legacy lighting with energy efficient LED technologies and have also begun to closely monitor the start-stop of the air-cooled chiller to increase its efficiency while reducing its energy consumption.

To address the growing issue of carbon emissions and their impact on climate change, HMI has converted its electricity usage into tonnes of CO₂. HMI is looking into further addressing its carbon footprint in the future years. The carbon emissions from the electricity use of Mahkota and Regency are presented in Figure 2 below. The carbon emissions are following the trend of energy consumption.

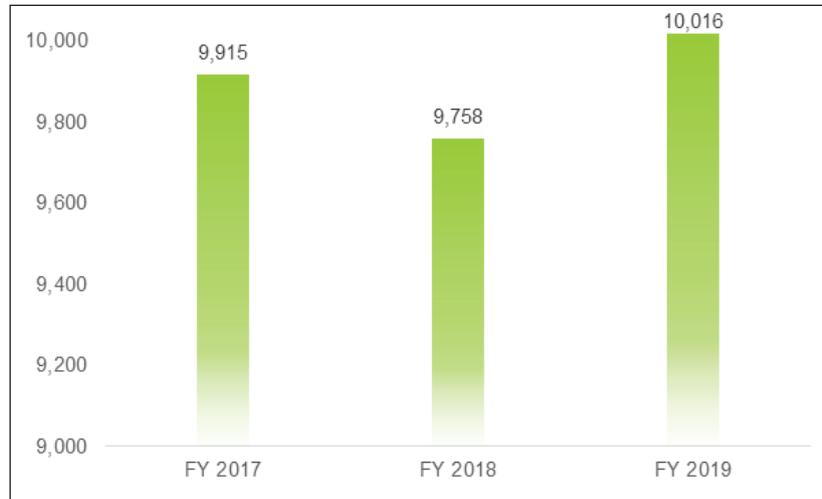


Figure 2 Total carbon emissions from energy consumption in the two hospitals (tonnes CO₂)

Proposed Targets

- Continue the replacement of legacy technologies with energy efficient alternatives (LED bulbs etc.)
- Introduction of an Energy Manager at Regency, when the consumption levels reach the levels specified in the local regulations

Medical Effluents and Waste Management

Management Approach

A crucial aspect of managing and reducing our environmental footprint is proper and efficient waste management, particularly because our major type of waste is biohazardous clinical waste. Due to the type of waste produced, the traditional methods of sustainably managing waste are limited in our operations, i.e. reuse, reduce, recycle.

Sustainably managing our waste primarily involves safe and effective disposal, eliminating any measures of contamination. HMI implements all policies and procedures, in collaboration with our chosen waste disposal companies, to ensure that the environment and surrounding communities are protected from the effects of improper waste disposal.

Both Mahkota and Regency are compliant with the Department of Environment (“DOE”) guidelines on the ‘The Handling and Management of Clinical Wastes in Malaysia’. These guidelines are in place to ensure proper segregation, treatment and disposal of waste.

In the Mahkota, the following public policies regarding the management of waste are being implemented:

- Hazardous Material Management Plan
- Waste Segregation and Disposal
- Cytotoxic Waste Disposal
- Management of Radioactive Waste
- Laboratory Waste Management

Conversely, the following public policies for management of waste in Regency are being implemented:

- Management of Clinical Waste
- Management of Wastes Disposal
- Waste Management

When it comes to non-hazardous general waste at Regency, we set up general guidelines for the employees to follow on proper disposal and recycling. Recycling bins have been positioned in strategic locations for the convenience of all employees and patients. For the future, we are aiming to increase the number of recycle bins across the hospitals, in order to promote the recycling culture when it comes to the general, non-hazardous waste. At present, the recycling initiatives are centred on paper and carton (posters with recycling guidelines are distributed around the hospital).

In both hospitals, we hire an external contractor who takes care of the proper disposal of the clinical waste. We continuously strive to select reliable, licensed waste transportation companies, who are equipped and capable to perform the disposal of the biohazardous waste. Our contractor is Kualiti Alam who collects the clinical and cytotoxic waste from the Regency and Mahkota premises. In our Mahkota hospital location we also undertake monitoring of non-hazardous (general, electrical and recyclable) waste. The general waste is collected by our waste company,-

- Kualiti Alam, while the recyclable waste, including paper, carton boxes, plastic, bottles and furniture is collected by a social welfare organisation that we team up with.

Performance

The main types of hazardous waste tracked at HMI are cytotoxic and clinical waste (expressible and infectious waste). We are paying close attention to how we dispose of the waste. All clinical waste collected by our sites is segregated at the source location. For FY2019, all the waste at Regency and Mahkota was disposed of in the correct manner and there were no reported incidents of improper disposal of clinical waste.

To ensure compliance and proper disposal of waste, audits and inspections are performed throughout the year. The Mahkota Occupational Safety and Health (“OSH”) committee conducted a quarterly audit and the Malaysian Society for Quality in Health (“MSQH”) auditors also conducted a survey on the hospital to ensure that all waste was being responsibly disposed of and that all required methods of disposal were being followed. Both Mahkota and Regency have successfully achieved the MSQH accreditations.

Since FY 2019, we decided to refine our waste management indicator, by changing it to total weight of clinical waste disposed per patient. This decision was based on the fact that the weight of waste in our hospitals does not only reflect the stay of inpatients, but also the outpatients which visit our hospitals on a daily basis. We believe this metric would provide a more appropriate reporting on our waste management efficiency. The chart below presents HMI’s performance on waste disposed per patient.

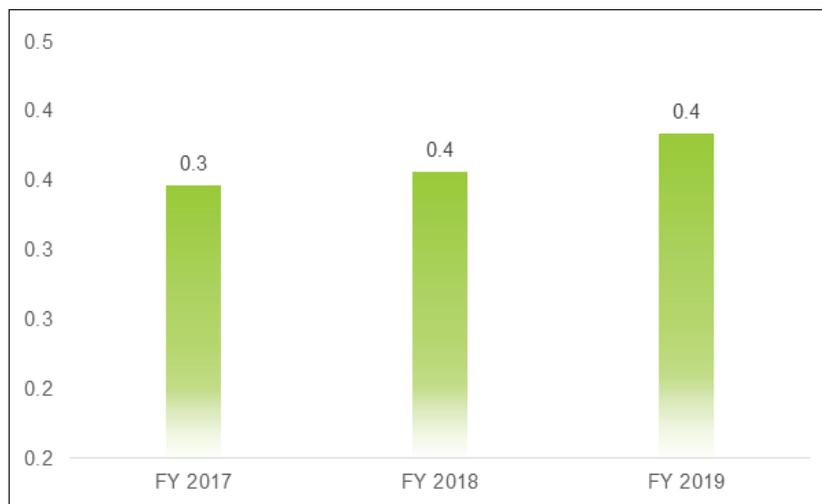


Figure 3 Total weight of clinical waste disposed per patient in the hospitals (kg)

In the past three years, HMI observes a steady rate of the waste per patient. The graph presents that the waste intensity changes in in with the increased number of patients from year to year. In Mahkota, two of the largest contributors to the clinical waste are the Operating Theatre and the Haemodialysis departments. These two departments have noted a slight increase in waste, especially for the Haemodialysis department’s introduction of a four shifts operating schedule. Mahkota is likely to observe an increase in waste in the following years since they are compliant to the Joint Commission International (“JCI”) standards, which require increased and more frequent use of single-use materials in the hospital operations. In February 2020, Mahkota was awarded the prestigious JCI accreditation – the only hospital in Melaka, and one of the-

handful few private hospitals in Malaysia, to receive this honour.

Regency also observed slightly increased waste which is attributed to increased number of outpatients. Both hospitals will continue to monitor their waste generation and will continue to look for ways to decrease it.

Proposed Targets

- To start tracking and monitoring general, non-recyclable waste in the Hospitals
- To maintain the safe and effective disposal of the clinical and cytotoxic waste

Social Performance

At HMI, we care about our employees' wellness and wellbeing and believe that our care drives them towards excellence in delivering services to our patients. Besides the usual general benefits, such as medical and dental, our employees enjoy special rates for health screening and hospitalisation at our hospitals. Furthermore, in FY2019, on a group level the medical benefits allowance for employees was increased by around 40%. On an annual basis, Mahkota and Regency also organise various engagement activities for the employees, which include: a staff forum on a quarterly basis, CEO meetings with all new staff on a monthly basis and an Officer In-Charge ("OIC") forum on a bi-quarterly basis.

At Regency, a staff portal on the intranet is in place, where employees can check for their benefits and various information regarding their everyday life at the hospital. Regency also has its own sports club, which includes activities such as weekly yoga, badminton sessions, hiking and bowling tournaments. On the entertainment side, Regency organises an Annual Dinner and Dance and the Family Fun Fair, as well as the rest of the CSR activities for which employees are invited to volunteer or simply attend. HMI also organises special celebratory activities at the hospitals in time of Hari Raya, Chinese New Year and Deepavali.

HMI pays close attention to the career development of its employees and talent management in general. Succession planning is one of the topics discussed between the CEO and the employees on an annual basis, around the appraisal period. Some particular activities performed at Regency in FY2019 are the Campus Recruitment drive, where the HR team visited seven institutes and interviewed around 133 candidates, out of which 73 were selected to join Regency's staff, loyalty incentives in monetary form for nurses who have been part of the hospitals for longer time, annual bonuses to staff etc. At Regency, around 15% of the staff have witnessed career development (promotion) in the past year. Continuous development opportunities are offered to the staff through the training and development activities offered at HMI.

Training and Education

Management Approach

At HMI, we take a unique approach to meet the training needs of our employees. We believe that our success is closely tied to the strength of our talent pool. As we continue to experience growth, we believe in nurturing and retaining our staff, to ensure that our people are growing together with the organisation. Our unique approach to training is a result of the industry in which we operate. In order to keep abreast of the ever-changing medical landscape, we need to ensure that our doctors are trained and kept up to date with the latest developments in their respective fields. Industry-wide medical conferences, talks and workshops are among the list of training and education exercises that we encourage our doctors and clinical staff to participate in.

Once a year, after the annual performance reviews at Regency, we provide a questionnaire to our employees. This specifically relates to the employee needs, based on their performance, as well as identifies the areas for further development, based on a professional plan. These questionnaires then form the basis of the Training Need Analysis (“TNA”), which is sent to our HR departments, who then prepare an Execution Plan for the upcoming year. This Execution Plan is regularly checked and referred to throughout the year, and performance and plan realization is discussed, not only with management level staff, but with all employees.

In FY2019, at Regency, categories of training included:

- Mandatory trainings, for everyone to attend – 3Cs Workshop, OSH Awareness, Infection Control Awareness, Service Excellence (for management and staff), IT Cyber Security Awareness, Leadership Program (for OICs only);
- Generic trainings which tie in with individual training needs – Mandarin classes for customer-facing staff and Coaching & Counselling;
- Skills set training which is also tied to individual training needs – Post Basic course for nurses, Basic Life Support and Advanced Cardiac Life Support;
- Other trainings involved orientation programmes aimed at equipping our new hires with the general knowledge of our hospitals to help familiarise them with the culture and environment.

Our two main types of trainings- Generic and Skill set are initiated on a need basis – depending largely on what the TNA and department determined for the upcoming year. All our trainings are sponsored by the company and there is strong support from the management on continuous development of employee skills.

This year, Mahkota focused a great deal of its training on the Core Values Training. While the professional trainings were conducted when needed, they felt it is important to train and develop the staff on the new Core Values implemented by HMI. Using this training as a foundation, Mahkota aims for the subsequent round of training to be the Core Competency Training.

Mahkota is proud to continue the sponsorship of its nurses to take their degrees, as part of our commitment to our employee's training, education and development. Mahkota also conducted both mandatory and optional training in FY2019. The optional training was around the Joint Commission International ("JCI") and the MSQH, while the mandatory training included the following:

- 3Cs training (Core values training)
- Service excellence training
- Leadership program
- 7 habits of highly effective people training
- Cardiopulmonary resuscitation (CPR)
- Certified Nurse Educator (CNE)
- OSHA
- Fire safety training.

Performance

On average, there were 41.7 training hours per employee in FY2019 at Regency and 47.5 training hours per employee at Mahkota.

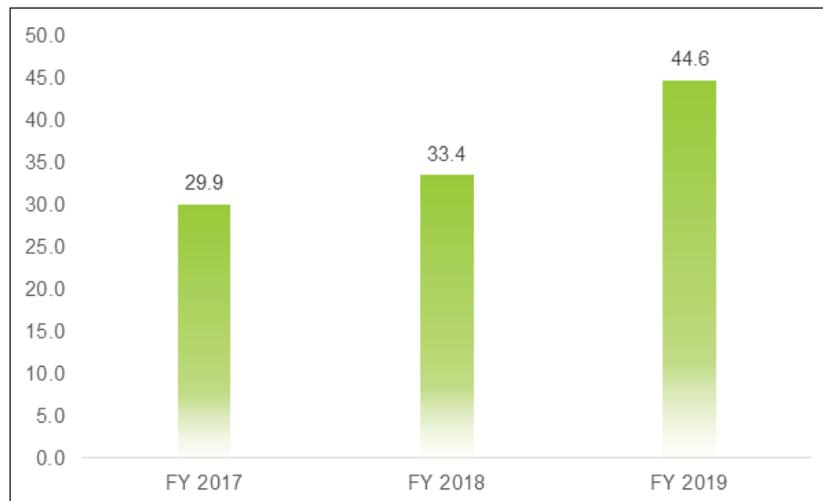


Figure 4 Average training hours per employee for the hospitals

Targets

- To maintain on average, at least 40 hours of training for each employee per year
- At least 30% of the nurses at Mahkota are to complete the post-basic training

Occupational Health and Safety

Management Approach

Due to the nature of our operations, employees at HMI are constantly exposed to health and safety risks. For that purpose, HMI constantly monitors the work conditions and follows all the requirements laid out by the Ministry of Health. The relevant policies adopted by HMI's Hospitals are:

- Management of Injuries- Accidents in Hospital
- Conduct of Occupational Safety and Health Audit
- Hazard Identification, Risk Assessment and Risk Control (HIRARC)

At Regency, there is a designated Health and Safety Officer ("HSO") who oversees the implementation of OHS guidelines and practices as well as fire safety. There are also weekly meetings which have the purpose of discussing safety practices and any potential incidents. Incident reports are consolidated by Regency's QUI Team and are then presented to the COO, CEO and the Medical Director on a weekly basis. In order to keep our employees constantly aware of their health and safety at work, we perform various trainings, activities and drills. Some of them include:

- Quarterly Emergency Response Training by local Fire Authorities (BOMBA) and Occupational Health and Safety ("OHS") Audit
- Yearly Fire Safety Drill
- Child abduction and mass casualty
- Information System Breakdown
- Patient collapse
- Pandemic drills
- OHS refresher and awareness trainings for existing staff
- OHS orientation for new staff
- HIRARC Assessment

Mahkota also has a resident HSO, who is responsible for the development and implementation of the Health and Safety Plan for the hospital. The officer is also in-charge of ensuring that the hospital is compliant with all government regulations. The HSO further advises and instructs on various safety related topics, while additionally conducting risk assessments and enforcing preventative measures. The HSO also assists in the development of the OHS policies for the hospital.

The Mahkota OSH Committee and Quality Improvement Committee meet on a quarterly basis to discuss any incidents that may have occurred, as well as to devise action plans on how to best address the incidents and prevent them from re-occurring. The Quality Improvement team then coordinates to ensure that the action plans are in place and are being followed accordingly.

Mahkota also undertakes health and safety related training and drills. The use of consistent education, refresher training to our staff as well as external and internal audits, assist Mahkota in ensuring that all health and safety conditions are met. The following training and drills were conducted in FY2019:

- ERT staff training by BOMBA
- Infection control training to all staff in clinical areas
- Ergonomic training
- OSH training to all new staff during orientation
- Chemical safety handling
- Sharp management
- Emergency codes drill

Performance

When it comes to Occupational Health and Safety, Regency and Mahkota are tracking two indicators – lost time injury rate and work-related fatalities rate. The lost time injury rate for the hospitals has slightly increased in FY2019, due to an increase of the workdays lost due to injuries at Mahkota. The work-related fatalities rate remains zero in FY2019.

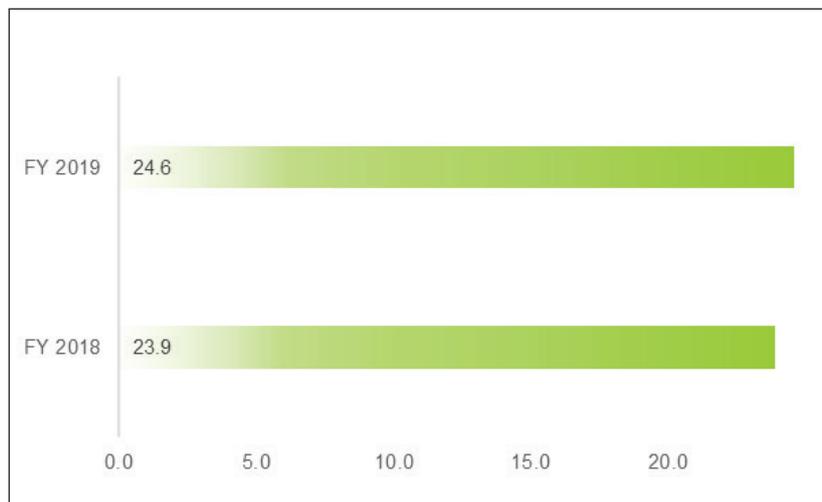


Figure 5 Lost time injury rate for the hospitals

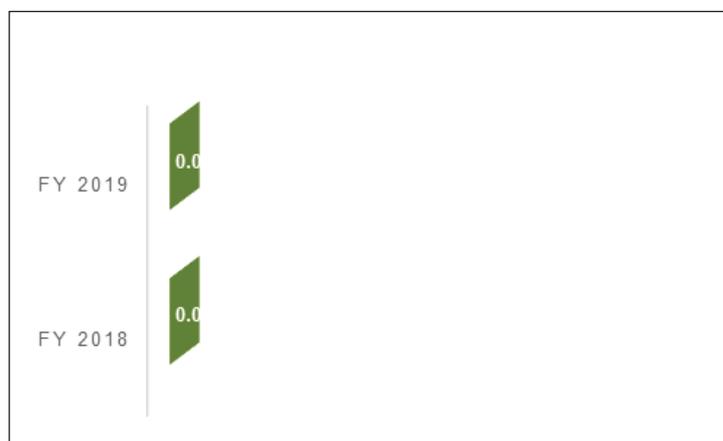


Figure 6 Work related fatalities rate for the hospitals

Indicator for Lost Time Injury Rate is $(\text{work days lost due to injuries} / \text{man hours worked}) \times 1,000,000$. The formula is updated in FY2019, as per the industry standard.

Targets

- Maintain zero work related fatalities rate
- Maintain low lost time injury rate

Community Engagement

Management Approach

At HMI, we aspire to link community engagement with our day to day tasks and operations. Our goal is to add value to the community, aside from delivering the value of our services, and to pave the way from healthcare to health.

At Regency, we design our community engagement activities and health talks to be more issue-centric, community-needs focused, proactive and preventive. One of the main goals we want to achieve through these activities is to empower the individuals of the local communities to look after their health and understand the power of preventive health. The two types of community engagement activities are:

1. Health talks, which are of preventive nature – from Healthcare to Health and are categorised according to stakeholder group, and
2. Community activities, which are for the benefit of our patients and the local communities.

We also tie our CSR efforts with the 3Cs. Regency and Mahkota strongly believe partnerships with external community healthcare related organisations can complement or supplement the CSR activities. Some prominent partnerships that Regency has are with Rotary Club and NASAM, as well as with local schools. With these successful partnerships, the hospitals embody the value of *Collaboration*, when it comes to community engagements. Furthermore, our key driver in all CSR activities are our people, who genuinely believe in helping others. This brings the *Compassion* value to life. Finally, through staff volunteering and leveraging the experience and expertise of the doctors and various professionals when it comes to the activities that involve medical screenings and treatments, Mahkota and Regency epitomise the *Competence* value.

Regency organises 15-16 community engagement events per month. The way in which we categorise these events is under three themes: **Giving, Caring** and **Educating**. Employee participation is the key driver for our extensive and successful community programmes. Besides providing paid leave for volunteering, our employees have the additional incentive of maximum ten appraisal points for their annual performance review which could be gained by participation in these programmes. We do not have a single team who organises these activities, but several teams who engage with different community groups. The goal is to promote wellness and to educate the community on preventive health.

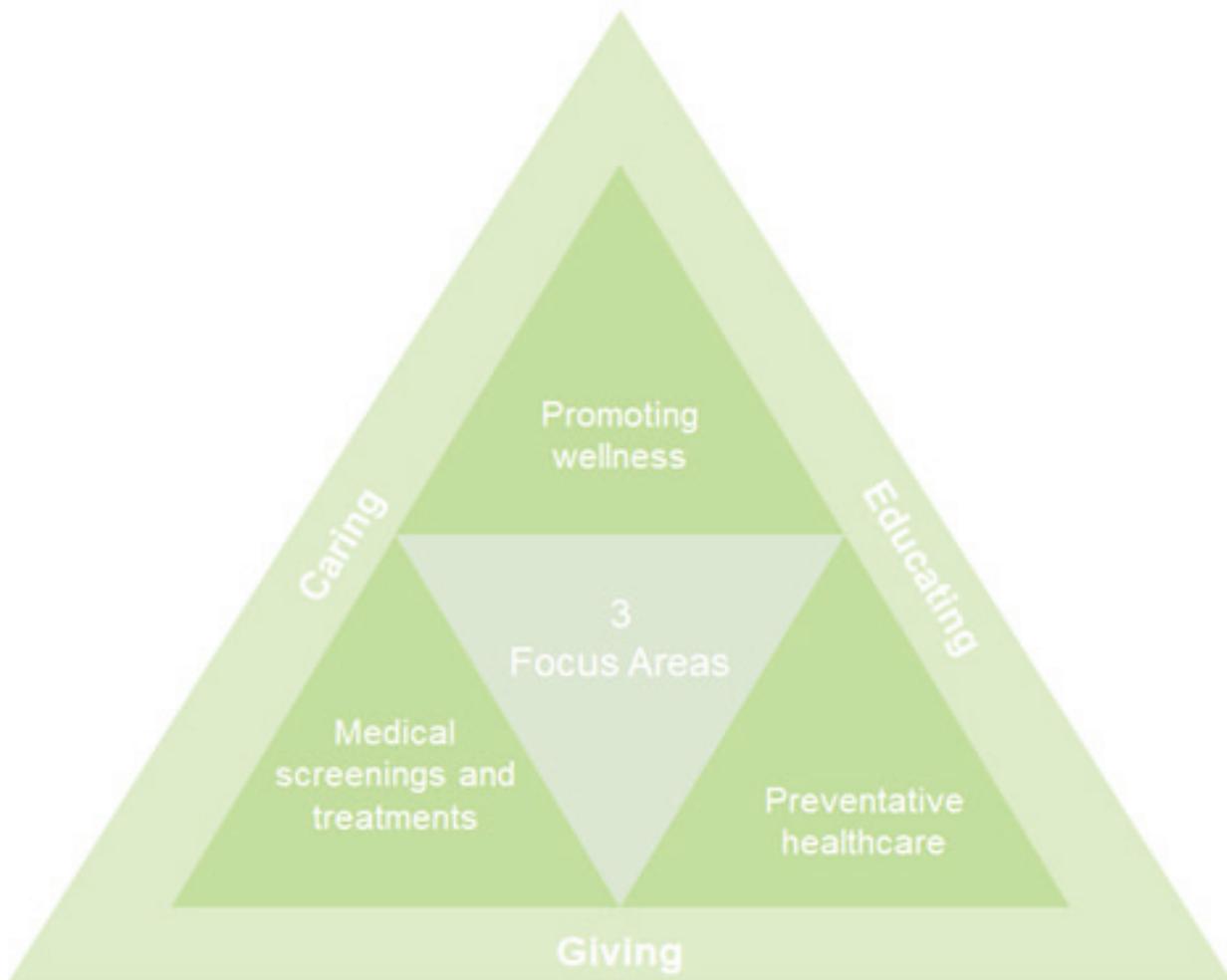
At Mahkota, our key social community impact focus areas are on preventative healthcare and increased knowledge on general wellbeing. This year, we have organised a total of 113 community health talks, primarily relating to preventative care, management and treatments of cancer and orthopaedic related subjects. Our community are entirely engaged through all our CSR activities, often being both-

-partners as well as recipients. We proudly partnered with our local community association to reach out to the broader community in the raising of charity funds.

Our staff, business associates and local community at Mahkota all play a crucial role in achieving our CSR goals. Our staff receive paid leave for volunteering; therefore, they willingly participate in all CSR events organised by the hospital. We tend to find that many of our staff end up registering, not only themselves to attend the CSR engagements, but also their families. We also get manpower support from our staff for event preparation or on-the-day execution.

A summary of the categorisation of HMI's CSR activities is presented in the chart below.

HMI's CSR Strategy – Leveraging our capabilities to address the needs of the community



HMI's CSR strategy could be defined as a collection of the approach to community engagement taken by Regency and Mahkota. Setting the three themes of Caring, Giving and Educating as the basis of the strategy, we have identified three focus areas which tie to two of the three values. The three focus areas are Medical screenings and treatments (tying in with Giving and Caring), Preventative healthcare (connected to Giving and Educating) and Promoting wellness (relating Educating and Caring). We strive to organise every event in the spirit of at least one theme, which means that every CSR event falls within at least one focus area.

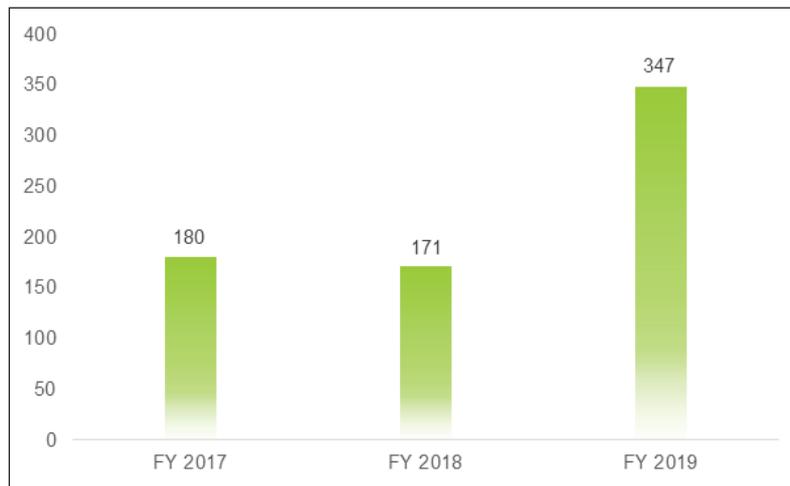


Figure 7 Number of community engagement activities in the hospitals

The most prominent events at Regency include the World Heart Day activities, the World Health Day activities and some of our engagement projects with local orphanages on building homes for them, providing health care and providing baking classes.

² In the Annual Report 2018, the number of community activities in FY2017 was stated to be 182, however in this report we are restating it to 180, due to minor calculation error.

Case Study 1 – World Health Day: April 2019 – Regency organises various activities in the light of the World Health Day, such as 6 km Regency Balloon Run, Health Cooking Way presentation, health check-ups and screenings, blood donation drive, fitness exercise, Art, Health and Wellbeing Exhibition, as well as Little Chef Competition and Colouring competition for the youngest members of the Regency community. This event conveys all three themes of HMI's CSR approach – Caring, Educating and Giving. The participants delved deep into the three focus areas by attending the races (Promoting wellness), taking part in the health check-ups and continuously throughout the day raising awareness on preventative healthcare. HMI's community engagement intention is successfully conveyed through the active participation from the employees and the local communities in the World Health Day activities.



Figure 8 World Heart Day event in October 2018

Case Study 2 – World Heart Day: October 2018 – to mark the World Heart Day, Regency organised a 12 km Fun Ride and 2-hour long Fitness Marathon, as well as basic health screening, blood donation drive, healthcare information sharing and children activities, such as face painting and clown and balloon show. A donut sale took place, whose funds were dedicated to NASAM – Johor Bahru Centre. The observation of the World Heart Day perfectly demonstrates the Caring side of HMI – encouraging the Promotion of wellness and the need for regular Medical screenings. HMI is also hoping that this event would bring about Educating the public on basic Preventative care.

Case Study 3 – Long term projects – Regency has been involved in few long-term projects where they continuously exemplify the Caring and Giving aspects of HMI's CSR strategy. These long-term projects include partnering with selected Orphanage homes and Child Abuse Homes, such as Care Haven and Rumah Mini Kanak2. The activities include raising funds for a new building, setting up a library or providing health care for the children. Furthermore, the Christmas celebration at Care Haven has been organised by Regency for the past 5 years, while the Health Camp at Orang Asli has been organised for more than 3 years in a row.

HMI is striving to present all three CSR values through these long-term projects, but most of all the sustainable vision of maintaining long term connections with the local communities. Aside from Medical screenings and promoting wellness and preventative-

-healthcare, HMI is wholeheartedly helping and providing to the ones who need it the most.



Figure 9 Christmas Celebration at the Care Haven Children's Home in December 2018



Figure 10 Breakfast with the Rumah Mini Kanak2 in May 2018

At Mahkota, we have several annual CSR events such as the Mahkota Charity Run in Melaka, the MaRe Run (in Indonesia), the Bubur Lambuk distribution, and blood donation campaigns. Not only do we support our own events, but also support other charity events through donation. In 2019, all CSR events held by Mahkota, were extremely well received, and have had positive feedback from the attendees. We have received positive responses, not only from the participants but from the beneficiaries as well. Each event hosted reached its intended targets in FY2019.

Case Study 4 – Mahkota Charity Run “Beautiful Rush”: October 2018 – 2,123 runners participated in the 6 km and 12 km races, as part of this charity run organised in Melaka, Malaysia. A total of RM179,876 was raised during this event and all the proceeds went to Melaka Historical City Charity Fund. This event has been organised in accordance to the Promoting wellness focus areas and serves as a perfect example of the way in which HMI hopes to convey the values of Caring, Giving and Educating.



Figure 11 "Beautiful Rush" Charity run in October 2018

Case Study 5 – Diabetes Symposium: December, 2018 – In partnership with Theptarin Hospital, Thailand, Mahkota organised the Diabetes Symposium 2018. Theptarin Hospital is well known for its holistic and integrated Diabetes care Centre in Thailand. During the symposium, useful and important information was shared by various healthcare professionals involved in the diabetes care domain to the members of the public. This health talk was organised in light of the Educating value, covering the focus areas of Preventative healthcare and Promoting wellness. HMI is hoping to increase awareness of diabetes by presenting it closely to the local communities, which also exemplifies the Caring value.



Figure 12 Diabetes Symposium in Mahkota, December 2018

Case Study 6 – Mahkota Cancer Support Groups: February and June 2019 – Mahkota Cancer Support Group organised two meetings in 2019. The first one was a Chinese New Year gathering, organised in collaboration with National Cancer Society Malaysia. The aim of this event was to provide emotional support and spread the festive cheer to individuals undergoing cancer treatment and care. The event included performance of the Chinese New Year song and sharing session, as well as celebration of cancer patients' and survivors' birthdays. The second event was organised in light of Hari Raya celebrations with the cancer patients at the Health Screening Centre of Mahkota. Besides celebration of Hari Raya and birthdays of cancer patients and survivors, the event was attended by a dietician from Abbot Nutrition, who shared tips on fighting muscles loss.

HMI intends to raise awareness on cancer and cancer treatment through these gatherings and demonstrate the value of Caring. In the same time, we are Giving an opportunity to our cancer patients and survivors to socialise and share their experiences. Thus, all three focus areas of HMI's CSR approach have been covered with our cancer support groups.



Figure 13 Mahkota Cancer Support Group for Hari Raya, June 2019

We managed to achieve our FY2018 target on a group level due to the considerable support and guidance by our Management teams, as well as the support and hard work provided by our departments and external partners. Last, but not the least, the high employee participation rate has also immensely influenced the achievement of the target.

Targets

- Mahkota and Regency would continuously follow and observe the community needs and consequently organise CSR projects to provide the support needed and to fulfil the community needs.

Service Excellence and Quality

Although not specifically included in our material topics, HMI recognises the importance of patient data privacy and feedback on service.

The topic of data privacy is extremely important when it comes to healthcare services. For that reason, HMI complies with the Personal Data Protection Act (“PDPA”). Furthermore, all the patients are required to sign a consent to the PDPA. We follow all the national guidelines regarding disposal of personal data and personal data treatment, and we adhere to the nationally established guidelines. While we still collect this type of consent manually at our hospitals, we are in the process of implementing an Electronic Medical Records system at Mahkota and Regency. Lastly, the IT department at Regency conducts training sessions for the employees on Cyber Security Awareness. Mahkota is also well-aware that patient data is highly confidential and should be treated with the utmost care and privacy. Patient data is collected on the Mahkota system by key personnel who have restricted access, however, when there is the need for manual movement of patient records, this too is done in a secure manner. Our employees take all the necessary measures to ensure secure patient data collection and storing. An example is not using patient names directly in the records.

When it comes to customer satisfaction, at both Mahkota and Regency, the Service Excellence Initiative has been established, with the aim of providing the highest quality service to our patients, through our unwavering commitment to presenting our best efforts.

At Regency, we have placed the “Customer Feedback Form” and the “Guide to Patient and Family Rights and Responsibilities” in the waiting rooms so that our patients know that they could expect the best service at our hospitals and give service feedback at any time. The feedback from patients goes directly to the CEO of Regency. In FY2019, we had no incidents of significant complaints on customer service from our patients.

At Mahkota, we have initiated and implemented the JCI and Service Excellence Initiatives, to further enhance our Hospital in the service of its patients in alignment with the 3Cs Core Values. In alignment with the Compassion aspect of the values, we have a priority lane to wheelchair and paediatric patients, and we have further introduced a ‘Nurse Navigator’ which ensures that outpatient patients who need urgent emergency assistance are referred immediately. We also introduced more than 35 patients’ education materials to enable patients and/or caretakers to understand how best to take care of patients after discharge.

A great deal of the policies and work processes of the hospital have been revised to meet the requirements of the JCI. We are also currently in development of a comprehensive assessment tool for patients. These engagements align with the *Competence* value of the 3Cs core values.

To address the *Collaboration* value, as well as successfully implement the JCI and Service Excellence Initiatives, the team at Mahkota works closely with each other. The engagement occurs regardless of management level or front-line order. This has been effectively demonstrated by the nursing team, who have switched from a functional nursing working pattern to team nursing working pattern.

Economic Performance

Economic Growth

Profitability is one of the core elements of ensuring sustainable development and long-term success. At HMI we consider profitability to be the measure of the quality of service, customer trust and employee satisfaction.

Our hospitals offer a variety of services to the patients, some of which are unique in the region. The approach taken by our hospitals is to create key Core Competencies (or Medical Strengths). These Core Competencies designate the services in which each of the hospitals excel and the disciplines in which each are well established. The Core Competencies also stem from the local demand for specific services.

The **guiding principles** that determine the Core Competencies are presented in the chart below.



Regency has identified five Core Competencies:

- NeuroScience and NeuroSpine
- Heart and lung
- Women and children
- Emergency and trauma
- Digestive health

Mahkota, on the other hand, has expanded its service offering in FY2019 by introducing Tomography, OT and Radiology departments, as well as extension of the MR services and a new CCU isolation room. The five identified Core Competencies of Mahkota are:

- Cancer centre
- Woman and child centre
- Men's health centre (Urology)
- Heart centre
- Bone & Joint centre.

Corporate Governance

HMI is subject to various local and regional regulations, regarding social and environmental rules. As a healthcare provider, HMI complies with various regulations imposed by the Ministry of Health and other regulatory or government bodies. It is our strong commitment to be strictly compliant with these regulations in order to provide high quality care to our patients, for the long run.

Some of the regulations with which HMI complies with include Singapore Exchange regulations on sustainability reporting, regulations by the Ministry of Health, Ministry of Environment, and the Ministry of Manpower etc.

As good corporate governance is crucial to the success and long-term endurance of a company, as well as the sustainability of business and performance, the HMI Group has created strong policies to which it diligently adheres. The Group's Corporate Governance policies are created according to the principles and guidelines set by the Code of Corporate Governance 2012 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Please refer to the "Code of Corporate Governance Report", pages 37-58 of the Annual Report 2018 for more details on Corporate Governance policies.

GRI Standards Reference Index Table

Disclosure Number	Disclosure Title	Reference / Notes
GENERAL DISCLOSURES		
102-1	Name of the organisation	Health Management International Ltd
102-2	Activities, brands, products, and services	About HMI, 4
102-3	Location of headquarters	About HMI, 4
102-4	Location of operations	About HMI, 4
102-5	Ownership and legal form	Health Management International website
102-6	Markets served	About HMI, 4
102-7	Scale of the organisation	Annual Report 2018, Notes to the Financial Statements 30, page 113
102-8	Information on employees and other workers	Annual Report 2018, page 12
102-9	Supply chain	Not applicable, supply chain is minimal and insignificant to report on
102-10	Significant changes to the organisation and its supply chain	Not applicable, supply chain is minimal and insignificant to report on
102-11	Precautionary Principle or approach	Although we do not explicitly reference the precautionary principle in our risk management, we undertake environmentally responsible practices with the aim of being responsible corporate citizens Or Annual Report, Code of Corporate Governance Report
102-12	External initiatives	Social, 21-25
102-13	Membership of associations	HMI is not part of any association
102-14	Statement from senior decision-maker	Board statement, 2
102-16	Values, principles, standards, and norms of behaviour	HMI' Sustainability Philosophy, 4-5
102-18	Governance structure	Annual Report 2018, Code of Corporate Governance Report, page 37
102-40	List of stakeholder groups	Stakeholder engagement, 7

102-41	Collective bargaining agreements	Not applicable, no collective bargaining agreements are in place
102-42	Identifying and selecting stakeholders	Stakeholder engagement, 7
102-43	Approach to stakeholder engagement	Stakeholder engagement, 7
102-44	Key topics and concerns raised	Stakeholder engagement, 7
102-45	Entities included in the consolidated financial statements	Annual Report, Notes to the Financial Statements 35, page 121
102-46	Defining report content and topic boundaries	About this report, 3
102-47	List of material topics	Materiality assessment, 8
102-48	Restatements of information	Social, 20
102-49	Changes in reporting	Health Management International became a private company on 24 December 2019
102-50	Reporting period	About this report, 3
102-51	Date of most recent report	12 October 2018
102-52	Reporting cycle	About this report, 3
102-53	Contact point for questions regarding the report	About this report, 3
102-54	Claims of reporting in accordance with the GRI Standards	About this report, 2 The report is published in reference to GRI standards.
102-55	GRI content index	GRI Standards Reference Index Table, 29-31
102-56	External assurance	n/a

MATERIAL TOPICS (SPECIFIC DISCLOSURES)

Energy 2016		
103-1/2/3	Management Approach	Environment, 9-10
302-3	Energy intensity	Environment, 9-10
Effluents and waste 2016		
103-1/2/3	Management Approach	Environment, 11-13
306-2	Waste by Type and Disposal Method	Environment, 11-13
Training and development 2016		
103-1/2/3	Management Approach	Social, 14-15
404-1	Average hours of training per year per employee	Social, 14-15
Occupational health and safety 2016		

103-1/2/3	Management Approach	Social, 16-18
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social, 16-18
Local communities 2016		
103-1/2/3	Management Approach	Social, 18-26
413-1	Operations with local community engagement, impact assessments, and development programs	Social, 18-26