



IHH Healthcare

Care.  
For good.

# Scaling New Peaks

*Co-creating Future Growth*

Annual Report 2021

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## About This Report

The Company's Annual Report 2021 has been prepared in accordance with the International <IR> Framework set by the Value Reporting Foundation and with reference to the Global Reporting Initiative (GRI), including the Sector Specific Sustainability Topics for Healthcare Providers and Services and Healthcare Technology – to enhance reporting connectivity while providing stakeholders with a more holistic view of how the Company creates and sustains value.

Our reporting processes also comply with the provisions of the Malaysian Code on Corporate Governance, the Main Market Listing Requirements (MMLR) and the Sustainability Reporting Guide (2nd edition) of Bursa Malaysia Securities Berhad, the Companies Act 2016, and the Malaysian Financial Reporting Standards (MFRS).

Besides financial reporting, our Report also includes non-financial performance, opportunities, risks and outcomes attributable to, or associated with, all our stakeholders that significantly influence IHH's ability to create value.



A shared aspiration, these three words sum up what IHH Healthcare stands for:

- Our vision to be the world's most trusted healthcare services network;
- Our purpose to touch lives and transform care;
- And our commitment to provide greater good to our patients, people, the public and our planet.

Care – As a world-leading integrated healthcare provider, we aim to make healthcare not just about health, but care, with a pulse of empathy.

For Good – Because we believe in building a better world, not just for us but for generations to come.

# Scaling New Peaks

Co-creating Future Growth

We are scaling new peaks as we chart our path towards sustainable future growth. With strong fundamentals anchored on trust, IHH continues to grow from strength to strength to realise our purpose of “Touching lives. Transforming care.”

## Our Purpose

Touching Lives.  
Transforming Care.

## Our Vision

To be the world's most trusted healthcare services network

## Our Mission

To take exemplary care of our patients, anchored around our people who strive to continuously raise the bar in clinical, operational and service excellence

## Our Values

**P**atients First  
We put patients' needs first

**I**ntegrity  
We do the right thing

**E**mpathy  
We listen with our hearts

**T**eamwork  
We are better together

**E**xcellence  
We champion continuous improvement and innovation

## Navigation Icons

### Principal Risk



### Trust, Synergy, Growth and Sustainability




### Stakeholder Engagement





## Trust


As healthcare providers, we are driven to live up to the trust our patients place in us by providing the best medical care and outcomes. In addition to this, by fostering a culture of trust within IHH, we motivate our employees to reach their full potential and ensure they are well-equipped to deliver the best patient care.

 Read about our Transforming Healthcare with Trust on Pages 4 and 5



## Synergy

We will drive stronger synergies within the Group to enable us to deepen our clinical service offerings and quality by leveraging on our operating scale of 80 hospitals across 10 countries.


 Read about Strengthening Our Core on Pages 6 and 7



## Growth



IHH is poised for sustainable growth and this will be driven by five Growth Engines to provide greater returns for all stakeholders.


 Read about our five Growth Engines on Pages 8 and 9

# Care. For good.

Our 'Care. For Good.' Strategy is underpinned by the trust culture we have built with our stakeholders. As we celebrate our 10<sup>th</sup> year anniversary in 2022 as a listed company, we will embark on a journey to seek growth, while continue to be guided by the same True North by doing good for patients, people, public and the planet. We will always provide Care. For Good.

## Sustainability

We are doubling down on care with a compelling sustainability agenda for our key stakeholders. We are committed to delivering exemplary care for our patients, people and the communities we serve.

 Read more about our Sustainability agenda on page 10 and 11





# Trust



We are driven by our mission and guided by our purpose to build upon trust to serve our stakeholders in the communities we operate. Through serving communities, IHH can contribute to the efforts in supporting Sustainable Development Goal 3 – Good Health and Well-being.

## Transforming Healthcare with Trust

To better identify and ultimately predict the outcomes and costs of our care, we launched a Value Driven Outcomes (VDO) initiative. Our goal is to increase trust and the long-term sustainability of healthcare by ensuring more clarity, transparency and consistency for our patients.

With our size and geographic presence, we can make processes more efficient, invest in intellectual property and information technology, and amortise our investments over extensive operations across multiple countries. This allows us to offer better treatment to more people at a lower cost.

Some of our initiatives:

- Monitoring post-operative mobility and quality of life for knee replacement patients to determine if return visits are necessary.
- We offered liquid biopsy over conventional biopsy to streamline the process and make it more convenient for patients. Worked closely with insurers to rationalise costs for patients.

## 4

high-volume procedures to be analysed for quality improvement and safety of care

Reach “best in class” quality outcomes and improvements by

## 2024

- In Singapore and Hong Kong, IHH hospitals have introduced fixed-fee packages for some procedures. Using an AI (artificial intelligence) engine, which analyses a patient’s specific condition and profiles to predict medical outcomes, our hospitals have been able to predict bills with about 80 per cent accuracy – allowing them to lock in prices ahead of time.

## Strong Working Partnerships

Our people have stepped up to partner public agencies and governments across the markets we operate in to combat against the pandemic. We are proud to play a key role to work together with the public healthcare sector to slow down the spread of the virus as well as ensure the sick continue to receive quality care at our hospitals.

At the same time, we recognise antibiotic resistance as a growing issue and is exploring ways to ensure antibiotics remain effective to treat infectious diseases.



### Collaborating with Acibadem to roll out Cerebral Plus

The Cerebral Plus (C+) project, a collaborative effort of IHH Malaysia Hospitals and Acibadem, has finally taken off and went live on 1 May at Pantai Hospital Ipoh. The new C+ system is modelled after the Hospital Information System used across Acibadem Hospitals. The collaboration reflects the synergistic value of our global operations that enables us to share, adopt and benefit from best practices across the Group.

**1**

Customised in-house Hospital Information System (HIS)

**62,000**

Man-hours of collaborative hard work

**16**

Malaysia Hospitals to use HIS in 2022

Having this common technology platform will enable us to provide operational excellence across our different markets. This includes multiple data standardisation, ease of changes, seamless linkages across functions and comprehensive data analytics, among others.

For example, patients can now sign off hospital forms electronically without the hassle of hard copies. They can also better manage their health matters such as making medical appointments and viewing their medical results using the system. Doctors can also access their medical notes and appointments on the go.

We look forward to completing the rollout of C+ for the rest of our hospitals in Malaysia in 2022.



# Synergy



We are taking forward-looking strides by making opportunities in existing markets for growth, improving operational efficiency, and implementing best practices across our network.



# Growth



We have embarked on our five Growth Engines to improve returns and provide sustainable growth for all stakeholders, including patients, people and the public.



## Five Growth Engines

IHH will embark on its growth strategy in 2022, with a clear goal to increase returns for our stakeholders. IHH have introduced five growth engines which are anchored on the same true north to build trust.

1

### Recover from COVID-19

As COVID-19 services normalise, we expect to see continued recovery in our core business and drive our operations to pre-COVID levels. We have seen a firm rebound in our Turkey and Europe operations and India operations. In other markets such as Singapore and Malaysia, there is still ample room for recovery as movement restrictions ease.

2

### Achieve Organic Growth

IHH will look for capital efficient growth based on our Cluster Strategy laid out in 2020. Long term macro trends favour healthcare and we will continue to ride on these trends to expand within the clusters. This is done by continuing to fill up existing beds, ramping up current occupancy rates and improving utilisation across the hospitals.

3

### Acquire Strategic Assets

Our strong balance sheet now positions the Group for a new phase for growth via strategic acquisitions. IHH will look into acquiring strategic assets based on our cluster strategy in existing and adjacent markets that we can operate well in.

4

### Develop Our Laboratory Business

COVID-19 has propelled the growth of this space and has resulted in frequent testing as the world emerges into the “new normal”. Our vision is to become the world’s most trusted medical laboratory services provider. As market leaders with over 30 years under our belt, our 60+ laboratories across Malaysia, Singapore and Turkey saw around 40 million tests in 2021. SRL Diagnostics in India also run 430+ laboratories which saw about 30 million tests in 2021. This is set to grow further in the coming years.

5

### Drive Innovation & Digital Transformation

IHH wants to build trust with its patients by having a ‘truly patient first’ platform by embarking on a digital transformation journey with an investment of US\$100 million over the next three years. The adoption of digital technologies will enable IHH to deliver care beyond the hospital walls in a seamless way to empower our patients with the ability to do self-care. Embracing technology solutions will create a healthcare delivery ecosystem to bring convenience to our patients and improve seamless care from online to our brick-and-mortar business.



### Patients

As a healthcare provider, we are focused on empowering our patients with access to safe, effective, and high-quality healthcare services. In line with IHH's core values of 'Patients First', we seek to provide not only the best care, but also at the right price, so our patients may continue to benefit from excellent value and outcome.

### People

It has been two years since the onset of the COVID-19 pandemic and our frontliners have tirelessly held the fort, protecting our communities and our most vulnerable populations. We are implementing various initiatives to promote their well-being, to ensure that they can perform their jobs safely and comfortably while offering competitive remuneration and opportunities for advancement.

### Community


We support community education and engagement programs to promote health awareness and improve the quality of life for those who need it most.

### Organisation

Underpinning all we do is a strict adherence to our ethical standards and corporate governance standards while having the flexibility to innovate and drive technological developments.

### Environment

We embody the spirit of being a sustainable organisation by managing our energy and resource use as well as implementing conservation efforts throughout our operations.

 Read more at our Sustainability Report on page 62



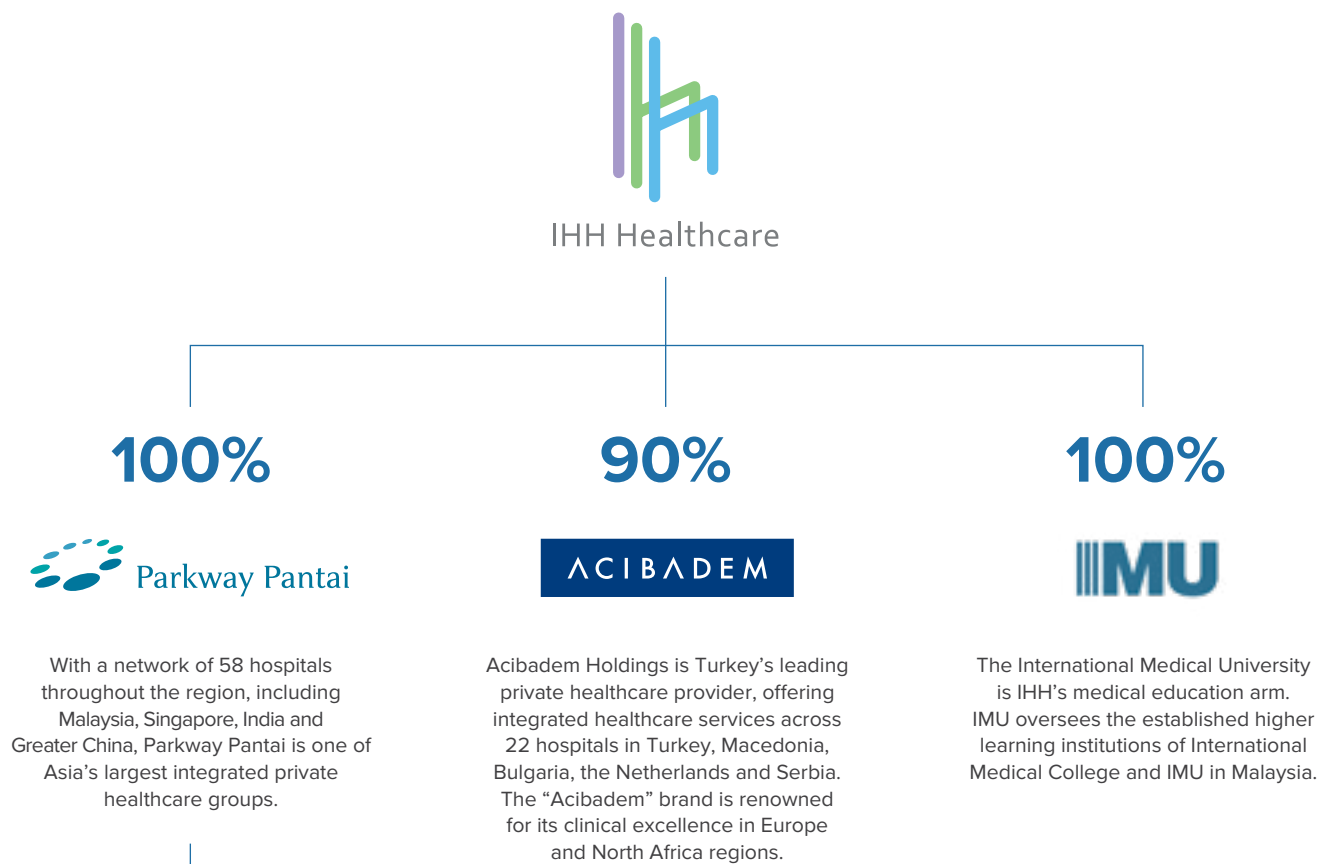
# Sustainability



We are doubling down on the care in healthcare. We are focused on doing good for our patients, people, public and the planet. We will always provide 'Care. For Good.'

# IHH at a Glance

As at 1 April 2022



## Acibadem



Setting the healthcare benchmarks in Turkey and the region, this visionary brand combines the top experts and latest technology with the contemporary sophistication of a five-star hotel, offering generous personal space and attention to detail.

## Mount Elizabeth



The two hospitals in Singapore are among the world's top destinations for medical treatment, known for top experts, excellent clinical outcomes and exceptional personalised service.

## Gleneagles



Located in our key Asian markets, this world-class private hospital brand is known for its international standing and stature, delivering superior clinical outcomes in extensive modern facilities.

## Pantai



Conveniently located across Malaysia, Pantai proudly serves families and communities with quality healthcare, always delivered with friendly, familiar smiles.

**Our Portfolio of Excellence in Healthcare**

We are proud of our leading brands in our various markets, each underpinned by an outstanding reputation for clinical outcomes and quality care.

## Parkway



Born in Singapore, Parkway is one of Asia's leading brands in private healthcare, offering the full spectrum of integrated healthcare services from clinics to hospitals and a wide range of ancillary services. Brands include Parkway Hospitals, Parkway Shenton, Parkway Laboratories and Parkway Radiology.

## Fortis Healthcare



Fortis Healthcare is a leading integrated healthcare delivery service provider in India. The healthcare verticals of Fortis primarily comprise hospitals, diagnostics and day care specialty facilities.

## Prince Court Medical Centre



Prince Court, a distinguished hospital for Malaysians, expatriates and medical tourism patients, is recognised for its outstanding achievements and breakthroughs in medicine.

## IMU



The International Medical University (IMU) is an educational arm that combines research and healthcare practice to develop knowledgeable, competent and caring healthcare professionals. Together with IMU Healthcare, the group improved the health of patients and communities by synergising care and providing quality integrated healthcare facilities.

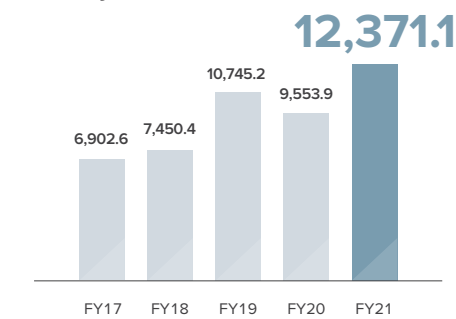


# Financial Highlights

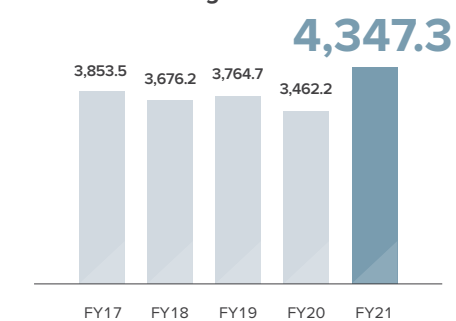
## Revenue by Strategic Business Units

(RM million)

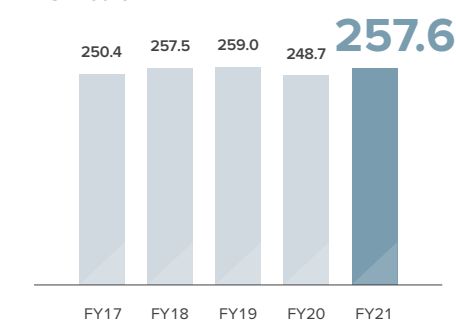
### Parkway Pantai



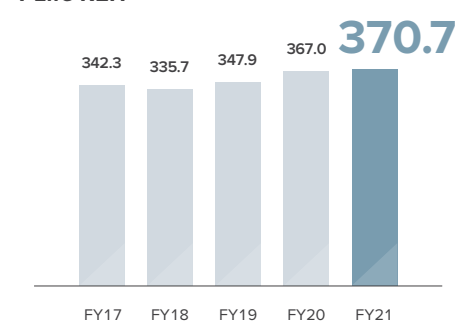
### Acibadem Holdings



### IMU Health



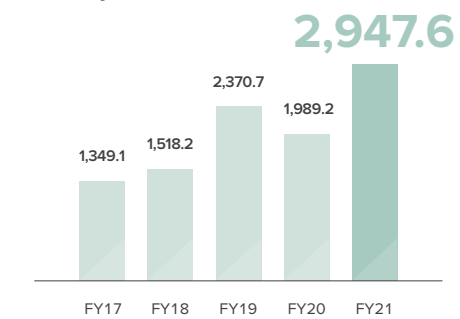
### PLife REIT



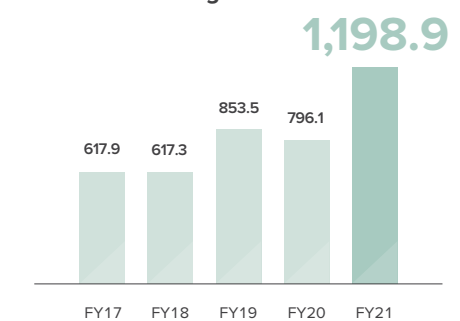
## EBITDA by Strategic Business Units

(RM million)

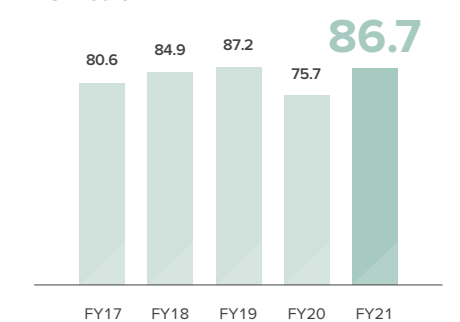
### Parkway Pantai



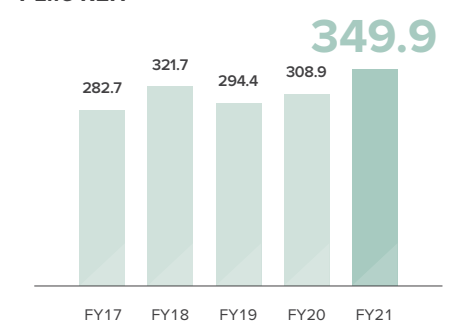
### Acibadem Holdings



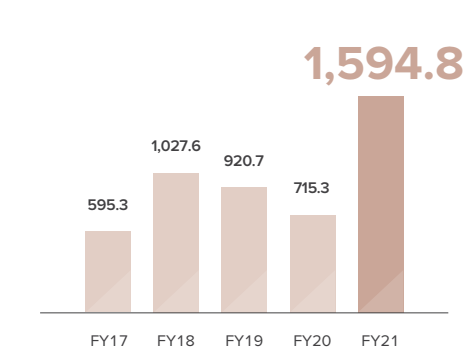
### IMU Health



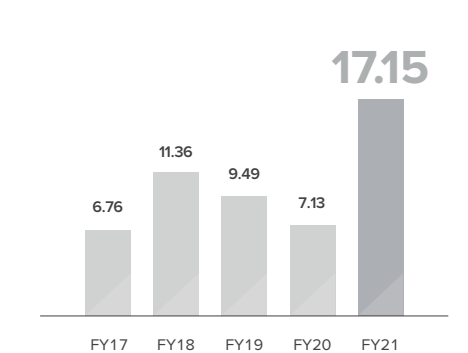
### PLife REIT



## Profit After Tax and Minority Interest (PATMI)

excluding exceptional items  
(RM million)

## Basic Earnings per Share

excluding exceptional items  
(sen)

See pages 52 to 55 on Financial Review for more information.

The above charts are not drawn to scale.

	FY2017	FY2018	FY2019	FY2020	FY2021
<b>A. Income Statement (RM Million)</b>					
<b>Revenue by Strategic Business Units</b>					
Singapore	3,848.3	3,890.7	4,289.8	3,886.5	5,033.2
Malaysia	1,836.4	2,019.8	2,331.1	2,187.1	2,727.2
India	708.6	851.3	3,320.9	2,655.8	3,728.8
Greater China	332.7	499.6	604.6	662.4	876.9
PPL Others*	176.6	188.9	198.9	142.1	5.0
Parkway Pantai	6,902.6	7,450.4	10,745.2	9,533.9	12,371.1
Acibadem Holdings	3,853.5	3,676.2	3,764.7	3,462.2	4,347.3
IMU Health	250.4	257.5	259.0	248.7	257.6
Others*	2.1	3.6	4.1	4.8	2.6
PLife REIT total revenue	342.3	335.7	347.9	367.0	370.7
PLife REIT inter-segment revenue	(208.3)	(202.5)	(208.4)	(212.0)	(217.5)
<b>Total</b>	<b>11,142.6</b>	<b>11,520.9</b>	<b>14,912.5</b>	<b>13,404.6</b>	<b>17,131.8</b>
<b>EBITDA<sup>1</sup> by Strategic Business Units</b>					
Singapore	1,060.9	1,143.2	1,475.1	1,359.5	1,704.3
Malaysia	513.8	578.5	675.2	555.9	760.1
India	13.7	6.3	360.0	200.5	666.5
Greater China	(252.0)	(208.7)	(175.5)	(146.5)	(69.6)
PPL Others*	12.7	(1.2)	35.8	19.8	(113.7)
Parkway Pantai	1,349.1	1,518.2	2,370.7	1,989.2	2,947.6
Acibadem Holdings	617.9	617.3	853.5	796.1	1,198.9
IMU Health	80.6	84.9	87.2	75.7	86.7
Others*	(50.8)	(64.4)	(78.7)	(81.6)	(85.2)
PLife REIT	1,996.8	2,156.0	3,232.7	2,779.4	4,148.0
Eliminations	282.7	321.7	294.4	308.9	349.9
	-	-	(209.3)	(212.0)	(218.5)
<b>Total</b>	<b>2,279.5</b>	<b>2,477.7</b>	<b>3,317.7</b>	<b>2,876.3</b>	<b>4,279.4</b>
<b>Profit After Tax and Minority Interest ("PATMI")</b>					
Including Exceptional Items	970.0	627.7	551.5	288.9	1,862.5
Excluding Exceptional Items	595.3	1,027.6	920.7	715.3	1,594.8
<b>B. Financial Position (RM Million)</b>					
Total Assets	38,925.5	45,114.5	45,053.3	44,534.3	45,510.3
Net Borrowings	1,559.5	2,807.3	6,385.0	7,441.0	5,856.0
Equity attributable to Owners of the Company	21,890.2	21,994.0	22,339.5	21,739.8	22,424.9
<b>C. Financial Ratios</b>					
<b>Basic Earnings per Share (sen)</b>					
Including Exceptional Items	11.31	6.54	5.28	2.27	20.20
Excluding Exceptional Items	6.76	11.36	9.49	7.13	17.15
<b>Net Assets<sup>2</sup> per Share (RM)</b>					
	2.66	2.51	2.55	2.48	2.55
<b>Net Tangible Assets<sup>3</sup> per Share (RM)</b>					
	1.08	0.90	0.88	0.87	0.94
<b>Return on Equity<sup>4</sup> (%)</b>					
Including Exceptional Items	4.42%	2.86%	2.49%	1.31%	8.43%
Excluding Exceptional Items	2.71%	4.68%	4.15%	3.25%	7.22%
<b>Return on Total Assets (%)</b>					
Including Exceptional Items	2.49%	1.39%	1.22%	0.65%	4.09%
Excluding Exceptional Items	1.53%	2.28%	2.04%	1.61%	3.50%
<b>Net Debt Equity Ratio<sup>5</sup> (times)</b>					
	0.06	0.10	0.23	0.28	0.21

### Notes

The above financial summary may not be comparable across the periods presented due to the changes in the Group structure.

For changes in the accounting policies, adoption of new and/or revised accounting standards, as well as changes in presentation of financial statements for the current financial year, only the comparative figures for the previous year are restated to conform with the requirements arising from the said changes or adoption.

Comparative figures for the previous year are restated, where applicable, upon the completion of the Purchase Price Allocation on the Group's acquisitions of subsidiaries as required under MFRS 3, *Business Combinations*.

- Being earnings before interest, tax, depreciation, amortisation, exchange differences, share of results of associates and joint ventures and other non-operational items.
- Being net assets attributable to ordinary shareholders (excluding non-controlling interests).

3. Being net assets attributable to ordinary shareholders (excluding non-controlling interests) less goodwill and intangible assets.

4. Being PATMI for the year over average of equity attributable to owners of the Company as at year-end and beginning of the year.

5. Debt includes loans and borrowings as well as lease liabilities (arising from IFRS16) and overdrafts.

\* Others comprise mainly corporate offices as well as other investment holding entities.

# Operational Highlights

	FY2017	FY2018	FY2019	FY2020	FY2021
<b>Malaysia</b>					
No. of hospitals at end of year	14	15	15	16	16
No. of licensed beds <sup>1</sup> at end of year	2,399	2,503	2,537	2,908	2,961
No. of operational beds <sup>1</sup> at end of year	2,182	2,327	2,372	2,696	2,676
Inpatient admissions <sup>2</sup>	197,563	203,419	218,051	158,944	151,944
Average length of stay <sup>3</sup> (days)	2.7	2.7	2.7	2.9	3.1
Occupancy rate <sup>4</sup>	67%	67%	70%	49%	48%
Average revenue per inpatient admission (in RM)	6,237	6,615	7,054	8,428	10,346
<b>Singapore</b>					
No. of hospitals at end of year	4	4	4	4	4
No. of licensed beds <sup>1</sup> at end of year	942	967	998	998	1,039
No. of operational beds <sup>1</sup> at end of year	928	942	960	991	989
Inpatient admissions <sup>2</sup>	76,459	76,917	78,541	64,071	64,227
Average length of stay <sup>3</sup> (days)	2.8	2.8	2.9	3.1	3.0
Occupancy rate <sup>4</sup>	64%	63%	65%	55%	54%
Average revenue per inpatient admission (in RM <sup>5</sup> )	29,360	31,636	33,065	34,775	36,878
<b>India</b>					
No. of hospitals at end of year	9	33	29	31	31
No. of licensed beds <sup>1</sup> at end of year	1,664	5,954	5,887	6,154	6,011
No. of operational beds <sup>1</sup> at end of year	1,192	4,845	4,770	5,004	4,756
Inpatient admissions <sup>2</sup>	72,005	88,793	363,126	270,581	320,543
Average length of stay <sup>3</sup> (days)	3.9	3.7	3.3	3.7	3.8
Occupancy rate <sup>4</sup>	63%	59%	69%	54%	66%
Average revenue per inpatient admission (in RM <sup>5</sup> )	6,907	7,196	6,228	7,048	8,114
<b>Turkey and Europe</b>					
No. of hospitals at end of year	21	21	21	21	22
No. of licensed and operational beds <sup>6</sup> at end of year	3,818	4,099	4,157	4,189	4,202
No. of overnight beds <sup>6</sup> at end of year	2,729	2,781	2,863	2,893	2,997
Inpatient admissions <sup>2</sup>	213,590	229,433	221,493	186,662	219,582
Average length of stay <sup>3</sup> (days)	3.4	3.4	3.5	3.8	3.8
Occupancy rate <sup>4</sup>	74%	78%	75%	67%	77%
Average revenue per inpatient admission (in RM <sup>5</sup> )	2,484	3,089	5,229	6,781	8,020

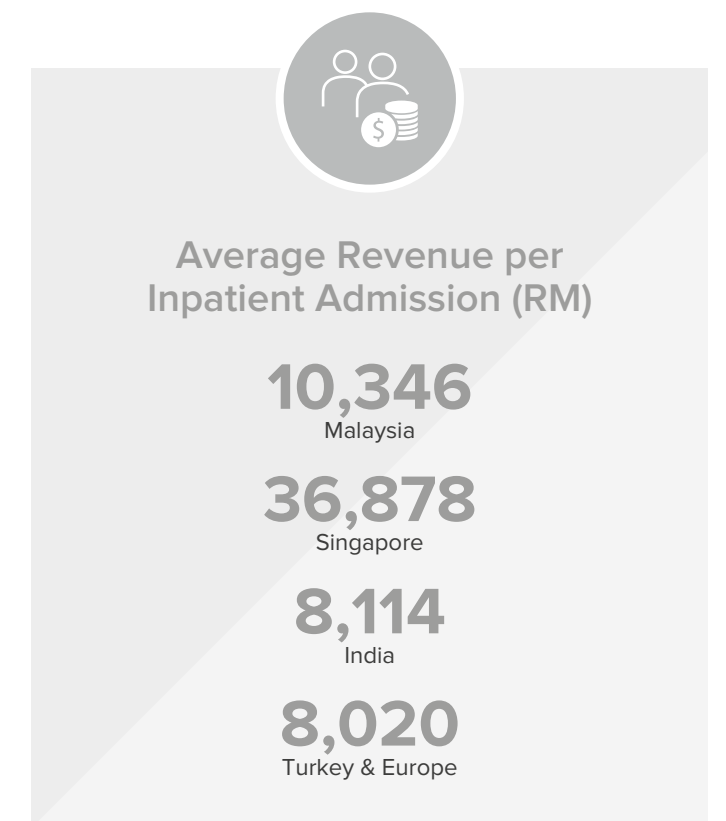
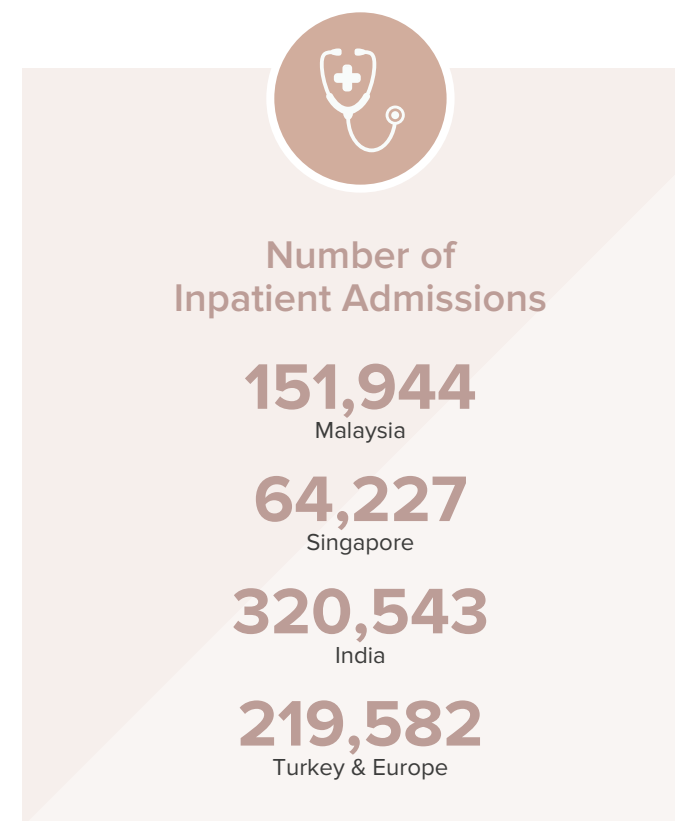
**Notes**

The above information comprise operational data relating to hospitals owned by subsidiaries in the Group's home markets only. It does not include data relating to hospitals owned by joint ventures and associates of the Group, and does not include hospitals that are managed for third parties.

Hospitals in Turkey and Europe do not compile certain operational data, including number of operational beds, the average length of stay and occupancy rate, on the same basis as the rest of the regions and therefore, these numbers may not be comparable.

For changes in classification/definitions for the current financial year, only the comparative figures for the previous year are restated to conform with the current classification/definitions.

- Licensed beds are approved number of beds by the Ministry of Health that the hospital regularly maintains and staffs.  
Operational beds is an internal measure which includes licensed beds utilised for patients.
- Represents the total number of overnight inpatients admitted.
- Represents the average number of days an overnight inpatient stays.
- Represents the percentage of hospital operational/overnight beds occupied by inpatients.  
Occupancy rate may be lower due to new hospitals that are in the ramp up stage.
- Prior years' average revenue per inpatient admission had been translated using the exchange rate as at 31 December 2021 so as to be comparable across periods.
- Under Turkish Law, "licensed beds" refer to the approved number of beds used for observation and treatment of at least 24 hours, including intensive care, premature and infant unit beds, beds in the burn care units and as indicated in the hospital operation licenses. In addition to licensed beds, "operational beds" include beds used for treatments of less than 24 hours such as chemotherapy, radiotherapy and sedation or other beds such as incubators, labour beds, beds for examination, small treatments and relaxation, from which Acibadem derives revenue and does not require licensing.  
"Overnight beds" comprise beds used for observation and treatment of at least 24 hours."



See pages 56 to 61 on Operations Review and pages 62 to 84 on Sustainability for more information.

# 10 Year Milestones

Care.  
For good.

- IHH Healthcare (IHH) successfully debuted on its concurrent IPO in the Main Market of Bursa Malaysia and Main Board of SGX-ST with 30 hospitals in markets such as Malaysia, Singapore and Turkey
- IHH was included as a constituent of the following major indices:
  - FTSE Bursa Malaysia KLCI
  - FTSE All-World Index
  - FTSE All-Emerging Index
  - FTSE Global Style Index
- IHH was subsequently listed as a constituent of the following:
  - MSCI Global Standard Indices (Large Cap Segment)
  - FTSE Straits Times STI
- Opened Mount Elizabeth Novena Hospital in Singapore



- Opened Acibadem Atakent Hospital in Turkey
- Opened Pantai Hospital Manjung in Malaysia
- Mount Elizabeth Novena opens Singapore's first maternity ward in 16 years

- IHH forms strategic partnership with Taikang Insurance Group to accelerate its China growth
- Parkway Pantai and Shanghai Hongxin enter into land contract for Parkway Shanghai Hospital
- Acibadem expansion to Bulgaria with the acquisition of Tokuda Hospital and merger with City Clinic
- IHH divested equity stake in Apollo Hospitals in India

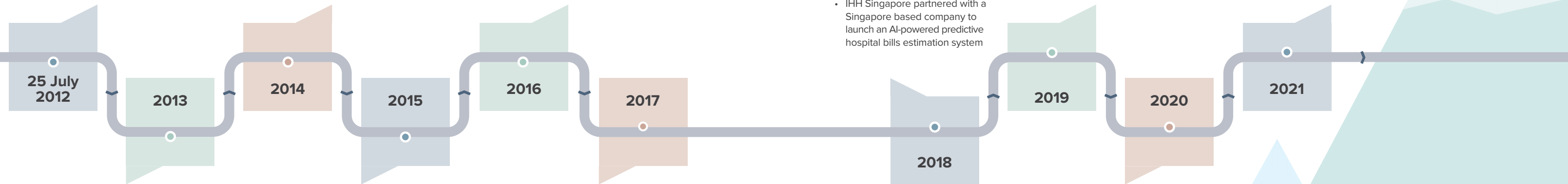


- Mitsui entered a share purchase agreement to increase their stake in IHH to 32.9%
- IHH consolidated its interest in Acibadem to approximately 90%
- IHH announced its 31.17% stake acquisition via preferential allotment in Fortis Healthcare
- IHH Malaysia announced the acquisition of Amanjaya Specialist Centre (now Pantai Hospital Laguna Merbok), Kedah in Malaysia
- Acibadem Maslak Hospital in Turkey completes expansion, now the largest hospital of Acibadem Group after expanding its service area by 2.5 times
- IHH Singapore partnered with a Singapore based company to launch an AI-powered predictive hospital bills estimation system



- Gleneagles Hospital Medini launches Cancer Centre equipped with state-of-the-art radiotherapy system
- IHH invests in genomic medicine company Lucence to provide cancer patients better treatment outcomes
- Mount Elizabeth Hospital celebrated its 40<sup>th</sup> anniversary
- Gleneagles Hospital celebrated its 60<sup>th</sup> anniversary

- Acibadem Turkey expands Europe footprint with 70% stake in Bel Medic Group, a leading healthcare operator in Serbia
- IHH Healthcare completes divestment of Apollo Gleneagles Hospital Kolkata Joint Venture and Continental Hospitals
- IHH Malaysia's Pantai Hospitals appointed to provide COVID-19 vaccination at Setia City Convention Centre in Malaysia
- IHH Malaysia's laboratory arm, Pantai Premier Pathology, is one of only two laboratories in Malaysia to receive an accreditation from the College of American Pathologists
- IHH signed new long-term master lease agreements for three hospitals in Singapore with Parkway Life Real Estate Investment Trust



- Parkway Laboratories offers first-of-its-kind MaterniT21 PLUS™ test for foetal DNA sequencing
- Gleneagles Hospital Hong Kong awarded the Wong Chuk Hang private hospital site
- Launch of Life Renewed with the help of Khazanah-IHH Fund

- IHH expanded foothold in India via majority acquisition of Global Hospitals and Continental Hospitals
- Opening of Gleneagles Hospital Medini in Malaysia
- Opening of Gleneagles Hospital Kota Kinabalu in Malaysia
- Opening of Acibadem Taksim Hospital in Turkey



- Opened state of the art Acibadem Altunizade Hospital in Istanbul, Turkey
- Gleneagles Hospital Hong Kong opened in Wong Chuk Hang, Hong Kong island south
- Acibadem International Medical Centre opened in Amsterdam, Netherlands
- Gleneagles Global Hospital, Richmond Town, Bengaluru, launched in India
- Introduce precision medicine to service offerings for customised treatment plans for cancer patients in Singapore



- Parkway Laboratories is the first private laboratory to be approved by MOH to perform COVID-19 testing in Singapore
- Pantai and Gleneagles Hospitals across Malaysia commit 200 beds to assist the public health system in treating non-COVID-19 patients amid outbreak
- IHH rolled out telemedicine services and made virtual consultation available across all its key markets worldwide
- IHH invests in Telehealth Start-up "Doctor Anywhere" to scale up its digital ecosystem
- IHH Malaysia strengthens its Kuala Lumpur cluster through the acquisition of Prince Court Medical Centre
- Launch of Fortis Hospital Vadapalani, Chennai, by the Honourable Chief Minister of Tamil Nadu, Thiru Edappadi K. Palaniswami. Fortis Healthcare's 27<sup>th</sup> hospital in India
- Launch of IHH's vision, mission and core values and our commitment to build trust with all stakeholders

# Awards and Accreditations

## Awards

### IHH Healthcare

#### SBR Management Excellence Awards 2021 by Singapore Business Review

- Executive of the Year – Healthcare Category

#### All-Asia Executive Team 2021 by Institutional Investor

- Ranked #2 for “Best CEO” and “Best IR Program” (Healthcare & Pharmaceuticals category)

#### SBR Technology Excellence Awards 2021 by Singapore Business Review

- Mobile – Healthcare Category

#### Malaysia Book of Records

- Most number of Hashtags in a breast cancer awareness campaign

#### The Asset Triple A Sustainable Capital Markets Country Awards 2020

- Best M&A deal

### Malaysia

#### Prince Court Medical Centre

#### GlobalHealth Asia-Pacific Award

- Medical Tourism Hospital of the Year
- Nephrology Service Provider of the Year
- Orthopaedic Service Provider of the Year
- Men’s Health Service Provider of the Year

#### Pantai Hospital Kuala Lumpur

#### GlobalHealth Asia-Pacific Award

- Hospital COVID-19 Healthcare Service Provider of the Year
- Oncology (Surgical) Service Provider of the Year

#### Gleneagles Hospital Kuala Lumpur

#### GlobalHealth Asia-Pacific Award

- Value-Based Hospital of the Year
- Endocrinology Service Provider of the Year
- Diabetes Service Provider of the Year

#### Gleneagles Hospital Medini Johor

#### GlobalHealth Asia-Pacific Awards

- Women’s Health & Fertility Medical Centre of the Year

### Singapore

#### Mount Elizabeth Hospital

#### GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021

- Hospital of the Year
- Best Hospital of the Year in Singapore
- ENT Service Provider of the Year
- Neurology Service Provider of the Year
- Oncology (Medical) Service Provider of the Year
- Stroke Centre of the Year
- Transplant Service Provider of the Year

#### MOH Nurses’ Merit Award

#### Gleneagles Hospital

#### GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021:

- Spine Care Service Provider of the Year
- Respiratory Service Provider of the Year

### Turkey & Europe

#### Acibadem Healthcare Group

#### Capital 500

- 79th among Turkey’s 500 largest companies
- 1st in healthcare category
- 13th among the top 25 companies with the highest number of employees
- 51st among 248 companies in Istanbul based on province

#### Tech Brands Turkey

- Most Technological Healthcare Brand

#### Social Media Awards Turkey 2021

- Golden Award – Healthcare Sector

### India

#### Fortis Hospital Anandapur

#### Economic Times Healthcare Awards

- Best Multi-Speciality Hospital – East

#### Fortis Escorts Heart Institute

#### Economic Times Healthcare Awards

- Best Hospital – Cardiology – National

#### Fortis Memorial Research & Institute

#### Economic Times Healthcare Awards

- Best Hospital – Cardiology – North
- Best Hospital – Gastroenterology & Hepatology – North

#### Fortis Hospital, Bannerghatta Road

#### Economic Times Healthcare Awards

- Best Hospital – Gastroenterology & Hepatology – South

#### Fortis BG Road

- Brother Siju PV – Florence Nightingale Nurses Award 2021, Karnataka

#### Fortis Hospital, Mohali

- AHPI Award 2021 for ‘Quality Beyond Accreditation’

#### Fortis Escorts, New Delhi

- AHPI Award 2021 for ‘Excellence in Healthcare’

#### Global Hospitals, Mumbai

#### Nursing Excellence 2021

#### Navbharat Award

- Best Multiorgan Transplant Hospital in Western India 2021

#### Gleneagles Global Hospitals

#### Excellence in Gynecology & Obstetrics award 2021 – Times group

### Greater China

#### Gleneagles Hospital Hong Kong

#### Hong Kong Living Parent & Baby Awards

- Best Private Hospital

#### Hong Kong Business Technology Excellence Awards 2021

- Remote hypertension care service – online services, healthcare

#### Health Impact Award (Gold) – Dutch Chamber of Commerce

## Accreditations

#### Joint Commission International (JCI)

#### Malaysia

Pantai Hospital Kuala Lumpur  
Gleneagles Hospital Kuala Lumpur  
Gleneagles Hospital Penang

#### Turkey

Acibadem Adana Hospital  
Acibadem Altunizade Hospital  
Acibadem City Clinic UMBAL  
Acibadem Maslak Hospital  
Acibadem Mehmet Ali Aydinlar University  
Atakent Hospital  
Clinical Hospital Acibadem Sistina

#### Singapore

Gleneagles Hospital  
Mount Elizabeth Hospital  
Mount Elizabeth Novena Hospital  
Parkway East Hospital

#### National Accreditation Board for Hospitals and Healthcare Providers (NABH)

#### India

Gleneagles Global Hospital, Lakdi-Ka-Pul  
Global Hospital, Mumbai  
Gleneagles Global Health City

#### Malaysia Society for Quality Health (MSQH)

#### Malaysia

Pantai Hospital Cheras, Pantai Hospital Penang, Pantai Hospital Kuala Lumpur, Pantai Hospital Ampang, Pantai Hospital Ipoh, Pantai Hospital Batu Pahat, Pantai Hospital Manjung, Pantai Hospital Sungai Petani, Pantai Hospital Ayer Keroh, Pantai Hospital Klang, Gleneagles Hospital Kuala Lumpur, Gleneagles Hospital Penang, Gleneagles Hospital Medini Johor, Gleneagles Hospital Kota Kinabalu and Prince Court Medical Centre



# Care. For good.

Building trust among our stakeholders is a critical foundation of our strategy. Doing greater good by our patients, people, the public and our planet, we build strong and sustainable growth.

## Strategic Report

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# Chairman's Statement



*It has been a challenging year as the world comes to terms with COVID-19. Even in the face of changing times, IHH has remained steadfast. Our clear vision and purpose have helped us focus on what matters and provide resilience to our business model. The key to preserving trust and driving IHH toward sustainability is good governance.*

**Tan Sri Mohd Azlan Hashim**  
Non-Executive Chairman

## Dear Stakeholders,

Our public and private partnership efforts with governments of the countries where we operate are essential. I would like to commend the teams at IHH who have been working tirelessly to make an impact for our communities towards bettering their health. With efforts in dedicating resources into public and private partnerships, private operators such as ourselves have a deep responsibility in playing a critical role

alongside the public healthcare sector in combating national pandemics. In addition to supporting COVID-19 screening efforts, we continue to enhance the clinical capacities of the various countries.

As a leading healthcare organisation at the helm of the pandemic, the improvement in return on equity in 2021 proved that we are gaining firm ground.

Keeping IHH focused on delivering quality performance is testament to the untiring efforts of the Management Team. Despite the unprecedented challenges on the business, the team has ensured both sustainability of the business and the well-being of our employees, our most important asset.

## Our Long-term Commitment

Sustainability is a key element of IHH's management philosophy. It is a critical component to upholding the trust our stakeholders place in us.

IHH has made significant progress since we started our sustainability journey in 2016. In 2021, we finalised our five-year Sustainability Roadmap and Action Plan and implemented the Sustainability policy. We engaged in a materiality assessment exercise to recognise the changing expectations of stakeholders. The assessment ensures that we stay keenly aware of our stakeholders' needs

as we continue to work towards meeting their expectations.

The next half-decade will be spent implementing our five-year Sustainability Roadmap and Action Plan with Key Performance Indicators (KPIs) to track our progress in the areas we believe are critical to IHH's sustainable future.

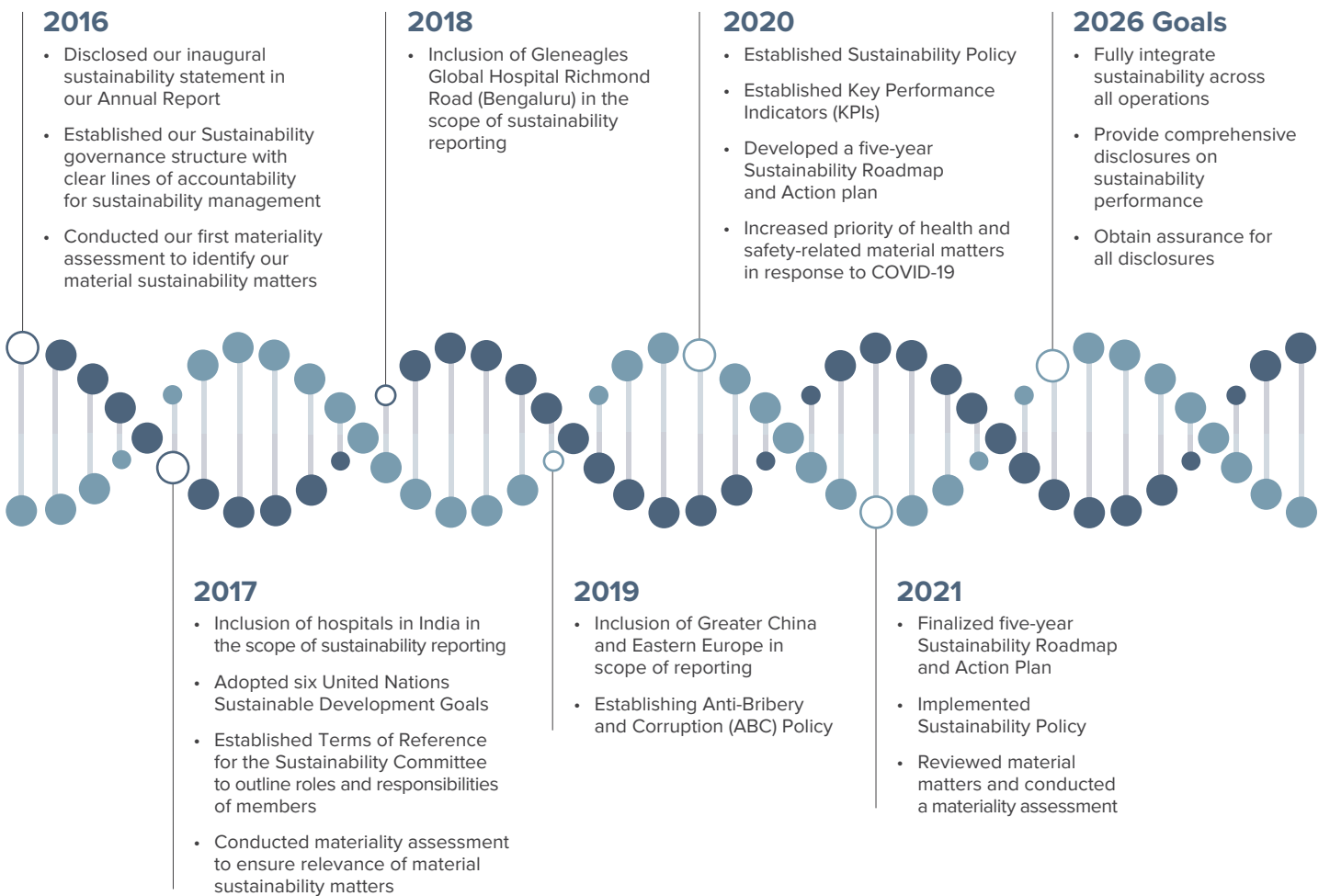
Designed to align with our five sustainability pillars and three strategic thrusts – Quality Healthcare, Eco-Efficiency and Sustainable Growth – our targets will ensure that we direct our efforts in areas that will benefit the Group and stakeholders most. The Sustainability Management Committee (SMC) reviews

the Roadmap annually to ensure it remains current and progress is being made toward our goals.

In line with demonstrating our commitment for a sustainable business, we have formed a dedicated sustainability team led by a senior executive. The team's role is to champion the sustainability mandate of the Group.

At the same time, we are currently on track to fully integrating sustainability across our operations, providing comprehensive disclosures on sustainability performance, and obtaining assurance for all disclosures by 2026.

## Sustainability Journey



Please refer to page 62 for details from our Sustainability Statement.

## Chairman's Statement

***Guided by our purpose of "Touching Lives. Transforming Care.", I am proud that our team of IHH staff demonstrates integrity and empathy, strives for continuous improvement and promotes innovation. Our people embrace these values, which help us gain the trust of all stakeholders.***

### Caring for our People

At IHH, the safety and well-being of our staff and patients are paramount, especially for a business directly exposed to pandemic risks. Over the year, IHH has implemented several initiatives to safeguard patients and staff's physical and mental health. Some of these include managing employee fatigue by boosting staffing, creating job rotations, and having designated COVID-19 routes and areas to prevent contamination.

Our patients are at the very heart of everything we do and we rely on the entire Group to ensure that this happens. It continues to be a core value embraced in the Group today and an integral part of our long-term sustainability strategy. The aspects of our core values are Patients First, Integrity, Empathy, Teamwork and Excellence.

Today, COVID-19 has impacted the way we do business and it is imperative that we focus on the qualities and our core values that will take us further in to the future. All of our decisions are guided by this shared set of core values, supported by an engaged and collaborative workforce to lead us to become the world's most trusted healthcare services network.

Guided by our purpose of "Touching Lives. Transforming Care.", I am proud that our team of IHH staff demonstrates integrity and empathy, strives for continuous improvement and promotes innovation. Our people embrace these values, which help us gain the trust of all stakeholders.

COVID-19 has presented challenges to our staff, but they have consistently taken it in their stride and delivered exceptional care and service. It is an honour for us that five of our nurses have been recognised with the Singapore Ministry of Health Nurses' Merit Award 2021, up from four in

2020. And for his firm focus on creating a bedrock of trust, Dr Kelvin Loh was named Executive of the Year – Healthcare at the 2021 Singapore Business Review (SBR) Management Excellence Awards.

### Instilling Trust

The Board is committed to good corporate governance and, to that end, has aligned its practices to the revised Malaysian Code of Corporate Governance, issued on 28 April 2021.

With the amendment of our policies in 2020, all new employees globally receive training on the Code of Conduct, Whistleblowing Policy, and Anti-Bribery and Corruption Policy as part of their employee induction. At our Turkey-based healthcare subsidiary, Acibadem Holdings, e-learning videos have been created to enhance our Groupwide understanding of our operating Code and Policies.

Driving Innovation and technology are also important cornerstones of IHH's future. Over the years, IHH has embarked on a digital transformation journey involving electronic medical records, telemedicine, patient portals, and knowledge sharing platforms. In the course of our business operations, we are acutely aware of the possibility of data breaches compromising the data of our patients. We value the trust that our patients has placed in us and take cybersecurity and patient confidentiality seriously by putting in place stringent safeguard to secure data privacy. The Group complies with local regulations regarding data protection in all its regions.

The Group has a Personal Data Protection Policy and a Privacy Notice or Policy Statement safeguarding the access, disclosure, and storage of personal data. Additionally, Data Protection Officers (DPOs) have been appointed to implement

the Personal Data Protection Policy in all jurisdictions while also educating and providing advisory support to internal stakeholders on data protection matters.

We are also launching Cyber Security Centres of Excellence (COE) across the board. COEs enable standardised policies and processes, technology upgrades, increase detection capability, and offer better responses to malicious actors. As part of our efforts to address the dynamic threat landscape, we make it mandatory for all our employees to complete an Information Security Awareness training course that was launched in 2021.

These policies and practices complement our efforts to improve patients' lives through technology and help us achieve our vision to become the most trusted healthcare services network in the world.

### Delivering Results

Our underlying assets remain very strong, despite pandemic pressures. Given our continuing balance sheet strength, an encouraging long-term outlook for the Company and our ability to execute on the strategy, the Board declared a dividend of 6 sen per share, amounting to RM527,780,000, a 50% increase compared to a year ago.

### A Stronger and Healthier Future

While staying focused on the future and ensuring our business runs smoothly, our IHH team worked to ensure that patients and communities' needs were seen to.

Over the past year, we not only opened our doors to the community, but we opened our hearts too. In June, Parkway Health China fielded a team of 50 runners

to help raise funds for breast cancer patients in the More Than Aware Annual Family Fun Run in Shanghai. In Malaysia, Pantai Hospital Ampang welcomed some 200 senior citizens to lunch in September as part of World Gratitude Day.

To add to the convenience for the wider community, IHH Malaysia pioneered the drive-thru COVID-19 swab tests from the onset of the pandemic. Pantai Hospital Penang took it a step further by introducing drive-thru COVID-19 vaccination in July.

In Turkey, Acibadem launched a 360 marketing and communications campaign to educate and encourage the public to get vaccinated. This was in the spirit of dispelling fake news and misinformation around the COVID-19 vaccination. The integrated campaign spanned multiple online and offline consumer touchpoints and was widely reported in the media.

We have achieved these accomplishments, as well as many others, because our people put the needs of others above their own. In another unprecedented year, IHH displayed unwavering perseverance and resilience, and focused on our long-term future growth and success. I want to thank our patients, employees, partners, doctors and management for their contributions, support and trust in IHH.

As we enter the new year celebrating IHH's 10th anniversary of being listed on Bursa Malaysia and SGX, we are more determined than ever to honour our commitment and to provide sustainable growth to our stakeholders.

Thank you.

### Tan Sri Mohd Azlan Hashim

Non-Executive Chairman

***In another unprecedented year, IHH displayed unwavering perseverance and resilience, and focused on our long-term future growth and success. I want to thank our patients, employees, partners, doctors and management for their contributions, support and trust in IHH.***

# MD & CEO's Message



*2021 tested our people's resiliency, financial discipline, and vision. The strong foundation we have built over the years enabled us to weather the challenges arising from COVID-19, financially and operationally. We were able to pursue sustainable growth amid extraordinary circumstances and see the benefits of our efforts.*

**Dr Kelvin Loh**  
Managing Director and Chief Executive Officer

one cannot fully predict the future. Nothing could have exemplified this better than this pandemic. Hence, it is important to build adaptability in our organisation, which in turn provides resilience.

## Dear Stakeholders,

2021 tested our people's resiliency, financial discipline, and vision. Thankfully, the strong foundations we have built enabled us to weather the challenges arising from COVID-19 financially and operationally.

One lesson I have learnt is that even in the best efforts of mapping out trends and doing strategic planning,

In 2020, I laid out our strategy to sharpen our focus on improving returns while delivering growth and achieving stronger synergies. We are happy to report that we have achieved the Return on Equity (ROE) target set in 2021 ahead of schedule. 2020 was also the year the pandemic hit – our business was most impacted in the second quarter where national lockdowns resulted in the postponement of non-urgent medical procedures and resulted in a drop in foreign patients.

But by sticking closely to our 2020 strategy, underpinned by our purpose of building trust, our performance rebounded in 2021. Thanks to our focus on safety for our people and building trust for both COVID and non-COVID patients, our patient admission into our hospitals has continued to grow over the year. We have also responded swiftly to evolving patient trends such as digitalisation and telemedicine, even before the pandemic, which has allowed us to build on the trust our stakeholders have in us.

Our revenue grew 28% to RM17.1 billion from FY2020, witnessing firm growth across all the countries we operate in. Despite disruptions and movement controls from resurging waves of the pandemic, more local patients returned to our hospitals to seek treatment. EBITDA grew to RM4.3 billion, and Net Operating Income (excluding exceptional items) increased to RM1.6 billion. Net Income or PATMI grew to RM1.9 billion on the back of stronger revenue from returning local patients, contributions from COVID-19 services rendered, and maintaining cost discipline.

In the wake of COVID-19, the global average health spending to GDP ratio jumped from 8.8% in 2019 to 9.7% in 2020. The pandemic has shown the importance of public and private partnerships and that collaboration between these sectors will be the way forward. On our end, we continue to actively support the public healthcare sector and have collaborated with governments to manage COVID-19 through efforts such as testing, screening and vaccination services.

## Trust: The Cornerstone of Our Business

Healthcare decisions are deeply personal and based on trust. Only by doing right by our stakeholders can we build a business that touches lives and transforms care for generations to come.

We learned from this pandemic that people need to trust authority figures and remember that healthcare professionals have their best interests at heart. To this

day, we stand firm to our vision of being the world's most trusted healthcare services network by providing patient-centred quality care.

In furthering trust, we have focused on delivering added value through our Value Driven Outcomes (VDO) initiative, where we improve the quality of medical care for patients while optimising healthcare costs. Now practised in five regions – Singapore, Malaysia, Turkey, Brunei, Hong Kong – VDO allows us to look at value from the patient's point of view. Moving forward, we are working to cover all VDO procedures by 2024 and create a culture of improvement with our physician partners. Read more about the VDO in our Case Study on page 4.

Concurrently, we continue to strengthen trust with our stakeholders. We are fighting the COVID-19 war alongside local governments. In Singapore, the Changi Airport Group awarded Parkway Laboratory Services the contract to become a laboratory vendor to provide Polymerase Chain Reaction (PCR) tests for on-arrival travellers at Changi Airport starting from November 2021. For our people, we support and ensure that they are empowered to carry out their work safely while enabling them to grow. For our shareholders, we have achieved ahead of time the goal of doubling our return of equity that we announced at the start of 2020. We are not done yet, and we remain committed to further improving our returns and performance going forward.

## Global Operations Synergised

Our sizeable global healthcare network uniquely positions us to leverage our scale and group synergies to generate value across the business. The rollout of the digital Cerebral Plus (C+), a proprietary Hospital Information System developed by our very own Acibadem Group, has been a key milestone in our implementation of synergistic platforms throughout the year. C+ allows for data standardisation, ease of changes, seamless integration of functions, and comprehensive data analytics.

## Highlights

**RM17.1 billion**

Revenue

**RM1.9 billion**

Net Income

**17.15**

Earnings per share excluding exceptional items (sen)

**8.43%**

Return on Equity (December 2021)

C+ was localised and rolled out in Malaysia across Pantai Hospitals and Gleneagles Kuala Lumpur Hospital. This successful rollout is a testimony to our teamwork across borders, during heightened travel restrictions and our commitment to excellence. We have also surpassed the RM100 million target in cost savings with a Group procurement bulk-purchasing initiative in 2021.

## Sustainable Growth for Generations to Come

We are at the point of our journey where we are poised to accelerate our growth, do so in a sustainable way, and continue to improve our ROE for all our stakeholders.

Journeying into 2022, we have set our sights on four strategic pillars anchored on 'Care. For Good.'. We will provide sustainable growth for all stakeholders, including patients, people and the public. This is the new Growth Strategy as we celebrate our 10<sup>th</sup> anniversary as a listed company. Our four strategic pillars are: build a trust culture, improve operations locally, synergise globally, develop growth engines, and have a compelling sustainability agenda.



## MD & CEO's Message

We have identified five areas of sustainable growth engines. First, we begin with post-COVID-19 recovery as we emerge into the new normal. Second, we will grow organically by improving bed occupancy and utilisation of existing facilities. We seek to continue to improve operating efficiency and revenue intensity through more sophisticated and complex medical offerings. This will fundamentally enhance the returns on our current asset base.

Third, we will acquire strategic assets utilising cluster strategy and into adjacent markets with our deep operating know-how. We are well-positioned to seize merger & acquisition opportunities, and will explore investments in the healthcare value chain to deepen our home markets presence. This expansion of our clusters will allow us to improve operational efficiencies and tap on synergistic savings from operating overheads in our localities.

Fourth, we aim to develop our laboratory business in the various markets to become a global laboratory platform. COVID-19 has propelled the robust growth of this space, and more frequent testing is required as we move towards endemic living. Laboratory services is a core business in our portfolio and in 2021 accounted for RM2.0 billion in revenue.

Fifth, we will see us driving innovation and embarking on a digital transformation journey through digital and health tech platforms. Today's patients are seeking new ways to access healthcare. We want to fulfil that need and offer our patients an omnichannel health experience.

Digital technologies enable the shift of care downstream, and we see this as an opportunity. Investing in technologies will enable us to seamlessly deliver parts of our care beyond the hospital walls. This enables our patients to continue to trust us, as we innovate to provide them with greater convenience, confidence and empower them to make active decisions in their healthcare journey. We see increased investments in digitalisation and innovation as a host of new technologies are integrated into care delivery, genomics and precision medicine.

### Sustained Recovery and Resilient Performance in Our Operations and Markets

#### Malaysia

There has been sustained recovery in Malaysia, with contributions from increased local patient admission, complex medical cases and COVID-19 related services. This is despite the movement control order (MCO) enacted in January 2021. At the same time, we have made significant progress with the rollout of C+ at Pantai Hospital Ipoh and Pantai Hospital Penang. Looking into 2022, our goal is to increase patient volumes and bed occupancy to pre-Covid level as the situation normalises, to grow via the cluster strategy approach, and to extend reach to a rapidly growing middle-class population in the country.

#### Singapore

The performance of Singapore's hospitals has remained resilient despite lower foreign patient volumes. On the other hand, Parkway Laboratory Services is the first private laboratory in Singapore to run the PCR test for COVID-19 testing. Our laboratory capabilities have been enhanced for COVID-19 to increase testing capacity.

A new master lease agreement with PLife REIT for three Singapore hospitals will extend our term until 2042. The move strengthens IHH's ability to operate at its prime locations and serve patients in Singapore. The agreement includes an approximate RM460 million in renewal capital expenditure, further enhancing our hospitals' competitiveness and quality positioning.

Our goal is to drive revenue intensity as a "super" specialisation hub in the future. In 2023, IHH will be the first private hospital in ASEAN to open the Proton Therapy Center in Mount Elizabeth Novena Hospital. We will also be placing our focus on growing the primary care and ambulatory care segment.

#### Turkey & Europe

For the full year of 2021, our Turkish and European business has been on a strong recovery path. Our Non-Lira contribution from operations has increased since 2017 to about 40%. In addition, prices adjustments for our service offerings were adjusted to counter inflation in the country.

With that, Acibadem has continuously been enhancing its services in Turkey and Europe by undertaking more complex cases during the year. In Q3 2021, Acibadem performed a highly complex, 27-hour milestone operation to separate a set of conjoined twins.

Through cross-currency swaps, we have hedged our foreign debt exposure and stabilised earnings. We diversified our European based earnings to about 28% of revenue. We aim to expand our footprint in Europe to funnel more medical tourism to our Turkey hospitals.

#### India

We saw a strong recovery of core non-COVID business, driving cost discipline and increasing productivity. With the streamlining of operations, our cost savings plan for Fortis has borne fruit.

As part of our strategy to increase returns for our stakeholders, we divested Continental Hospitals in Hyderabad and Apollo Gleneagles Hospital Joint Venture in Kolkata. We remain committed to growth in our India operations and Fortis is our largest platform. This is in line with the Group's continued execution of its strategy, one pillar of which is to review its portfolio and capital deployment to prioritise returns.

Additionally, Fortis and Gleneagles Global Hospitals in India are providing increasingly complex procedures in India, including removing a 10kg tumour in Gurugram and a hand transplant in Mumbai.

In the coming years, our focus will be on improving the performance of Fortis and Gleneagles Global Hospitals to capture the high growth potential of private healthcare and laboratory services, through SRL Diagnostics, in India.

#### Greater China

We are pleased to announce that Gleneagles Hospital Hong Kong (GHK) achieved EBITDA breakeven in May 2021 and it is in a strong growth trajectory. Patient growth continued despite COVID-19. GHK will focus on increasing services and operational beds with our goal to grow EBITDA continuously.

A delay in the ramp-up of Gleneagles Chengdu Hospital, hampered by the COVID-19 pandemic, saw the impairment of its assets. However, we will continue to focus on ramping up the hospital's operations with the introduction of high acuity specialties and re-examining the physician engagement model to expand the patient base in Chengdu. Meanwhile, we will work on minimising start-up costs for new hospitals in China, as the Group looks to open Parkway Shanghai Hospital in late 2022.

### Our Gratitude

We have certainly been hit with curveballs from the pandemic, but are beginning to see a return to normality with the broader rollout of vaccines and booster shots. While our patients are at the centre of our healthcare delivery, we are cognizant that we are not able to deliver care without our people.

I thank our people who are doing their best for our patients and our doctors and nurses who go home with mask marks on their faces after a long day of caring for their patients. Our cleaners have stepped up their sanitising frequency to keep our patients safe. These are the very people who can count on us to stand by them when they do the right thing for our patients.

To this end, we assure our people that we will protect their livelihoods and make sure they have the equipment and resources they need to fight the pandemic war.

### Future Forward

Our core operations have rebounded from the challenges we faced in the past two years. Our focus is to ensure that our people and patients continue to trust us.

The COVID-19 outbreak has underscored the importance of doubling down on preventive and primary care to ensure hospitals can manage any future outbreaks. The World Health Organization noted that healthy, productive, and economically secure populations are backed by primary health care systems that leave no one behind. At the same time, as the Asian population ages, the need for hospital beds will increase. Acute tertiary care will continue to rise in physical settings such as complex surgeries, cardiovascular illness, and cancer treatment.

COVID-19 has shown a number of spike mutations and beyond Omicron, we might continue to see new variants. However, we will remain resilient by sticking closely to our strategy of putting the patients at the centre of all we do.

This year we are excited to mark the 10<sup>th</sup> anniversary of IHH's listing in Malaysia and Singapore. In commemoration of the listing, we will launch various campaigns to celebrate the rich legacy of the various brands under IHH, and unveil IHH's 'Care. For Good.' Strategy anchored on four strategic pillars, and #CareForGood initiatives, which drives our sustainability agenda for the Group. Since our initial public offering in 2012, we have seen the Group grow from strength to strength. For the full year of 2021, IHH's share price has improved by 33% and outperformed the KLCI by 37%.

Our focus in the next phase will be centred on our commitment to care for patients, people, the public and our planet. We will continue to strengthen our trust culture; improve operations locally, synergise globally; and develop sustainable growth platforms, with a clear goal to increase ROE, including our focus on growing the laboratory business and setting aside US\$100 million over the next three years for our digital transformation journey.

We are pursuing a patient-centric digital transformation roadmap to deliver better, seamless, and affordable care over the next few years. In building our digital

**Combining our online and onsite services will enable us to give our patients greater convenience, empowerment and the ability to do self-care. We seek to create a consumer-first, patient-centric model to allow patients to draw from an even wider network of services.**

ecosystem, we see an opportunity to deliver our core services seamlessly from within the hospital walls and beyond. We seek to create a consumer-first, patient-centric model to allow patients to draw from an even wider network of services.

Keeping our focus on our vision to be the world's most trusted healthcare services network, we are on track for sustainable growth in the new normal.

As we emerge from the pandemic, IHH will not lose sight of our True North, our purpose to touch lives and transform care, and to keep our people and patients safe. We are poised for sustainable growth and are committed to growing our returns as we execute our growth strategy.

Thank you.
















#### Dr Kelvin Loh Chi-Keon


Managing Director and Chief Executive Officer

# Market Outlook

As the world emerges from the pandemic, we expect some short-term headwinds such as rising staff costs and inflationary pressures. We remain committed to deliver on our new ‘Care. For Good.’ Strategy to provide sustainable growth and continue the journey to improve returns for our stakeholders.

Trend	Impact to Group	Our Response	Link to Strategy	Link to Principal Risk
<b>Current Trends</b>				
<b>Economic landscape</b>	<p>The global economy is expected to grow by 4.4 per cent in 2022, slowing from 5.9 per cent in 2021. In 2023, growth is forecast at 3.8 per cent.</p> <p>As a result of rising energy prices, supply chain disruptions, and widespread wage pressures, inflation has been higher and more broad-based than expected, especially in many emerging and developing economies. Inflation is expected to remain elevated. It is anticipated that inflation will result in higher operational costs at IHH, partly as a result of salary competitiveness pressures.</p> <p>As we move into an endemic period for COVID-19, government healthcare spending is expected to increase in Malaysia and Singapore. Healthcare expenditure in Malaysia could reach RM 91.1 billion by 2025 with a 5-year compound annual growth rate of 7.6 per cent in local currency terms and 8.9 per cent in US currency terms. Singapore is anticipating an increase in healthcare expenditures as it transitions towards living with COVID-19.</p> <p>Although private healthcare will remain in high demand, affordability of healthcare will continue to be a priority.</p>	<p>The Group expects pressure from staff costs from the recruitment and retention of healthcare professionals as we position ourselves for the recovery of business as usual (BAU) services.</p> <p>To further grow our business performance, we will take the following steps:</p> <ul style="list-style-type: none"> <li>• We will make healthcare better by using our global scale to extract synergies and improve operating efficiencies to become a one IHH network.</li> <li>• Enabling efficient capital growth by identifying and evaluating new and existing cluster opportunities that are earnings accretive to IHH.</li> <li>• We are extending existing revenue streams into new areas through our laboratory services and partnerships with public health organisations.</li> <li>• A patient-centric digital transformation roadmap will be implemented to deliver better, seamless, and more affordable care to our patients over the next few years.</li> <li>• A compelling sustainability agenda to care for patients by empowering them, care for our people by shaping the best place for them to work at, care for the public by doing good for our communities and care for the planet by making responsible choices to protect our planet’s health.</li> <li>• As we stay guided by our vision to be the world’s most trusted healthcare services network, we remain on a strong and sustainable growth trajectory in the new normal.</li> </ul>	 	  
<b>Strong demand for private healthcare</b>	<p>The elderly population of Asia is expected to reach more than 923 million by 2050. As life expectancy, chronic disease and co-morbidity rise in the region, the demand for private healthcare will rise substantially. As of 2017, Asia’s healthcare spending totalled US\$1.69 trillion. By 2026, it is expected to jump to US\$2.27 trillion. Mass affluent income is projected to grow from 57 million to 137 million in the ASEAN region alone by 2030, accounting for 21 per cent of the combined population. The rising affluence of patients demands personalised, efficient and seamless healthcare experiences, and IHH must be ready to take advantage of these opportunities.</p>	<p>Our growth strategy is driven by five engines. We will examine these areas to provide sustainable growth for stakeholders, including patients, people and the public:</p> <ul style="list-style-type: none"> <li>• Recovering from COVID-19: Increasing volumes and occupancy to pre-pandemic levels as situation normalises.</li> <li>• Achieving organic growth: Improving bed occupancy and utilisation of existing capacity.</li> <li>• Acquiring strategic assets: According to cluster strategy and to adjacent markets.</li> <li>• Developing our laboratory business: As a global laboratory platform.</li> <li>• Driving innovation and digital transformation: Through digital and health tech platforms with US\$100 million allocated from 2022-2025.</li> </ul>	  	 
<b>COVID-19 Impact</b>	<p>The healthcare industry must adapt nimbly to disease outbreaks, epidemics, and pandemics, by stepping up security measures and enhancing protections. Such health crises will likely increase the cost of staffing and consumables. We do this to prevent cross-infections and ensure the safety of our staff, patients, and visitors. During times like these, doctors and patients will likely postpone non-urgent procedures, thus impacting the healthcare industry financially. Health systems worldwide are under pressure from this pandemic, including IHH. Our staff and patients, particularly those working on the frontline, are at risk.</p> <p>Nevertheless, in 2021, the situation was dynamic and evolving. IHH steadily saw a gradual recovery in the local patient population. A rise in medical tourism is also expected due to the easing of border restrictions such as with the implementation of Singapore’s Vaccinated Travel Lanes (VTLs) programme.</p>	<p>IHH has remained agile in adapting to COVID-19. By diversifying our business services, such as improving our laboratory business, which helps with COVID-19 testing, we can create new revenue streams. As proof points of our commitment to combating COVID-19, we have also undertaken several COVID-19 related services, such as taking in COVID-19 patients, vaccination projects, border screenings, and on-arrival tests.</p> <p>In addition, IHH’s revenue streams are diversified across geographies. In markets such as Turkey and India, where COVID-19 related services dropped in Q3 2021, it experienced a rebound in non-COVID core business due to the high demand for private health care.</p>	  	
<b>Long-Term Trends</b>				
<b>Shifting preference to digitally enabled, convenient and seamless clinician-patient interactions</b>	<p>As a result of COVID-19, consumers feel challenged and increasingly determined to become more active, engaged, and empowered in managing their healthcare needs. Increasingly, consumers are using technology for monitoring their health. Consumers use virtual visits more than ever before, and most say they will continue to do so.</p>	<p>Over the past year, IHH has undertaken several initiatives:</p> <ul style="list-style-type: none"> <li>• One of which is a strategic investment in a digital healthcare platform called Doctor Anywhere (DA) so that the specialists from four of IHH’s hospitals in Singapore – Gleneagles, Mount Elizabeth, Mount Elizabeth Novena and Parkway East – can offer teleconsultations. With this investment, our brick-and-mortar operations will be complemented with the regional digital healthcare platform DA. The solution will also allow us to deliver seamless, cost-effective care wherever our patients are.</li> <li>• We have budgeted US\$100 million in capital expenditures for the next three years for digital healthcare initiatives.</li> <li>• We will also train our clinical staff to develop digital capabilities. The seamless transition facilitates the delivery of care beyond hospital walls. Among these services are repeat consultations, some early triage, prescription refills, trend tracking and possibly even remote monitoring.</li> </ul>	  	

Trend	Impact to Group	Our Response	Link to Strategy	Link to Principal Risk
<b>Long-Term Trends</b>				
<b>Greater demand for transparency</b>	Treatment care and cost transparency are essential to consumers. The majority of patients want to know how well they will be treated and their outcomes.	<p>It has been several years since we began developing our Value Driven Outcomes (VDO) initiative. We have completed setting common core indicators and market benchmarks for four priority procedures (Knee Replacement Surgery, Knee Ligament Repair Surgery, Cardiac Angioplasty and Colonoscopy). We have analysed the data to gain more insights into quality and cost of care for improvement.</p> <p>Our goal is for all our markets to cover the four VDO procedures by 2024 and create a culture of improvement together with our physician partners.</p> <p>Over time, the pandemic would likely catalyse redefining expectations of healthcare services and financing models as government coffers and payers shrink. There is a growing demand for value.</p> <p>We developed and launched our very own AI-powered billing estimation tool. The AI tool will be used in most, if not all, of Malaysia's 16 hospitals by the end of 2022. Pilot tests will also take place at Gleneagles Hospital Hong Kong.</p>		 
<b>Recruitment and retention of skilled healthcare professionals amid a competitive landscape</b>	<p>In recent years, the demand for skilled healthcare professionals has significantly risen, and the COVID-19 pandemic has elevated this demand even more. As a result of burnout, about 1,500 healthcare workers resigned in Singapore during the first half of 2021, compared to 2,000 annually before the pandemic. According to the World Health Organization and the World Bank, a shortage of 18 million healthcare workers is projected to occur worldwide by 2030. About 4.7 million additional health workers will be needed in Southeast Asia alone to achieve adequate coverage. With this rise in demand for skilled and effective professionals, labour costs have also increased over the years. Many healthcare providers are challenged to deliver effective and efficient services due to labour shortages and higher costs.</p> <p>Even though IHH remains well staffed, we are aware of the increased pressure on employees, especially frontline workers, especially due to the pandemic. Given the rapid increase in the number of people and their growing needs, we must find solutions to reduce labour-intensive tasks and improve overall productivity in the healthcare industry.</p>	<p>We ensure competitive remuneration packages and career development opportunities for our employees, we leverage technology and innovation to increase productivity. We continue to attract and retain top talent thanks to our well-established reputation and cross-country exchange programs between our business units. By increasing digitalisation, innovation, and technology.</p> <p>Maintaining a positive mindset and constant upskilling are the cornerstones of our culture. We host a Quality Summit where our employees present innovative projects from different markets every year. Winning projects are selected for implementation so that the Group can improve productivity standards.</p> <p>Our nurses are provided with stress and anxiety management tools through wellness programs.</p> <p>The successful roll out of Cerebral Plus (C+) in some of IHH Malaysia's hospitals can now offer greater convenience, allowing our employees to focus on tasks that matter.</p>	 	
<b>Geopolitical Tensions</b>	International companies can be exposed to business risks as a result from the escalating geopolitical tensions. With current tensions in Europe and Asia, this disrupt supply chains and result in rising commodity and energy prices. The economic implication of the tension and potential sanctions remain unclear. However, many organisations are proactively managing the business risks arising from the situation.	One of our approaches is to establish natural hedges of our future borrowings to match our investments, preventing any mismatch in earnings with debt service. We reduce our dependence on a single market by diversifying across our markets. The effect is to offset cyclical dips in one market with gains in another. With our strong portfolio of cash-generating assets and strong cash flow generation in developed markets, we are well-positioned to support our growth in emerging markets such as Malaysia, Turkey, India, and Greater China. Please refer to pages 52 to 55 for our GCFO's message.		
<b>Digital adoption / transformation</b>	As healthcare service providers merge and consolidate their operations to maximise economies of scale, the industry is set in a competitive landscape. New disruptive services might change how patients consume healthcare services in hospitals due to the speed with which healthcare companies and start-ups are adopting technology.	<p>Our capabilities and capacity to handle more complex medical cases have been strengthened. We are bringing out better technologies, which will help us treat conditions in a less invasive ways and give our patients a better quality of life. For example, Gleneagles Global Hospitals, Parel was the first Mumbai hospital to successfully perform a bilateral hand transplant. Following the surgery, the patient could regain 95% of her hand function and lead an independent and normal life.</p> <p>Our complementary digital ecosystem and services continue to be enhanced, and we have recently partnered with a regional digital healthcare company, Doctor Anywhere (DA). The end-to-end digital platform allows patients to schedule and receive virtual consultations with a doctor from anywhere and at any time. As a result of this partnership with DA, we can expand our digital ecosystem to better serve our clients with a full range of healthcare services.</p>	  	
<b>Public and private partnership</b>	Healthcare demand and supply are mismatched globally, from drug shortages to protective equipment shortages, especially during the COVID-19 crisis. COVID-19 underscores the importance of public and private partnerships in addressing healthcare emergencies efficiently and effectively. For a sound and sustainable healthcare ecosystem, there must be mutual trust and collaboration between the private and public sectors.	<p>With our international network, IHH is ready to be an extension of public healthcare systems and lend our support to patients where we can. When the COVID-19 pandemic broke out, IHH was among the first healthcare groups to take in COVID-19 patients. In 2021, we continued to enhance our public and private partnership offerings.</p> <p>Turkey's Dalaman YDA Airport Acibadem PCR Laboratory has been operating since 1 June 2021 and performs PCR tests for passengers 24/7.</p> <p>Singapore's Changi Airport Group awarded Parkway Laboratory Services the contract to provide Polymerase Chain Reaction (PCR) tests for arrival travellers at Changi Airport from November 2021.</p>	  	

 Please refer to our Performance Review starting on Page 56 to see how these trends have impacted each of our home and key markets.

# Business Model

We are IHH, one of the world’s largest healthcare networks, with 80 hospitals in 10 countries. With our unique reach and scale, we strive to continuously raise the bar in healthcare across multiple geographies including our markets of Malaysia, Singapore, Turkey and India, and create synergies throughout our network. We offer our patients comprehensive and personalised care ranging from primary to quaternary and even ancillary services such as laboratory, diagnostics, imaging and rehabilitation.

As we build on what we do well and share our strengths and resources globally, we are making healthcare better, faster, easier and more affordable for our patients. With the wide range of healthcare services the Group provides, we are able to deliver excellent clinical outcomes for patients and deliver long term sustainable value for our stakeholders.

+ Value generated   = Value preserved   - Value eroded

Our Assets	Delivering Value to Our Stakeholders	Value Generated, Preserved or Eroded
<b>Financial Capital</b> With a robust financial profile in each of our markets, IHH Healthcare is well-positioned for sustained growth. We benefit from a cash-generating operating model that allows us to access capital easily and invest for growth in a disciplined, prudent and capital-efficient manner.	<ul style="list-style-type: none"> <li>• Group revenue</li> <li>• Net Income</li> <li>• Declared dividends</li> <li>• Share price</li> <li>• Return on Equity</li> </ul>	+
<b>Manufactured Capital</b> Our Group provides integrated healthcare services through a global network of hospitals, clinics, and ancillary services in 10 countries. Providing excellent care with the best-in-class healthcare equipment and technology in our hospitals is one of our many responsibilities as an integrated healthcare service.	<ul style="list-style-type: none"> <li>• Number of hospitals and medical clinics</li> <li>• Capital expenditures into medical equipment</li> <li>• Financial investments into upgrading works</li> </ul>	=
<b>Human Capital</b> With the extensive knowledge and expertise of our Board and management, we have been able to establish an all-inclusive clinical governance framework to ensure that all our patients receive the best possible care. To build relationships with our patients and stakeholders, our employees must possess the necessary skills and competencies. Our talent retention strategy includes a multi-pronged approach to remuneration, training, and development opportunities to attract and retain highly qualified clinical and non-clinical personnel.	<ul style="list-style-type: none"> <li>• Singapore Business Review names IHH Managing Director and CEO Dr Kelvin Loh as Executive of the Year (Healthcare)</li> <li>• Employee engagement rate</li> <li>• Number of long service awardees</li> <li>• Number of recipients of the Ministry of Health (Singapore)’s Nurses Merit Award 2021</li> <li>• American Nurses Credentialing Center (ANCC) awards IHH Singapore a four-year re-accreditation as a provider of nursing continuing professional development.</li> </ul>	+
<b>Intellectual Capital</b> The individual patient experience is at the core of our quest for innovative solutions to improve patient care, outcomes, and experience. Our ability to leverage intellectual and digital assets allows us to improve our operations and the delivery of affordable care.  The in-house bill estimation solution FeeAdvisor.ai has been progressively deployed in our hospitals in Malaysia and Singapore. The product will also be pilot tested in Gleneagles Hospital Hong Kong. FeeAdvisor.ai is an important part of our hospitals’ financial counselling process where patients get clarification and more transparency regarding their medical bills before admission.  Our healthcare brands are renowned for their premier service quality and are among the most prestigious in Asia and Central and Eastern Europe. These brands include Gleneagles, Mount Elizabeth, Pantai, Parkway, IMU, Fortis Healthcare, Acibadem and Prince Court.	<ul style="list-style-type: none"> <li>• More affordable care</li> <li>• Improvement in clinical quality indicators</li> </ul>	=
<b>Social and Relationship Capital</b> To provide the highest level of service, we must be committed to our key stakeholders. We strive to build long-term relationships through proactive engagement with our patients, employees, physicians, business partners, and various governments and communities.	<ul style="list-style-type: none"> <li>• Patient satisfaction scores</li> <li>• Launched engagement activities for our doctors and nurses</li> <li>• Safeguards are in place to protect patients’ data and privacy.</li> </ul>	=
<b>Natural Capital</b> To protect our planet and the wider community, we prioritise efficient consumption of natural resources and appropriate management of generated wastes.	<ul style="list-style-type: none"> <li>• Waste minimisation efforts</li> <li>• Appropriate hazardous waste management</li> <li>• Energy efficiency efforts</li> </ul>	+

## ‘Care. For Good.’ Strategy



### Trust

Our strategy is built on a foundation of trust among our patients, employees and communities, which engenders strong and sustainable growth.



### Synergy

Our network of 80 hospitals across 10 countries allows the Group to achieve stronger synergies by pooling together best practices and building deep capabilities.



### Growth

- Recovering from COVID-19
- Achieving organic growth
- Acquiring strategic assets
- Developing our laboratory business
- Driving innovation and digital transformation:

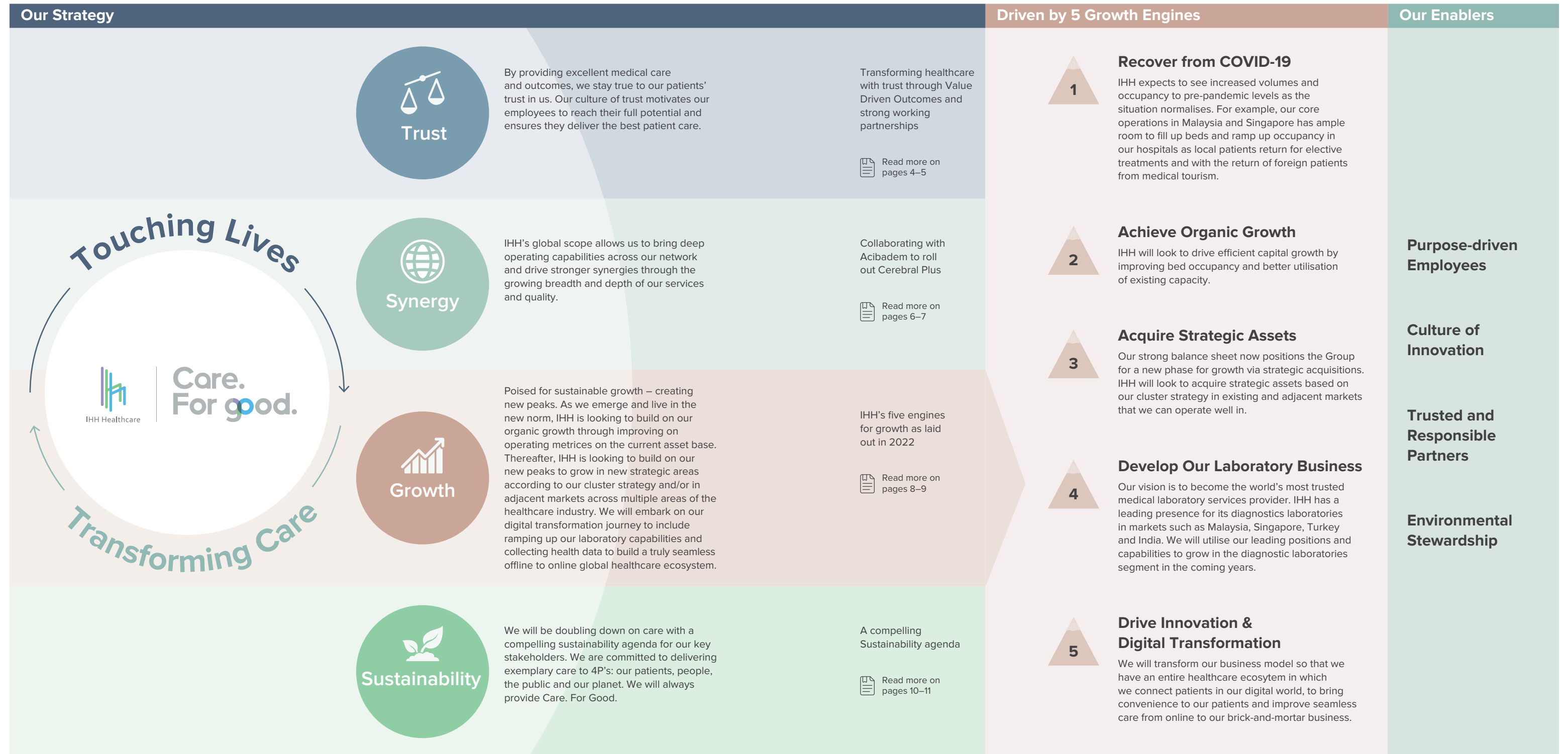


### Sustainability

Care for Patients, People, Public and Planet

# Business Strategy

Our vision and strategy is underpinned by four pillars, Trust, Synergy, Growth and Sustainability. As we are poised for our next phase of growth which is driven by our five growth engines, this will be anchored on the 'Care. For Good.' Strategy. This means we will double down on the Care in healthcare and not just by doing Good, but doing it for generations to come.



### Driven by 5 Growth Engines

- 1

**Recover from COVID-19**

IHH expects to see increased volumes and occupancy to pre-pandemic levels as the situation normalises. For example, our core operations in Malaysia and Singapore has ample room to fill up beds and ramp up occupancy in our hospitals as local patients return for elective treatments and with the return of foreign patients from medical tourism.
- 2

**Achieve Organic Growth**

IHH will look to drive efficient capital growth by improving bed occupancy and better utilisation of existing capacity.
- 3

**Acquire Strategic Assets**

Our strong balance sheet now positions the Group for a new phase for growth via strategic acquisitions. IHH will look to acquire strategic assets based on our cluster strategy in existing and adjacent markets that we can operate well in.
- 4

**Develop Our Laboratory Business**

Our vision is to become the world's most trusted medical laboratory services provider. IHH has a leading presence for its diagnostics laboratories in markets such as Malaysia, Singapore, Turkey and India. We will utilise our leading positions and capabilities to grow in the diagnostic laboratories segment in the coming years.
- 5

**Drive Innovation & Digital Transformation**

We will transform our business model so that we have an entire healthcare ecosystem in which we connect patients in our digital world, to bring convenience to our patients and improve seamless care from online to our brick-and-mortar business.

### Our Enablers

- Purpose-driven Employees**
- Culture of Innovation**
- Trusted and Responsible Partners**
- Environmental Stewardship**

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**Care. For good.**

Touching Lives






Transforming Care

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# Stakeholder Engagement

IHH recognises that our stakeholders are people impacted by the Group’s position as one of the world’s leading international healthcare providers. We realise that their voices are integral to our decision-making process. Our key stakeholders include senior management, doctors, nurses, employees, investors, shareholders, academia, students, patients, accreditation bodies, regulators, local communities, intermediaries, suppliers and service providers.

IHH strives to better understand our stakeholders’ key issues and concerns through numerous engagements. By mapping stakeholder interests against business objectives, we can help define our strategic priorities. We aim to build a meaningful relationship with all our stakeholders through active and continuous engagement.

Stakeholder Group	Stakeholder Profiles	Key Expectations	IHH’s Response	Methods and Frequency of Engagement
 <b>Senior Management</b>	Senior Management sits right below the Board of Directors in our governance structure. They guide the Group’s economic, environmental and social strategic decisions to achieve constant and sustainable business growth.	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Talent attraction and retention</li> <li>Succession planning</li> <li>Operational performance</li> <li>Sustainable growth</li> </ul>	At IHH, our Senior Management is equipped with resources and support systems to effectively lead and support their teams in striving to perform to the best of their abilities, which in turn enhances the Group’s reputation and performance.	<ul style="list-style-type: none"> <li>Monthly IHH Operations Meetings</li> <li>Quarterly Board Meetings</li> <li>Quarterly Board Audit Committee Meetings</li> <li>Quarterly Board Risk Management Committee Meetings</li> <li>Monthly Board Steering Committee Meeting</li> <li>Board Nomination Committee Meetings (as required)</li> </ul>
 <b>Doctors, Nurses and Employees</b>	This stakeholders group is the backbone of our organisation and critical to our success as a leading international healthcare provider. We prioritise having a conducive work environment, one that encourages open communication to promote optimal performance.	<ul style="list-style-type: none"> <li>Staff and doctor engagement/ feedback sessions</li> <li>Positive workplace culture and a conducive working environment</li> <li>Career development and training</li> <li>Celebrate and share quality improvement efforts across IHH Group</li> <li>Embark on innovative approaches to inspire and encourage idea generation at work</li> </ul>	Town hall meetings are conducted to have an open dialogue with employees to address their concerns and develop strategies to improve performance. Training and development programs are provided to enhance skill sets and support career growth.	<ul style="list-style-type: none"> <li>Annual Town Hall Meetings</li> <li>Annual Focus Group Sessions</li> <li>Annual/Bi-annual Employee Engagement Surveys</li> <li>Weekly Physician’s Meetings</li> <li>Annual Quality Summit</li> </ul>
 <b>Investors and Shareholders</b>	Our investors and shareholders provide capital funding for IHH to develop our operations across all geographic regions. Their emphasis is on the Group’s performance and reputation, providing value to our patients, which then become value to our investors.	<ul style="list-style-type: none"> <li>Continued operational growth and financial sustainability</li> <li>Clear and transparent reporting</li> <li>Strong Corporate Governance framework</li> <li>Effective and timely shareholder engagement</li> <li>Succession planning</li> </ul>	Our investors and shareholders are directly linked to the wealth creation of the Group. Their investment decisions and interest in IHH depends on both the financial and non-financial performance of the Group.	<ul style="list-style-type: none"> <li>Annual General Meeting (AGM)</li> <li>Extraordinary General Meeting (EGM) (as required)</li> <li>Ongoing investor conferences, site visits and ad hoc events with investors, engagement sessions with sell-side and buy-side analysts</li> <li>On-going non-deal roadshows</li> <li>Corporate website</li> </ul>
 <b>Academia</b>	Our academia at IMU have the ultimate responsibility to nurture the next generation of healthcare professionals. We strive to foster their success, and that of our students, by ensuring our academia are provided all the necessary resources to provide a top quality education.	<ul style="list-style-type: none"> <li>Research and development</li> <li>Strong relationship with Partner Schools/Universities</li> <li>Education financing, teaching and learning support</li> <li>Industry partnership</li> <li>Students’ welfare and emotional support</li> <li>Strong relationship with residents and community</li> </ul>	At IHH, we cultivate an environment where academia can exchange ideas and information on the latest healthcare development and research, as well as provide a platform for community engagements.	<ul style="list-style-type: none"> <li>Bi-annual Town Hall Meetings</li> <li>Faculty Meetings (every two months)</li> <li>Quarterly Dean Meetings</li> <li>Biennial Staff Barometer Survey</li> </ul>
 <b>Students</b>	IMU students are the future of healthcare. We provide them with a conducive learning environment and quality education, creating opportunities for them to develop into highly skilled healthcare professionals.	<ul style="list-style-type: none"> <li>High-quality education at affordable prices</li> <li>Highest knowledge, skills and competency upon graduation and throughout professional career</li> </ul>	At IHH, we strive to provide world-class education and support to the next generation of medical professionals. We foster an environment conducive for learning and keeping abreast of the latest industry developments.	<ul style="list-style-type: none"> <li>Regular monitoring of teaching and learning activities</li> <li>Quarterly Meeting with Students’ Representative Council</li> <li>I-Barometer survey on student’s satisfaction</li> <li>Mentor-Mentee system</li> <li>Programme Director briefing to the class every semester</li> </ul>

## Stakeholder Engagement

Stakeholder Group	Stakeholder Profiles	Key Expectations	IHH's Response	Methods and Frequency of Engagement
<b>Patients</b> 	At IHH, our patients are among our most valued stakeholder groups. We provide them with satisfactory levels of healthcare services to build trust and loyalty, and improve clinical outcomes.	<ul style="list-style-type: none"> <li>• Delivery of quality healthcare</li> <li>• Patient experience</li> <li>• Health awareness and information</li> <li>• Cost-effectiveness</li> <li>• Patient privacy and data protection</li> </ul>	At IHH, we strive to deliver excellent healthcare services that revolve around patient care. We conduct patient satisfaction surveys to better understand and enhance our performance.	<ul style="list-style-type: none"> <li>• Consultations (as required)</li> <li>• Patient Satisfaction Surveys conducted throughout the year</li> <li>• Admission and Discharge</li> <li>• Patient Education and Family Conferences (as required)</li> </ul>
<b>Accreditation Bodies</b> 	Accreditation bodies such as Malaysia Society for Quality in Health (MSQH), Joint Commission International (JCI), Malaysia Research Assessment (MyRA), ensure that IHH provides high-level healthcare services and education in line with accreditation requirements and standards.	<ul style="list-style-type: none"> <li>• Regular audits and verifications</li> <li>• Meeting international benchmarks</li> </ul>	To ensure that we meet the requirements set by the accreditation bodies, regular audits and inspections are conducted to evaluate our performance and actions are taken to bridge any "gaps" identified.	<ul style="list-style-type: none"> <li>• Triennial JCI audit and inspections</li> <li>• Annual MSQH surveillance audit</li> <li>• MSQH certification inspection conducted every four (4) years</li> <li>• Triennial NABH certification audit</li> <li>• MQA audits (as required)</li> <li>• Biennial SETARA Assessment</li> <li>• Annual Malaysia Research Assessment ("MyRA")</li> </ul>
<b>Regulators</b> 	Regulators assess IHH's operations and ensure compliance with relevant laws and regulations. We maintain frequent communication with them to ensure that the Group is kept up to date with the latest regulatory requirements.	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Regulatory reform relating to hospital planning</li> <li>• Employee and patient safety</li> </ul>	Regular inspections and audits are conducted to ensure that we comply with relevant legislations and requirements.	<ul style="list-style-type: none"> <li>• Formal correspondence and meetings (as required)</li> <li>• Hospital visits (as required)</li> <li>• Biennial audits and inspections by the Ministry of Health</li> </ul>
<b>Local Communities</b> 	Local communities are the main beneficiaries of our Corporate Social Responsibility (CSR) initiatives. These initiatives primarily aim to develop and enrich the communities we engage with and improve public health awareness.	<ul style="list-style-type: none"> <li>• Improving accessibility to healthcare services</li> <li>• Increasing public awareness about healthcare</li> <li>• Providing opportunities to the next generation of healthcare professionals</li> <li>• Funding community projects</li> </ul>	IHH conducts various health and education programmes to promote the health and wellbeing of our local communities.	<ul style="list-style-type: none"> <li>• On-going programmes for free medical treatment</li> <li>• Health awareness initiative</li> <li>• Scholarships and professorships are endowed and carried out in perpetuity</li> <li>• Sponsorships and donations</li> </ul>
<b>Intermediaries</b> 	Intermediaries are third-party representatives that assist us in the provision of healthcare services across IHH hospitals and clinics. Some examples of our intermediaries include insurance companies, corporate customers, and third-party administrators.	<ul style="list-style-type: none"> <li>• At the service level – timeliness of the guarantee letter issuance from intermediaries</li> <li>• The cost of healthcare in private hospitals, especially in medical treatment packages and services</li> </ul>	At IHH, we strive to strengthen relationships with intermediaries through frequent engagement via referral letters and talks to guarantee smooth operations of our healthcare systems.	<ul style="list-style-type: none"> <li>• Daily Guarantee Letter/Referrals</li> <li>• Health talks, forums, Continuing Medical Education ("CME") carried out monthly or every two months</li> <li>• Process and service improvements carried out monthly, quarterly, or when required</li> <li>• Hospital empanelment/renewal (as required)</li> <li>• Claim and charges review meeting (as required)</li> </ul>
<b>Suppliers and Service Providers</b> 	Suppliers and service providers are an important group to IHH as they support our operations by providing the quality provisions necessary for our operations. We maintain an ethical and professional relationship with our suppliers and service providers to ensure a transparent and sustainable supply chain.	<ul style="list-style-type: none"> <li>• Cost-effectiveness</li> <li>• Fair and transparent negotiations</li> <li>• Value proposition price and quality</li> </ul>	We foster good relationships with our suppliers and service providers by ensuring transparent tender processes as well as evaluating their service performances.	<ul style="list-style-type: none"> <li>• Vendor presentations and product demonstrations are conducted upon the introduction of new products</li> <li>• Formal sessions to update knowledge on product information conducted at least twice a year</li> <li>• Tender briefings are held at each tender session upon the user's request on tender specifications</li> <li>• Tender clarification sessions are held with each tender launched on details in related to tender submissions</li> <li>• Price negotiations with vendors are carried out regularly – both for existing and new purchases.</li> </ul>

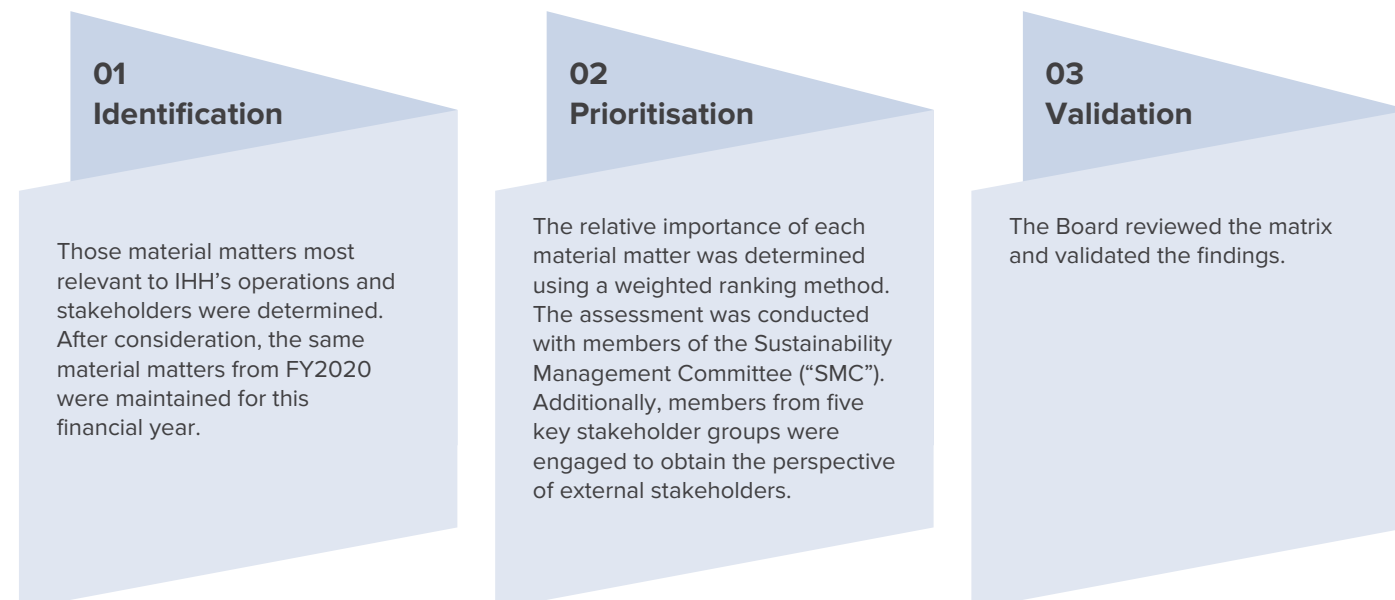
# Our Material Sustainability Matters

Material sustainability is one of the highest priority sustainability areas for the Group. In terms of our business and the sustainability of our operations, these topics present both opportunities and risks. In FY2019, we developed our current list of material sustainability matters, which has been maintained since last year. Following a meeting with the SMC to discuss the relevance of the material matters, it was decided to keep the same list for FY2021. Twenty material matters have been chosen in alignment with our five core pillars.

 <p><b>Our Patient</b></p> <ul style="list-style-type: none"> <li>• Patient Safety and Welfare</li> <li>• Quality of Care and Patient Satisfaction</li> <li>• Privacy of Patients' Data and Medical Records</li> </ul>	 <p><b>Our People</b></p> <ul style="list-style-type: none"> <li>• Occupational Safety and Health</li> <li>• Human Rights</li> <li>• Employee Capability Building</li> <li>• Talent Recruitment and Retention</li> </ul>	 <p><b>Our Organisation</b></p> <ul style="list-style-type: none"> <li>• Ethics and Integrity</li> <li>• Regulatory Compliance</li> <li>• Corporate Governance</li> <li>• Technology and Innovation</li> <li>• Economic Performance</li> <li>• Cost-Effectiveness</li> </ul>	 <p><b>Our Environment</b></p> <ul style="list-style-type: none"> <li>• Waste Management</li> <li>• Energy Conservation</li> <li>• Water Efficiency</li> <li>• Green Design and Construction</li> <li>• Climate Change</li> </ul>	 <p><b>Our Community</b></p> <ul style="list-style-type: none"> <li>• Affordable and Accessible Treatment</li> <li>• Community Engagement</li> </ul>
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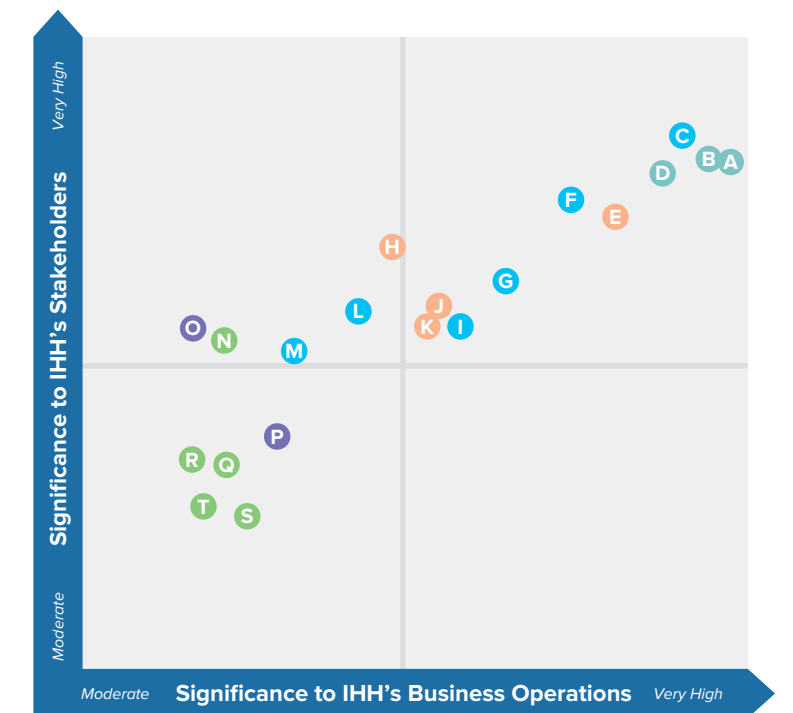
After the 20 material matters were confirmed, an assessment was performed to generate a materiality matrix. Each matter is ranked based on its relative importance from the matrix's stakeholder and business perspective.

A three-step process was used to develop the materiality matrix.



IHH's Materiality Matrix for FY2021 is presented below.

Material Sustainability Matter	Legend
<b>Our Patients</b>	
Patient Safety and Welfare	A
Quality of Care and Patient Satisfaction	B
Privacy of Patients' Data and Medical Records	D
<b>Our Organisation</b>	
Ethics and Integrity	C
Regulatory Compliance	F
Corporate Governance	G
Technology and Innovation	I
Economic Performance	L
Cost-Effectiveness	M
<b>Our People</b>	
Occupational Safety and Health	E
Human Rights	H
Employee Capability Building	J
Talent Recruitment and Retention	K
<b>Our Environment</b>	
Waste Management	N
Energy Conservation	Q
Water Efficiency	R
Green Design and Construction	S
Climate Change	T
<b>Our Community</b>	
Affordable and Accessible Treatment	O
Community Engagement	P



As in previous years, the top three material matters are Patient Safety and Welfare, Quality of Care and Patient Satisfaction, and Ethics and Integrity.

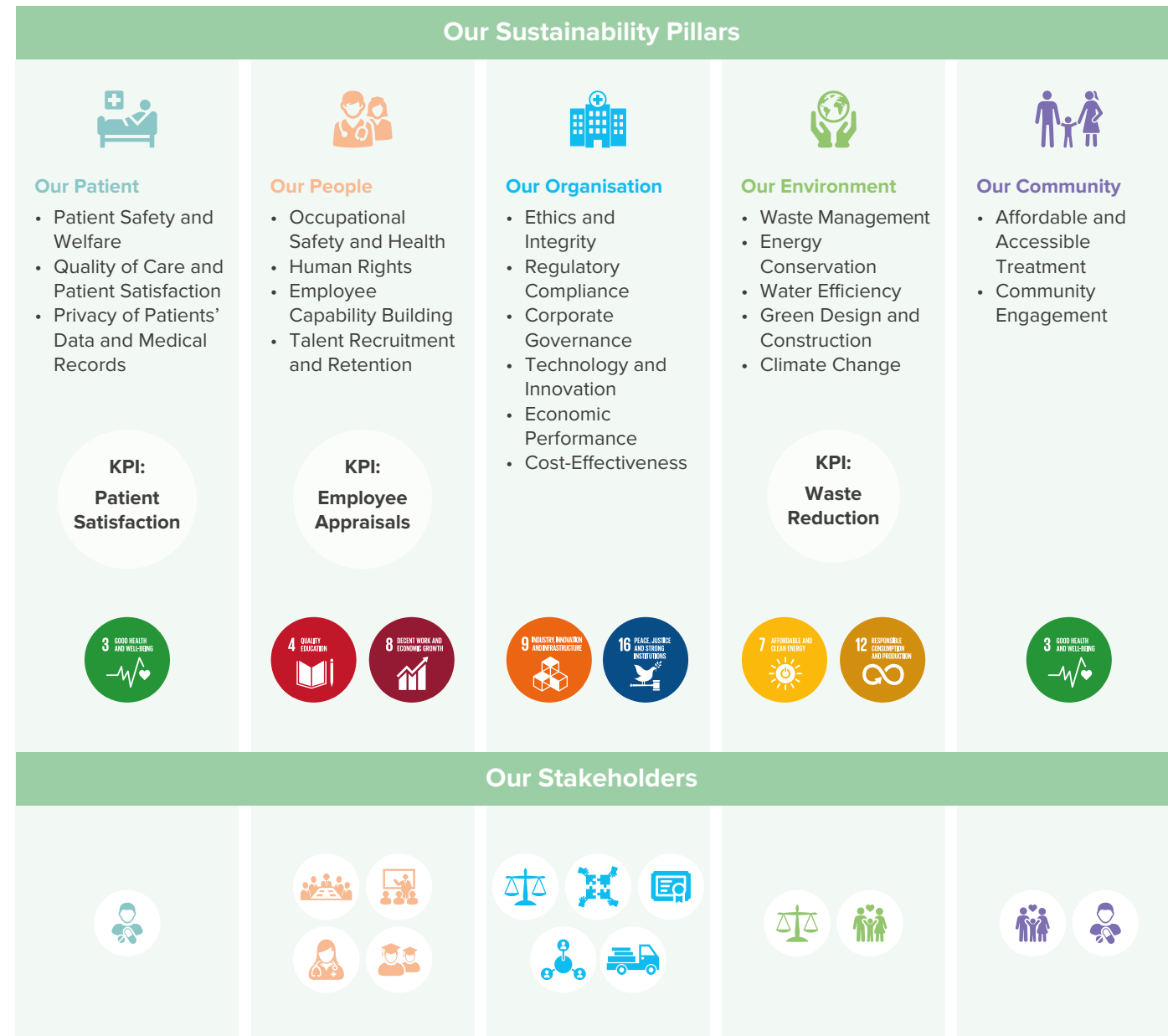
Human Rights, Technology and Innovation, and Employee Capability Building were prioritised, reflecting the "new normal" operating during the COVID-19 pandemic. For this reporting year, economic matters such as Economic Performance, Cost-Effectiveness, and Affordable and Accessible Treatment have decreased relative importance. Similarly, the current COVID-19 epidemic and the shift in stakeholders' focus towards health and safety issues and topics relating to employee wellness may have contributed to this trend.



## Our Material Sustainability Matters

### Mapping Our Material Matters

All of IHH's sustainability topics, key performance indicators, and the United Nations Sustainable Development Goals are deeply entwined with one another and with IHH's five sustainability pillars. The map below illustrates this:



## Risk Management

Managing risk is an integral part of our business strategy and drives stronger, more sustainable strategies to achieve long-term growth and profitability. IHH Healthcare's robust risk management framework is underpinned by a collaborative risk culture with clearly defined ownership and accountability for risk management at all levels.

### Risk Management Framework

The Board has overall responsibility for risk governance and provides oversight of risk management systems and internal controls implemented by Group management within all business units and functions.

The Audit Committee (AC) and Risk Management Committee (RMC) oversee the design and effectiveness of the Risk Management framework and policies. In doing so, the AC and RMC review and recommend, for the Board's

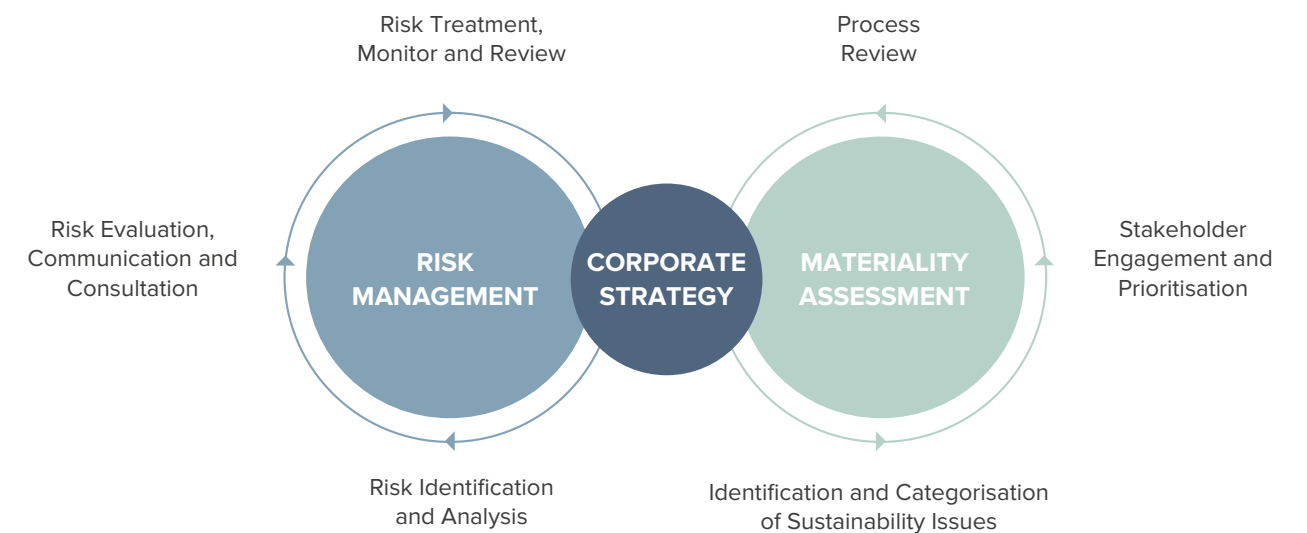
determination, the Group's level of risk appetite and tolerance, and actively highlight, assess, and monitor key business risks of the Group.

In addition, the AC assists the Board in fulfilling its statutory and fiduciary responsibilities by ensuring a sound and robust internal control framework is implemented across the Group. The AC further ensures the effective implementation of such framework to enhance the Group's ability to achieve its strategic objectives.

An Enterprise Risk Management (ERM) framework is deployed at the Group level and major operations divisions. This framework provides a systematic process for the Group and its business units to identify, assess and mitigate key business risks in a proactive and timely manner, with quarterly updates to the RMC.

Our Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Audit Committee Report and Risk Management Committee Report are described in more detail on pages 100 to 133.

### Integration of Risk Management and Material Matters



The Group faces an evolving landscape of economic, environmental, social and governance-related (EESG) risks and opportunities that have the potential to significantly impact our business performance and sustainability.

Through stakeholder engagement and materiality assessments, the Group regularly reviews and assesses our EESG risks – including the risk dimension of missed opportunities – that exist or

may be emerging in our business environment. Sustainability has been integrated into our ERM framework, where matters that are critical to the Group are assessed and managed based on defined risk rating criteria of likelihood and impact. This approach allows us to compare sustainability issues with other business risks, and prioritise resources to manage risks. For more information on material sustainability matters, refer to page 44.




Across major Group entities to manage sustainability risks through responses needed to counter threats and take advantage of opportunities. Annual risk reviews are undertaken with independent assurance to ensure our risk management framework and processes are sound and effective and the risk implication of any change in strategy is identified, assessed and documented. Refer to page 126 for more on our risk management strategy.

# Principal Risks

With a well-designed risk management system, the Group is able to identify, track, and mitigate the principal risks associated with our operations. As a result of this system, the Group is equipped to make informed decisions, ensuring that all risks are managed in a manner consistent with expectations and returns.

Key Area	Principal Risk Factor	Description	Mitigation Measures	Material Matters	Trend
Strategic		In the countries where we operate, we are subject to political, economic, and social developments, conditions, and changes that are more complex due to COVID-19.	The Group's key mitigating strategy involves diversifying our business model and geographic focus. In doing so, we can leverage synergies, which in turn will boost earnings. By being present in multiple countries, the Group is able to better mitigate the effects of political instability and market volatility in each of those countries. Our monitoring efforts continue for countries facing political uncertainty to ensure any adverse effects are understood and mitigated where possible.	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Economic Performance</li> </ul>	↔
Operational		In our capacity as a healthcare services provider, the Group faces the risk of infectious disease outbreaks. Global supply chains continued to be impacted by the COVID-19 pandemic amid virus mutations in 2021, causing uncertainty across industries and sectors. In the midst of the ongoing pandemic, the Group faces government directives, movement restrictions, and changes in patient behaviour in the countries where we operate, affecting patient volume and affordability due to the global economic downturn.	The Group has helped administer COVID-19 vaccines through vaccination centres to support mass vaccination efforts throughout the world. Furthermore, the Group provided testing facilities and hospital beds to public hospitals for both COVID-19 and non-COVID-19 patients. Through improved productivity and cost control, as well as enhanced revenue streams from COVID-19 services, operational resilience has been strengthened. The Group continuously monitors occupancy rates, revenue intensity, medical tourism shares, and other metrics for our core business to adjust operations to meet patient trends.	<ul style="list-style-type: none"> <li>Cost-Effectiveness</li> <li>Occupational Safety and Health</li> <li>Patient Safety and Welfare</li> <li>Quality of Care and Patient Satisfaction</li> </ul>	↑
Cyber and Information Technology		Information Technology (IT) systems are used to support the Group's business, including the handling and storage of personal and confidential information. The Group may be subject to penalties and legal action for breaches of privacy and security regulations resulting from cyber attacks and security breaches. As a result of the COVID-19 pandemic, medical and technological advancements in the healthcare industry have accelerated, thus intensifying cybersecurity threats. Even as the Group strives to build a trust culture, leakage of personal and confidential data would cause reputational damage and adversely affect revenue.	We have developed a Group Personal Data Protection governance framework to guide Data Protection regulatory compliance and Data Protection best practices. Divisional Data Protection Officers have been appointed, which will facilitate the implementation of the framework. All relevant personnel are receiving general and specialized training in Data Protection. As part of continuing security reviews and upgrades, we monitor networks and systems, conduct vulnerability assessments and penetration tests. While the Group maintains insurance coverage to mitigate against the various cybersecurity risks, there can be no guarantee that all costs and losses will be fully covered.	<ul style="list-style-type: none"> <li>Protection of Personal Data and Data Subjects</li> <li>Regulatory Compliance</li> <li>Employee Capability Building</li> </ul>	↑
Environmental, social, and governance (ESG)		Climate change presents new risks to the Group. Aside from physical risks such as flooding that may threaten our healthcare facilities, and climate-related disease burdens, the Group is vulnerable to transition risks that might arise from society's response to climate change. For example, increasing stakeholder expectations on sustainability performance may lead to an increase in regulations and business costs, undermine viability, and reduce asset values.	We are committed to creating sustainable and long-term business growth and protecting our community and environment with the 'first, do no harm' principle. Our Sustainability Statement outlines our approach to sustainability. Our Sustainability Management Committee, chaired by our Managing Director and Chief Executive Officer, has taken the first step in developing our five-year Sustainability Roadmap and Action Plan, with Key Performance Indicators (KPIs) implemented to track our progress toward the goals we consider critical to ensuring IHH's sustainable future.	<ul style="list-style-type: none"> <li>Climate Change</li> <li>Community Engagement</li> <li>Energy Conservation</li> <li>Green Design and Construction</li> <li>Waste Management</li> <li>Water Efficiency</li> </ul>	↑
Financial		The Group is exposed to foreign exchange risk on sales, purchases, cash and cash equivalents, receivables and payables, loans and borrowings denominated in currencies other than the respective functional currencies of Group entities. The volatility of exchange rates could adversely impact our business, financial condition, results of operations, and prospects. Volatile currencies include the Turkish Lira, whose value has depreciated by approximately 40% against the US dollar since 2021. The net import economy was thereby put under upward inflationary pressure, which had the effect of increasing costs and eroding margins if price adjustments were asymmetric. Since many of our entities have functional currencies other than the Malaysian Ringgit, the Group is also exposed to currency translation risks. In addition to the Turkish Lira, the Singapore Dollar followed by the Indian Rupee are the principal foreign currencies we use in business.	The Group actively monitors the effect of foreign exchange risk on our cash flow and the degree of natural hedges and, where possible, minimizes such risk by either borrowing in the functional currency of the respective entities or entering financial derivative contracts like foreign exchange forward contracts and cross-currency interest rate swaps to financially hedge our exposure. The Group does not hedge against translation effects and positions which do not have underlying real cash flows. The Group continues to monitor market and pricing trends, while working on minimising costs through efficiency and productivity improvements in affected countries. An upside opportunity exists in the expansion of international travel as medical tourists may seek to benefit from favourable foreign currency exchange rates.	<ul style="list-style-type: none"> <li>Economic Performance</li> </ul>	↔

Trend indicates change in pre-mitigation risk level over the year:

 Pre-mitigation risk increased  
  Pre-mitigation risk remained unchanged  
  Pre-mitigation risk decreased



# *Growing with Purpose*

We aim to touch lives and transform care by providing exemplary service to our patients, anchored on a continuous focus on clinical, operational, and service excellence.

## **Performance Review**

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# GCFO's Message



*Growth in the healthcare industry continues to be driven by strong underlying trends around ageing population, a growing demand for quality healthcare, regional disparities in infrastructure and services as well as fast technological advancement.*

**Joerg Ayrlle**  
Group Chief Financial Officer

## Overview

As the world learns to live with COVID-19, the global healthcare industry is working towards getting its business back to pre-pandemic levels and to resuming back on its growth trajectory, underpinned by the long-term mega trends such as a rapidly ageing population and rising affluence. Companies will focus on increasing investments in innovative technologies, attaining universal health

coverage, shifting care towards value and outcomes, and improving patient-provider relationships to overcome the challenges from the ongoing pandemic.

As the Group celebrates its 10th year anniversary of listing in 2022, we are unveiling 'Care. For Good.' – our strategy to provide strong sustainable growth for all stakeholders, our patients and customers, our people, the public and communities we work in and our shareholders.

I am pleased to report that as we recover from COVID-19 and enter into the next phase of our growth journey, the Group aims to implement its strategy through its five growth engines: firstly, to increase patient volumes and occupancy to pre-COVID levels. Secondly, our network of services will look at further improving bed occupancy and asset utilisation to grow organically. Thirdly, we will acquire strategic assets based on the cluster strategy and in existing and/or adjacent markets. Fourthly, for our medical diagnostic laboratories business, we expect to grow our top line as we find synergies and drive efficiencies. We are focused on growing this business into a global laboratory platform. Lastly, we will invest strongly in our digital transformation journey. We see ourselves setting aside about US\$100 million over the next three years in our IT infrastructure to drive digital transformation.

Our operations in Malaysia have weathered the challenging times through the pandemic gaining market share and strengthening core earnings. Our flagship Singapore businesses have surpassed expectations with an agile approach to new revenue streams and strong collaborations with the Singapore government.

Geographically, our operations in India where the Group has a 31.17% stake in

Fortis Healthcare and a 75.62% stake in Global Hospitals, where the third largest revenue contributor last year with 22% based on strong growth. With that, IHH remains committed to growing its operations in the subcontinent.

As for its presence in Turkey and Europe which contributed about 25% of its Group's revenue, Acibadem is on a stronger footing to weather through volatility in the Turkish Lira (TL). Non-Lira contributions from our operations have been steadily increasing since 2017. To date, non-Lira revenue now accounts for 41% of the Acibadem Group's revenues, which comprises our European operations and foreign currencies revenue receipts from increasing numbers of foreign patients into Turkey. As such, IHH may consider plans for organic and inorganic expansion in the near term to cope with the sustained growth in demand even as patient load from COVID-19 have tapered off. To that point, Acibadem Atasehir Hospital, a 280-bed capacity hospital, is expected to open by the third quarter of 2022.

Gleneagles Hospital Hong Kong (GHK) saw improvements made in patient admission, occupancy and revenue intensity - breaking even in May 2021 and continued to generate positive EBITDA for the rest of the year.

## Financial Highlights

**RM3.53 billion**

Net Cash from Operating Activities

**8.43%**

Return on Equity (December 2021)

**1.37**

Net Debt/EBITDA

**RM4.3 billion**

EBITDA



## GCFO's Message

*Performance remains strong across all markets. In particular, Turkey and Europe continue to outperform as operations are able to manage the challenges arising from the pandemic and continue to gain market share as we improve the quality of our earnings.*



In the fourth quarter of 2021, GHK reported RM195.2 million in revenue and RM2.4 million in EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation), an increase by 125%. Inpatient admissions were up 16%, while revenue intensity was up 6.5%. Quarterly occupancy averaged 65%.

One of our cornerstone investments is Parkway Life REIT, our listed real estate business, outpacing the market in achieving capital returns. We are excited to look forward to continuous value accretive expansion. The recent rent renewal in our three main hospitals in Singapore provides the foundation for sustainable growth.

As part of our portfolio strategy review to improve returns and operational efficiency, we have divested our stake in a joint venture in Apollo Gleneagles Hospital in Kolkata for RM225.1 million and a 62.23% stake in Continental Hospitals in 2021. We continue to focus on building resilience by monetising non-core businesses and managing our cost base to capture earnings accretive opportunities to pursue capital efficient growth.

I am excited to share that for the first time, the Group issued its audited financial statements at the same time as its full year financial results, making IHH one of the select few to do so on both Bursa and SGX.

### Our Performance

The Group had a strong year and recorded a stellar performance in 2021. Our revenue

rose 28% to RM17.1 billion and saw a 49% rise in EBITDA to RM4.3 billion, a 25% EBITDA margin range which we are comfortable with. Net Operating Income excluding exceptional items more than doubled from RM715.3 million to RM1.6 billion and Net Income increased to RM1.9 billion.

The strong performance for the full year 2021 was achieved on the back of a recovery in patient footfall, better operational efficiencies and delivery of COVID-19 related services across its hospital network. In particular, Turkey and Europe via Acibadem, continued to outperform as the operations were able to manage the challenges arising from the pandemic. The business continued to gain market share as it saw increased volume from local patients and the return of foreign patients since Turkey started to ease border restrictions since second half of 2020. As Acibadem expanded its operations into Europe such as Bulgaria, Macedonia, Serbia and the Netherlands, its European operations are now contributing about 28% of Acibadem's revenue. Combined with medical tourism, about 41% of its revenue are in hard currency.

Presently, China is a small nascent market for IHH which is built around strong outpatient clinic operations and new hospital investments. Our operations remain loss making in 2021 and we will need time to look into the business strategy and find better ways of working operating in China. IHH has been in Greater China for more than a decade and continues to see this region as a growth area.

### Capital Management & Liquidity

IHH has always sought to maintain a solid capital base and ensure long-term financial sustainability. We aim to maintain a healthy debt-to-equity ratio while complying with debt covenants and regulatory requirements through prudent asset management.

In addition to effectively managing payments, receipts, and financial risks, we are constantly reviewing our funding strategy to have enough liquidity to meet our obligations. Compared to the previous year, our net debt to equity ratio has decreased from 0.28 to 0.21. Overall, our cash position remains strong, with net cash generated from operating activities of RM3.5 billion and a total cash balance of RM5.0 billion.

Based on our consolidated balance sheet and statement of cash flows at the end of FY2021, we are well-positioned to meet the Company's working capital and CAPEX needs for the next 12 to 18 months.

I believe in the coming year, we expect to see more CAPEX spent as IHH embarks on new growth initiatives.

### Return on Equity

We have a clear focus to increase our Return on Equity (ROE) for our stakeholders. This has led to a substantial ROE expansion in 2021 where we achieved 8.43%. Based on this, we will remain committed in our journey to increase ROE. The drivers for our growth from here include recovering from COVID-19, achieving organic growth, acquiring strategic assets, developing our laboratory business, and driving innovation and digital transformation.

### Dividend

The Board of Directors declared a first and final dividend of 6 sen per share for Bursa shareholders and 1.93 cents per share for SGX shareholders at the back of strong performance for the full year of 2021, a 50% increase and a sign that we have reached a new level of performance compared to a year ago.

We remain prudent in terms of the dividend pay-out even though the underlying earnings have improved. We believe that this is a sustainable dividend, and we want shareholders to participate in the success that our colleagues in the healthcare frontline have delivered through this period.

### Looking Ahead

IHH is pleased with our performance in FY2021 and we are confident that the growth trajectory will continue. However, we also expect some near-term softness due to inflationary pressures and tapering of COVID-related services.

We remain optimistic that this is temporary, with the pent-up medical demand more than offset short term headwinds. Also, with the easing of travel restrictions, foreign patients will return. We also believe that operations will remain resilient as business-as-usual services recover in 2022.

Our growth will be strong and sustainable, supported by the long term mega trends such as ageing population, advancement in medical technologies and rising affluence. We will use our operating scale, to extract operating synergies based on our global network to make healthcare better for our stakeholders. All these will be underpinned by our 'Care. For Good.' Strategy and driven by a compelling sustainability agenda.

Thank you.

### Joerg Ayrlle

Group Chief Financial Officer

*Our growth will be strong and sustainable, supported by the long-term megatrends. We will continue to use our operating scale, extract operating synergy based on our global network to make healthcare better.*

# Operations Review

## IHH Malaysia

IHH Malaysia is one of the largest private healthcare providers in Malaysia, operating a range of established healthcare services, including private hospitals, ancillary services and education facilities.

Our healthcare network comprises four Gleneagles Hospitals, 11 Pantai Hospitals and Prince Court Medical Centre, complemented by ancillary services including Pantai Integrated Rehab and Pantai Premier Pathology, and a primary care clinic under Twin Towers Medical Centre.

Three of our hospitals are accredited by Joint Commission International (JCI) and 15 of them by the Malaysian Society for Quality in Health (MSQH).

### Performance Highlights

Revenue has improved 25% year-on-year to RM2.7 billion, due to performing more COVID-19 services, undertaking more complex cases, and increased contribution from inpatient admissions from local patients. EBITDA grew by 37% to RM760.1 million. Inpatient admissions decreased 4%, while revenue intensity grew 22.8%. The average occupancy for the year was 48% while COVID-related services contributed to 12% of our revenue.

With the ongoing pandemic, IHH continued to support various public sector initiatives in the fight against COVID-19. To offer added convenience for patients, Pantai Hospital Penang was the first private hospital in the Northern region to conduct a drive-through vaccination service. 10% of our beds were also allocated to accept COVID-19 patients in our hospitals which was increased to 13% in May 2021, our hospitals committed to doubling our ICU beds for to treat COVID-19 patients.

At the peak of the pandemic in Q2, we continued to help at 19 vaccination centres and conducted COVID-19 laboratory testing. To further alleviate the stress on the public healthcare system, IHH treated non-COVID patients decanted from the government hospitals to help manage the situation during this pandemic.

## Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Revenue	RM2.2 billion	RM2.7 billion
EBITDA	RM555.9 million	RM760.1 million
<b>Operational</b>		
Average occupancy	49%	48%
Inpatient admissions	158,944	151,944
Average revenue per inpatient admission	RM8,428	RM10,346

IHH carried out various initiatives over the year to improve operational excellence. For example, we implemented Cerebral Plus (C+) - a new Hospital Information System (HIS) for seamless integration of functions as well as for comprehensive data analytics. C+, which offers an entire healthcare solution, helps our patients better manage their healthcare needs, such as setting medical appointments and accessing medical results. The system, modelled after the HIS used at our Acibadem hospitals in Turkey, was localised and implemented in Pantai Hospital Ipoh and Pantai Hospital Penang. C+ will eventually be rolled out across the remaining 14 IHH hospitals in Malaysia by 2022. The implementation of C+ is a testimony to our teamwork between Malaysia and Turkey and our commitment to excellence.

Over the year, IHH Malaysia saw its medical diagnostics laboratory arm, Pantai Premier Pathology, receive an international accreditation from the College of American Pathologists, a gold standard for laboratory services. It is one of only two laboratories in Malaysia to receive such an accreditation. Meanwhile, Prince Court Medical Centre commemorated its 12th year in clinical excellence since its inception with a successful 101st kidney transplant.

IHH Malaysia continued to improve on its clinical service offerings. Pantai Hospital Sungai Petani was the first private hospital in Malaysia to offer REZUM Water Vapour Therapy – a minimally invasive surgery – to treat benign prostatic hyperplasia (prostatic gland enlargement). Pantai and Gleneagles Hospitals have improved their centres of excellence, including

the enhancement of neurology and oncology services at Pantai Hospital Kuala Lumpur.

Since launching the Value Driven Outcomes (VDO) initiative, IHH Malaysia has been measuring outcomes and cost data for several vital procedures. This information is now being shared with doctors for better outcomes in recovery and reducing the cost of care for our patients. We are rapidly expanding VDO to cover many more procedures. It is an assurance to our patients that we are constantly striving to deliver better value, improved medical outcomes, and transparency.

### Outlook

Globally and in Malaysia, the situation with COVID-19 is constantly evolving. We continue to monitor closely the recovery in Malaysia so that we can plan to pursue organic and inorganic growth as and when the time is right.

As movement controls are gradually lifted and normal activities are resumed, we expect local and foreign patient volumes to increase and ‘business-as usual’ services to return. Our goal is to drive bed occupancy, improve utilisation of our infrastructure and maintain cost discipline, while staying focus on executing on our cluster strategy and extending our reach to the fast-growing middle-income segment.

To work more efficiently and provide better service to our patients, we intend to extend C+ to the rest of our hospitals in Malaysia in 2022.

## IHH Singapore

IHH is the largest private healthcare provider in Singapore and operates some of the most reputable and trusted healthcare brands in the country and the region. IHH Singapore operates over 1,000 beds across four JCI-accredited hospitals – Gleneagles Hospital, Mount Elizabeth Hospital, Mount Elizabeth Novena Hospital and Parkway East Hospital, where more than 1,500 accredited specialists provide quality and effective multi-disciplinary specialist care. We also operate more than 35 patient assistance centres worldwide to reach out to an international pool of patients.

Our Parkway brand includes the Parkway Shenton network of over 30 primary care clinics island-wide and managed care and employee benefits company, iXchange, as well as a wide range of specialty and ancillary services such as Parkway Cancer Centre, Parkway Radiology, Parkway Laboratories (including Angsana Molecular & Diagnostics), Parkway Rehab and Parkway Emergency Services.

### Performance Highlights

Singapore saw a steady growth performance from the offering of COVID-19 services and increased contribution from local patient volumes. Foreign patients remained low due to the curtailment of international travel. Revenue grew 30% to RM5.0 billion, while EBITDA grew 25% to RM1.7 billion. There was an increase in inpatient admissions to 64,227 as revenue intensity increased by 6.0% from higher intensity procedures and taking in serious COVID-19 patients in Q4. The average occupancy was at 54%.

IHH Singapore remains committed to supporting the government’s efforts in the fight against COVID-19. During the year, IHH Singapore assisted with various vaccination exercises, border screenings, on-arrival testings, and COVID-19 laboratory testing. With the addition of the 11th PCR machine to increase test capacity, laboratory and diagnostic capabilities were added to further support the COVID-19 efforts. About 15% of our beds were dedicated to treating COVID-19 patients. We generated 25% of our revenue from COVID-related services for the year.

## Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Revenue	RM3.9 billion	RM5.0 billion
EBITDA	RM1.4 billion	RM1.7 billion
<b>Operational</b>		
Average occupancy	55%	54%
Inpatient admissions	64,071	64,227
Average revenue per inpatient admission	RM34,775	RM36,878

In addition, to building trust and providing value to our patients, we strive to improve our quality of care. IHH Singapore is proud to announce that five of our nurses received the Nurses’ Day Merit Award awarded by Singapore’s Ministry of Health.

In September 2021, IHH launched a teleconsultation service in collaboration with the regional digital healthcare platform Doctor Anywhere (DA). The service enables specialists at our four hospitals to receive consultations via the web. With this platform, patients can receive affordable medical advice and second opinion consultations from experts at IHH for sought-after specialties such as orthopaedics, gastroenterology, and general surgery (colorectal). Amidst the changing healthcare landscape, IHH Singapore is targeting to strengthen its primary care segment of the business. We are developing a one-stop multi-disciplinary medical centre at Woodleigh mall to provide intermediate ambulatory care, including radiological services, to ensure patient needs are met more comprehensively, and quality care is provided. The centre is expected to open in 2023.

IHH Singapore has continued to enhance its service offerings in the year. In Mount Elizabeth Novena Hospital, the Mount Elizabeth Breast Care Centre was launched to provide a one-stop solution with greater privacy and comfort for female patients. Mount Elizabeth Novena Hospital has also made progress with the ground-breaking and installation of its cyclotron for its Proton Therapy Centre slated to open in 2023.

As part of our strategic collaboration with PLife REIT in 2021, we extended our lease agreements by another 20 years to 31 December 2042 for our three hospitals – Gleneagles Hospital,

Mount Elizabeth Hospital and Parkway East Hospital. Furthermore, about RM460 million upgrade to our facilities provided by the landlord will help us boost our competitiveness and access Singapore’s growing healthcare market.

### Outlook

We expect revenues from COVID-19 services to normalise as our core operations simultaneously return to normal. Additionally, staff costs are expected to increase as the Group strengthens its clinical talent force across our hospital services network. Inflationary increase in cost of operations is also expected. The Group will continue to maintain cost discipline.

One of our key focuses will remain on driving revenue intensity as a “super” specialisation hub. The opening of the Proton Therapy Center in Mount Elizabeth Novena in 2023 will illustrate this. As a next-generation cancer treatment, proton beams are used to more precisely target cancer cells while causing far less harm to healthy tissues and organs around them.

A gradual recovery of our medical tourism sector is also being optimistically anticipated with the successful rollout of global vaccination programmes and the opening of Vaccinated Travel Lanes (VTLs).

With the Board’s endorsement, IHH has developed a three-pronged transformation strategy to expand our core services beyond our hospital walls so that our patients can access care online in a convenient manner before and after their hospital stay. IHH Singapore is looking to launch its new healthcare app in the second half of 2022. We will continue to invest in our digital ecosystem and use digital technologies to deliver seamless care beyond the hospital walls.

## Operations Review

### Turkey and Europe

IHH's Acibadem brand sets the benchmark for clinical excellence in Turkey and Europe. Across Turkey, Macedonia, Bulgaria and the Netherlands, Acibadem operates more than 4,100 beds throughout 22 hospitals. It offers high-quality diagnostic services and clinical treatment options for Turkish and international patients. Offering state-of-the-art medical technology services, such as smart radiotherapy, robotic surgery, intraoperative radiotherapy, and digital tomosynthesis mammography. Five of our Acibadem Hospitals are accredited by Joint Commission International (JCI), the international gold standard for quality and patient safety.

### Performance Highlights

Our operations in Turkey and Europe continued to recover strongly. Revenue improved by 26% to RM4.3 billion, and EBITDA grew by 51% to RM1.2 billion. Inpatient admission volume continued to rise with an increase of 18%. Revenue intensity increased by 18.3% with the undertaking of more complex cases and price adjustments to counter inflation. Bed occupancy stood at 77%. Turkey and Europe operations were the first to see COVID-19 restrictions ease. As a result, both domestic and international operations continued to grow strongly.

In Turkey, we continued to maintain our operational hedge. The non-Lira revenue, or the hard currency revenue, accounted for 41% of the Group's total revenue, which comprised of the European operations and foreign patients coming to Turkey. In Turkey, foreign patients increased to 23% of revenues in Q4, exceeding pre-COVID-19 levels.

As part of the fight against COVID-19, aside from treating COVID-19 patients and administering vaccinations, Acibadem

### Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Revenue	RM3.5 billion	RM4.3 billion
EBITDA	RM0.8 billion	RM1.2 billion
<b>Operational</b>		
Average occupancy	67%	77%
Inpatient admissions	186,662	219,582
Average revenue per inpatient admission	RM6,781	RM8,020

also processed COVID-19 laboratory tests. At the same time, we are proud that Acibadem City Clinic Tokuda Hospital passed an external international quality assessment of COVID-19 diagnostics with honours.

IHH's Acibadem also celebrated significant milestones. This includes successfully completing a 27-hour long critical separation surgery for a pair of conjoined twins at Acibadem Altunizade Hospital. Acibadem Sistina Hospital opened its Premium Physical Therapy & Sports Center for holistic and healthy living.

Our growth prospects in Turkey and Europe remain optimistic despite Lira depreciation and inflationary pressures this year. There is potential for further growth via mergers and acquisitions and organic means, including further expansion into Europe. In March 2021, Acibadem entered into Serbia via the acquisition of Bel Medic Hospital, as part of its growth strategy for the Eastern European market. Acibadem Bel Medic Hospital was immediately earnings accretive and further diversified Acibadem's revenue base with its Euro-hedged earnings. To further minimise Acibadem's exposure to currency volatility, Acibadem has also partially hedged the company's foreign debt position by entering into

cross-currency swaps. Diversifying our businesses and geography reduces our reliance on one market. As a result, cyclical dips in one market are offset by gains in another.

Taking advantage of synergies across the IHH network, Acibadem's staff have helped develop Cerebral Plus (C+) for implementation in Malaysian hospitals. Looking into driving operational excellence across the Group, this collaboration enables IHH's hospitals to provide patients with an integrated and efficient system, displaying good teamwork across international borders.

### Outlook

In light of the volatile Turkish Lira and an inflationary environment in Turkey, we strive to strengthen our ability to de-risk growth by expanding our Euro-denominated revenue through excellent care and service delivery for patients in the European and Balkan regions. These effects will also be partially mitigated by maintaining cost discipline, improving case mixes, and growing foreign-denominated revenue.

The Group is actively looking for avenues to expand our existing platform to grow and consolidate assets. In Q3 2022, we expect to open Acibadem Ataşehir Hospital, a 280-bed capacity hospital on the Anatolian side of Istanbul. We are also looking to increase our presence in our European cluster.

### IHH India

In India, IHH is one of the largest private healthcare providers offering extensive healthcare services from primary care to highly specialised acute medical treatment, as well as diagnostics care. Our well-established healthcare facilities include 27 Fortis Hospitals, 7 Gleneagles Global Hospitals, 3 medical centres and over 400 SRL Diagnostics laboratories under Fortis Healthcare.

Four of our Fortis Hospitals are accredited by Joint Commission International (JCI), with 24 Fortis and Gleneagles Global Hospitals accredited by National Accreditation Board for Hospitals and Healthcare Providers (NABH).

### Performance Highlights

India saw a substantial recovery of its core non-COVID business in the past year. Revenue grew by 40% to RM3.7 billion on contribution from COVID-related services as well as a strong rebound from non-COVID inpatient admissions since the third quarter. EBITDA increased to RM666.5 million. Inpatient admissions increased by 19%, and revenue intensity increased by 15.1%. This was attributed to India's operations taking up more severe COVID-19 cases and urgent ailments in the first half as well as a firm rebound of non-COVID patients seeking elective treatments in the second half. The average occupancy was at 66%.

IHH India has always been a strong supporter of the country's efforts in combating the pandemic by treating COVID-19 patients, assisting in its efforts to vaccinate the population and in performing COVID laboratory testing.

Our India operations continue to focus on cost savings and streamlining. With that, Gleneagles Global Hospitals achieved PATMI positive in 2021 on the back of improved operations and cost savings.

Our efforts to provide value for our patients and to improve the quality of care remain unwavering. Within the first six weeks of the launch of the tele-consult service,

### Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Revenue	RM2.7 billion	RM3.7 billion
EBITDA	RM200.5 million	RM666.5 million
<b>Operational</b>		
Average occupancy	54%	66%
Inpatient admissions	270,581	320,543
Average revenue per inpatient admission	RM7,048	RM8,114

Fortis recorded more than 12,600 teleconsultations between patients and our healthcare professionals. To strengthen our laboratory testing services, Fortis also acquired the balance of the 50% stake in DDRC SRL Diagnostics.

As part of our portfolio strategy review, we divested the Continental Hospitals and Apollo Gleneagles Hospitals Kolkata joint venture to focus on strengthening our healthcare capabilities for our patients and creating more value for our stakeholders. Our priority remains to deepen and grow our presence in India, a key market for IHH through its multi-city based platform assets.

IHH India has embarked on technological initiatives to enhance digital health offerings, such as the introduction of Mitra robot COVID-19 screening at Fortis Hospital, Bannerghatta Road. The use of digital technologies has enabled our healthcare workers to work in a safer environment.

### Outlook

India remains one of our key markets with very strong growth potential. Keeping our growth objective in sight, we have constantly improved our India operations since acquisition through the synergies and operational know-how available to us and by rebuilding the brand and trust. By implementing a strict cost reduction programme, we will continue to focus on maintaining cost discipline and improving productivity.

Our operations observed high numbers of COVID patients and adapted quickly and nimbly to the robust recovery of

non-COVID patients in 2021. This is testament to our ability to meet the healthcare demand in India should the pandemic evolve in 2022.

Looking forward, our expansion plans for the hospital operations include the expansion of our medical technological equipment and capabilities. For example, our hospitals are currently acquiring MRI-LINACs that enable accurate and fast radiosurgery in India.

Telemedicine will also emerge as an essential and indispensable part of healthcare as it grows from a complement to modern medicine. Globally, the COVID-19 pandemic has changed healthcare and triggered an expansion of the telemedicine market. It is anticipated that the practice will grow the most in countries with fewer doctors per capita, such as those in Asia-Pacific.

IHH India has introduced telemedicine to complement face-to-face medical treatment in response to the increasing number of patients who wish to avoid human contact due to the spread of new coronavirus infections. There was an average of 370 online medical consultations per day in India, and we will use digitisation to offer more efficient and lower-cost treatment than other hospitals.

SRL Diagnostics enjoys a broad footprint and is considered the second largest laboratory by scale in India. SRL Diagnostic is well-positioned to tap on the growth trends in the diagnostic space as awareness for self-testing and preventive healthcare have increased post-pandemic.

## Operations Review

### Greater China

We have four ParkwayHealth Medical Centres under our auspices in Greater China, including Gleneagles Chengdu Hospital and Parkway Hospital People's Square. In addition, we operate the multi-specialty Gleneagles Hospital Hong Kong that opened in March 2017. Parkway Health Central Hong Kong Medical Center is also part of our Greater China portfolio.

### Performance Highlights

In Greater China, Gleneagles Hospital Hong Kong (GHK) has shown good improvements – achieving breakeven in May 2021 and maintaining EBITDA positive for the year 2021. For the year, GHK reported a 35% increase in revenue to RM711.9 million and reduced EBITDA losses by 78% to RM23.0 million. Inpatient admissions increased by 24%, while revenue intensity increased by 5.8%. The average occupancy for the year was at 61%. Gleneagles Chengdu Hospital remains in a ramping-up stage as IHH is mindful of keeping start-up costs low as we prepare the opening of Parkway Shanghai Hospital in the second half of 2022.

Over the year, GHK was awarded the “Online Services – Healthcare Award” at the Hong Kong Business Magazine Technology Excellence Awards 2021. This win celebrates its innovative remote hypertension care programme, which leverages teleconsultation and remote

### Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Revenue	RM662.4 billion	RM876.9 million
EBITDA	RM(146.5) million	RM(69.6) million

health monitoring devices to provide services to hypertension patients.

To boost its range of services for patients, the hospital launched a new Maternal Fetal Medicine Centre. This centre offers comprehensive antenatal diagnosis, assessment and treatment for high-risk pregnant women and their unborn babies. The Radiology Department also saw the launch of a new Digital Subtraction Angiography (DSA) Suite.

GHK is also committed to doing its part for the community and contributing to the healthcare development of Hong Kong. In addition to working with companies of different sectors in Hong Kong on various innovative initiatives, GHK has been committed to its unique partnership with The University of Hong Kong, which oversees the hospital's clinical governance. The pair have also started collaborating on medical research projects.

This is on top of opening the first satellite medical clinic in Central offering general practice (GP) and specialist consultation services in 2019 and the “My Gleneagles SmartHealth” app in 2020 for outpatient appointment bookings.

This is in line with IHH's commitment to provide a high standard of services along with technology advancements as one of the largest healthcare groups in the world.

### Outlook

The outlook for Greater China remains challenging with factors including the government's zero COVID policy, uncertainty over the implications of the “common prosperity” drive, and recent outbreaks of COVID-19 cases in the community. This is expected to have some impact on its growth into 2022. To mitigate this, the Group will look to manage its costs structure as well as minimise start-up costs from new China hospitals.

Construction for the Parkway Shanghai Hospital is underway and is expected to be completed and in operation in 2022.

As for GHK, the Group foresees a continuous drive for EBITDA growth as services and operational beds are ramped up.

### IMU Health

As part of the Group's medical and health sciences education portfolio, IMU Health manages the International Medical University (IMU) and International Medical College (IMC) in Malaysia, offering medical, dentistry, pharmacy, nursing, health sciences, and complementary and alternative medicine programmes. IMU and IMC, which provide tertiary education in the form of diploma, undergraduate and postgraduate studies, including micro-credentialing have been awarded the SETARA rating for the second time in a row, in which IMU received 6 stars (Outstanding).

In 1992, IMU was established as a college to provide medical education to students who could subsequently complete their degrees at partner universities abroad. IMU was granted university status in 1999 and now offers its own degree programmes. Students can complete their degree programmes in Malaysia or at foreign universities. IMU currently has 35 partner universities across Australasia, the United Kingdom, Ireland, North America, and China.

### Parkway Life REIT

IHH holds a 35.60% equity stake in its real estate arm, Parkway Life Real Estate Investment Trust (PLife REIT). One of Asia's largest listed healthcare REITs by asset size, PLife REIT invests in income-producing real estate and real estate-related assets used primarily for healthcare and healthcare-related purposes. PLife REIT owns a well-diversified portfolio of 56 properties with a total portfolio value of about RM7.1 billion as at 31 December 2021.

### Performance Highlights

PLife REIT's gross revenue increased marginally to RM370.7 million in FY2021. This was mainly due to the divestment in January 2021 of a non-core property in Japan and the depreciation of the Japanese Yen, partially offset by the increased revenue contribution from existing portfolio and newly acquired properties in December 2020, July 2021 and December 2021. EBITDA increased 13% to RM349.9 million mainly from the RM16.3 million gain on divestment in January 2021 and higher valuation gains recorded.

### Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Revenue	RM248.7 million	RM257.6 million
EBITDA	RM75.7 million	RM86.7 million

### Performance Highlights

Despite the challenges faced during the COVID-19 pandemic, IMU Health's revenue increased by 4% to RM 257.6 million. Measures to streamline operations, adjustments to the academic calendar and investment in technology to ensure effective delivery of teaching and learning saw an increased EBITDA of 15% to RM86.7 million from higher revenue and a lower base in FY2020.

### Outlook

Growing its contribution in the health eco-system, IMU is expanding its offering with programmes in data sciences such as health informatics and digital health. Aside from this, IMU still has the ability to attract international students to its programmes, despite increased competition from a growing number of institutions offering programmes in

medicine and dentistry. By benchmarking our programmes against international standards, IMU is consistently improving. IMU's ratings of 5-stars and 6-stars by QS Star and SETARA further enhance its competitiveness. Ground-breaking for the new IMU hospital took place in December 2017 and is expected to open in Q4 of 2022. In addition to medical and nursing students' existing attachments at government hospitals, it will offer some opportunities for attachments and observations at the hospital.

IMU Health is also looking forward to new opportunities with the Malaysian government's 2022 budget allocation of RM32.4 billion for the Health Ministry and sponsorship of specialist programmes worth RM100 million. This will benefit 3,000 medical and dental contract officers in pursuing continuous medical education.

### Performance Indicators

Indicator	FY2020	FY2021
<b>Financial</b>		
Gross Revenue	RM367.0 million	RM370.7 million
EBITDA	RM308.9 million	RM349.9 million
Gearing	38.5%	35.4%

In FY2021, a significant milestone was achieved as IHH and PLife REIT extended their strategic collaboration for Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. The RM460 million Renewal Capex Agreement to upgrade the facilities will further enhance service offerings the hospitals are known for. The year also saw PLife REIT strengthen its presence in its core market Japan, with its 3rd strategic asset recycling initiative via the divestment of a non-core industrial property and further acquisitions of nursing home properties. Overall, PLife REIT continues to offer one of the strongest earnings visibility among S-REITs. With one of the lowest effective all-in cost of debt among its S-REIT peers at 0.52%, its interest cover was improved from 18.1 times in FY2020 to 21.5 times in FY2021. Gearing remained healthy at 35.4%.

### Outlook

Moving ahead, uncertainties remain with the recovery of the global economy clouded by various factors such as inflationary risk, Russia-Ukraine conflict and threats of COVID-19 variants. The healthcare industry continues to remain essential in a rapidly ageing population and with greater demand for better quality healthcare and global aged care services.

With an enlarged portfolio of quality healthcare assets, a bevy of partnerships with a range of established operators in the region and deep experience in this sector, PLife REIT remains well-positioned to ride on the back of strong growth in the healthcare sector as it upholds its commitment to deliver value and growth for unitholders in a sustainable manner.





# Sustainable through Care

We believe that sustainable practices are inextricably connected to our ability to deliver continuous value for our stakeholders and grow as a business. Our sustainability agenda is centred on Care – Care for Patients, People, Public and Planet.

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# Sustainability Report

## About this Report

Our Vision at IHH Healthcare Berhad (referred to as "IHH" in this report) is to become the world's most trusted healthcare network through patient-centred care. We are committed to achieving our Vision and improving the sustainability of our operations by constantly seeking improvements and innovation. Our sixth annual Sustainability Report documents our efforts to explore and enhance sustainability aspects of our business.

## Scope and Boundary

Unless otherwise noted, this report contains information on the Group's performance and initiatives in sustainability across the period from 1 January 2021 to 31 December 2021 ("FY2021").

## IHH's Operations

The key home markets are defined as those with the greatest operating capacity. These include Malaysia, Singapore, Turkey, and India. Other countries served by the Group include Greater China, Brunei, Bulgaria, Macedonia, the Netherlands, and Serbia. Additionally, we have our academic branch International Medical University ("IMU").

10

Countries

80

Hospitals

>15,000

Licensed Beds

### Malaysia

#### Hospital

- Pantai Hospital Ampang
- Pantai Hospital Ayer Keroh
- Pantai Hospital Batu Pahat
- Pantai Hospital Cheras
- Pantai Hospital Ipoh
- Pantai Hospital Klang
- Pantai Hospital Kuala Lumpur
- Pantai Hospital Laguna Merbok
- Pantai Hospital Manjung

- Pantai Hospital Penang
- Pantai Hospital Sungai Petani
- Prince Court Medical Centre
- Gleneagles Hospital Kota Kinabalu
- Gleneagles Hospital Kuala Lumpur
- Gleneagles Hospital Medini
- Gleneagles Hospital Penang

#### Academic

- International Medical University

### Singapore

- Mount Elizabeth Novena Hospital
- Mount Elizabeth Hospital

- Parkway East Hospital
- Gleneagles Hospital

### India

- Aware Gleneagles Global Hospitals LB Nagar
- BGS Gleneagles Global Hospitals Kengeri
- Gleneagles Global Hospitals Lakdi-Ka-Pul
- Gleneagles Global Hospitals Parel

- Gleneagles Global Hospital, Richmond Road
- Gleneagles Global Health City Perumbakkam
- Continental Hospital

### Greater China

#### China

- Gleneagles Hospital Chengdu
- Shanghai Xin Rui Healthcare Co. Ltd (Luwan Clinic/GPS Clinic)
- Shanghai Rui Xin Healthcare Co. Ltd (Shanghai Center Clinic)
- Shanghai Rui Pu Clinic Co. Ltd (Jinqiao Clinic)
- Shanghai Rui Xiang Clinic Co. Ltd (Hongqiao Clinic)

- Shanghai Rui Ying Clinic Co. Ltd (Tomorrow Square Clinic)
- Suzhou Industrial Park Yuan Hui Clinic Co. Ltd
- Chengdu Shenton Health Clinic Co. Ltd

#### Hong Kong

- Gleneagles Hospital Hong Kong

### Turkey\*

- Acibadem Adana Hospital
- Acibadem Altunizade Hospital
- Acibadem Ankara Hospital
- Acibadem Bakirköy Hospital
- Acibadem Bodrum Hospital
- Acibadem Bursa Hospital
- Acibadem Eskişehir Hospital
- Acibadem Fulya Hospital
- Acibadem International Hospital

- Acibadem Kadiköy Hospital
- Acibadem Kayseri Hospital
- Acibadem Kocaeli Hospital
- Acibadem Kozyatağı Hospital
- Acibadem Maslak Hospital
- Acibadem Mehmet Ali Aydınlar Üniversitesi Atakent Hospital
- Acibadem Taksim Hospital

### Europe\*

#### Bulgaria

- Acibadem City Clinic Cardio Hospital
- Acibadem City Clinic Mladost Hospital
- Acibadem City Clinic Tokuda Hospital

#### Netherlands

- Acibadem International Medical Center

#### Serbia

- Acibadem Bel Medic Hospital

#### Macedonia

- Acibadem Sistina Hospital

\* Turkey and Europe are collectively referred to as Acibadem, or "ASYH".

# Sustainability Report

## Reporting Framework






The statement has been prepared in compliance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, with reference to the Sustainability Reporting Guide

(2nd edition). Further, this statement incorporates the Global Reporting Initiative Standards, including the Sector Specific Sustainability Topics for Healthcare Providers and Services and Healthcare Technology.

By using Integrated Reporting, IHH can consider and communicate both financial and non-financial risks and opportunities. The table of contents below summarises where the sustainability-related content can be found in the Integrated Report.

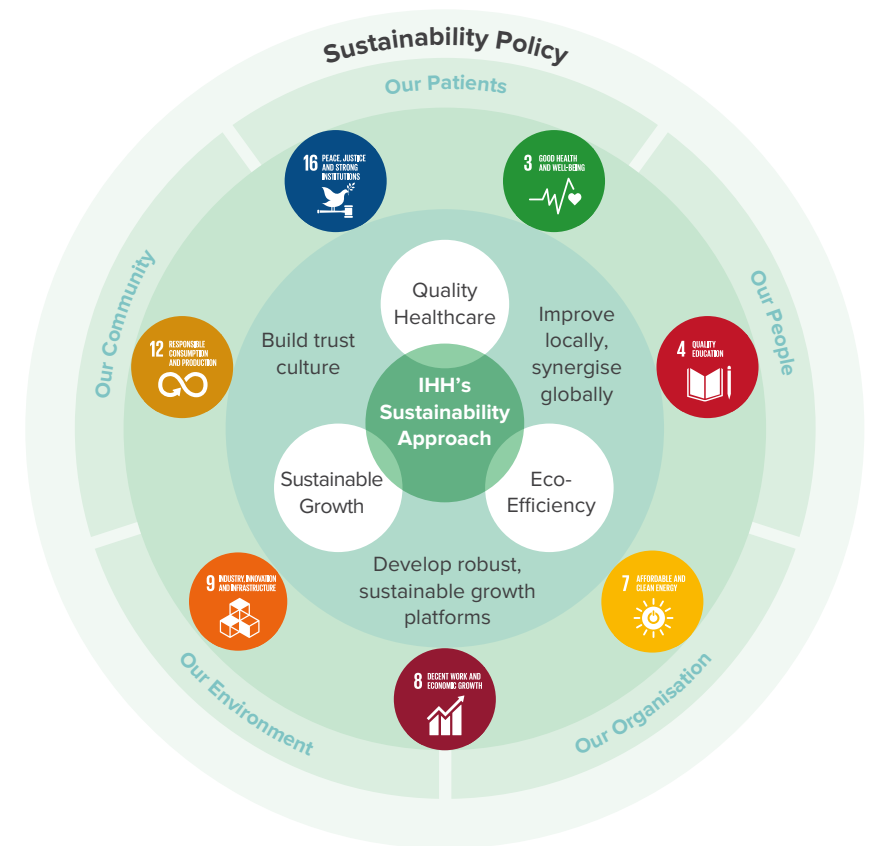
Contents of the Sustainability Statement	Location within the Integrated Report	Page number
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## FY2021 Report Highlights

 <b>Our Patients</b>	<ul style="list-style-type: none"> <li>Reached the <b>group-wide KPI</b> goal for Net Promoter Score</li> </ul>	<ul style="list-style-type: none"> <li><b>Adherence to COVID-19 guidelines</b> to ensure patient safety</li> </ul>
 <b>Our People</b>	<ul style="list-style-type: none"> <li>Gave <b>performance appraisals</b> to all eligible employees</li> </ul>	<ul style="list-style-type: none"> <li>Recorded <b>zero workplace fatalities</b> in all business units</li> </ul>
 <b>Our Organisation</b>	<ul style="list-style-type: none"> <li>Established <b>telemedicine</b> to support patients via video consultations from the comfort of their home</li> </ul>	<ul style="list-style-type: none"> <li>A <b>competitive tendering process</b> ensures the cost-effectiveness of our services under the Group Procurement Strategy</li> </ul>
 <b>Our Environment</b>	<ul style="list-style-type: none"> <li>Solar panels generated <b>61,356 kWh</b> of electricity at IHH Malaysia's Pantai Hospital Laguna Merbok (PHLM)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented <b>waste reduction</b> initiatives across all business units</li> </ul>
 <b>Our Community</b>	<ul style="list-style-type: none"> <li>Offering <b>transparent and fixed-price</b> medical packages</li> </ul>	<ul style="list-style-type: none"> <li>Contributed to the <b>advancement of biomedicine</b> by supporting the Indian Council of Medical Research</li> </ul>

## Our Approach to Sustainability

We have developed a comprehensive framework that outlines the Group's approach to embed sustainable values to help further IHH's sustainability ambitions and support the United Nations Sustainable Development Agenda. Our Sustainability Strategy Framework shows how important sustainability focus areas align with relevant United Nations Sustainable Development Goals ("SDGs"), as well as our five Sustainability Pillars and Group-wide Sustainability Policy.



The Sustainability Policy, developed and approved by our Board in FY2020, provides principles guiding how a culture of sustainability should be promoted across the Group. The Policy complements our sustainable approach to our business by expanding on our key sustainability focus areas.

## IHH Sustainability Policy Tenets

<b>1</b>	Ensuring ethics and transparency are at the forefront of our daily operations	<b>6</b>	Providing high-quality healthcare services through highly trained medical, nursing, and administrative personnel
<b>2</b>	Complying with legislation, regulations, and codes of practice governing medical facilities in the countries where we operate	<b>7</b>	Analysing and improving our environmental performance by identifying and monitoring the environmental impacts of the Group's business activities and facilities
<b>3</b>	Enriching the local economy and delivering sustainable economic growth to investors	<b>8</b>	Raising employee awareness of environmental issues and encouraging green practices as much as possible
<b>4</b>	Engaging continuously with all relevant stakeholders, such as but not limited to patients, employees, suppliers, and students to manage their concerns and expectations of the Group	<b>9</b>	Making a positive impact on local communities and assisting them with improving their quality of life
<b>5</b>	Continually working to improve the quality of our healthcare services to meet stakeholder expectation		

# Sustainability Report

## IHH's Sustainability Journey

International experiences in the past few years have reinforced the value of sustainable practices at IHH. Our business model is based on a tri-fold strategy in sustainability – Quality Healthcare, Eco-Efficiency and Sustainable Growth. Our objective is to become the most trusted healthcare provider globally and create sustained value for our stakeholders through five sustainability pillars.

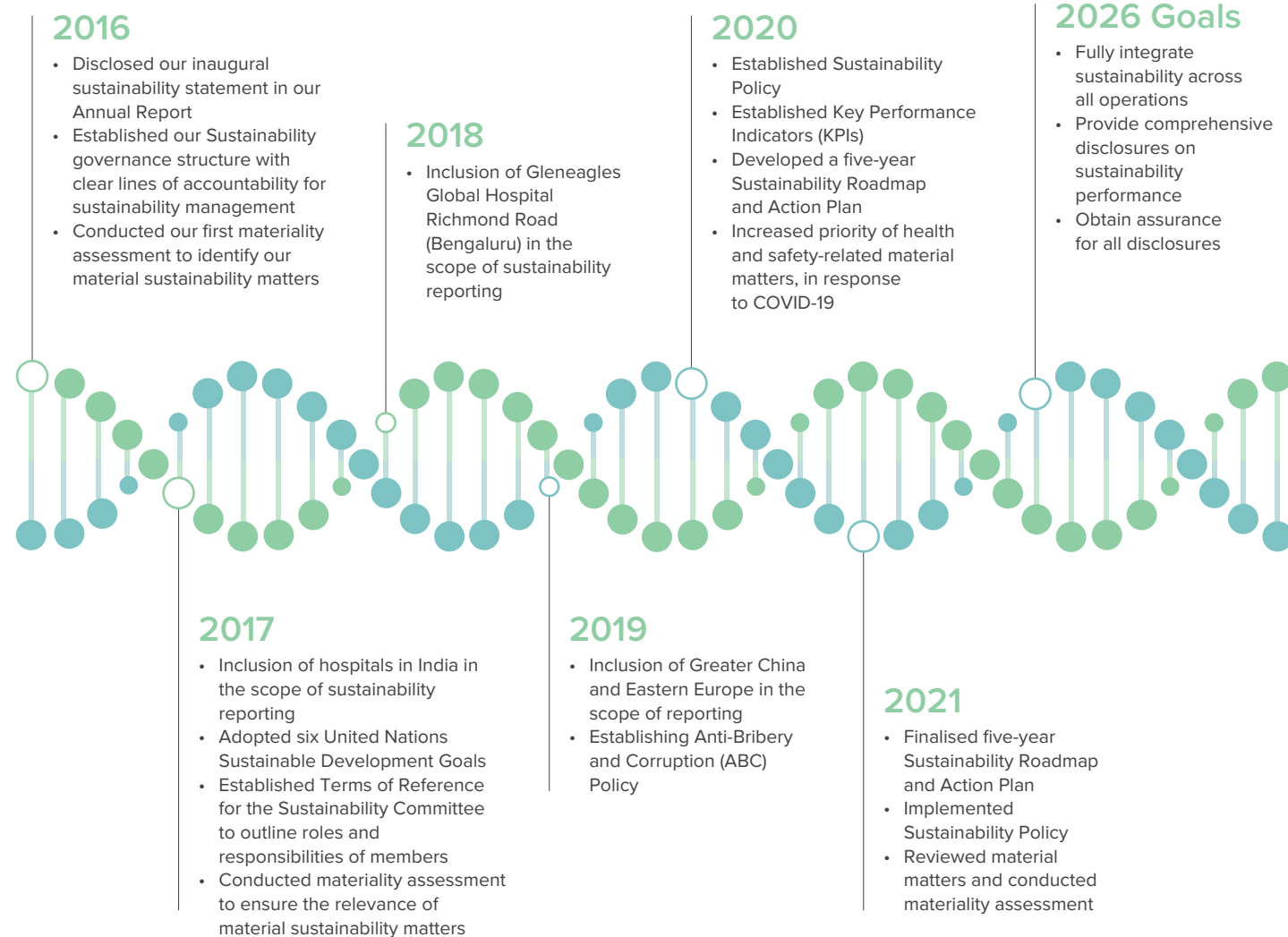
In 2016, we introduced our first sustainability statement and identified the Group's material sustainability priorities. In the six years since the report,

IHH has made significant strides to embed sustainability throughout all its operations. A robust governance structure governs all sustainability-related matters, and we have adopted seven of the Sustainable Development Goals.

The FY2021 reporting period marks our first steps in our five-year Sustainability Roadmap and Action Plan, including implementing Key Performance Indicators (KPIs) to track our progress toward the goals we consider fundamental to IHH's sustainable future. Last year, a Sustainability Roadmap was created to develop a clear timeline for our objectives and goals. The Group can build upon existing strategies

and current knowledge to better focus on our targets. Our targets reflect our five sustainability pillars and three strategic thrusts, ensuring we are directing our efforts in the direction that will significantly impact the Group and stakeholders. Our Sustainability Management Committee ("SMC") reviews the Roadmap annually to ensure it remains up to date and that we are progressing towards our goals.

We have enhanced our report to communicate IHH's sustainability performance concisely and transparently. Please refer to more information about the Group's sustainability efforts on page 70 to 84.



## The United Nations Sustainable Development Goals

With a global network of private healthcare systems spanning ten countries, IHH recognises the importance of developing a science-based foundation for addressing the Group's sustainability challenges. Globally, IHH has committed to reducing social inequalities and tackling climate change in line with the Sustainable Development Goals (SDGs) while safeguarding universal human rights.


The Group has identified seven SDGs most relevant to its business and best placed to make a significant impact. We review the Goals annually to ensure our operations and initiatives align with each SDG. As illustrated below, the Group has adopted the relevant SDGs to contribute to the 2030 Global Agenda for Sustainable Development.



# Sustainability Report


## Our Pillars of Sustainability

In FY2017, the Group established its five sustainability pillars. Our five key strategic areas define our highest priorities and allow us to tailor our sustainability efforts, ensuring our initiatives are developed for those areas where they will most benefit.




### Our Patients

We put the needs of our patients first. Patients are vital to what we do as the world's leading private healthcare provider. Our ultimate goal is to provide safe, effective, and high-quality healthcare services to our patients to ensure their safety and satisfaction.




### Our People

Operational efficiency is a function of our human capital. We strive to make our team members feel appreciated by maintaining a safe and conducive working environment. Our diverse team's unique perspectives and dedication to work make our team strong.




### Our Organisation

We take pride in operating ethically and following all applicable legislation and industry best practices throughout the organisation. This commitment to integrity has earned us the reputation we have.



### Our Environment

We take strict measures to minimise our environmental footprint and decrease our operation's impact on the environment. To protect our planet and the wider community, we focus on efficient consumption of natural resources and appropriate management of generated wastes.



### Our Community

Community support is integral to the success of our Group. Our goal is to promote healthy living and wellbeing in our communities by providing basic healthcare and health education.

## Global Initiatives (Our Key Performance Indicators)

IHH established three global key performance indicators ("KPIs") applicable to all countries where it operated last year. Our KPIs were developed to improve our management of three key sustainability areas while ensuring consistency across the whole organisation. Our three KPIs reflect three aspects of our sustainability: "Our Patients", "Our People", and "Our Environment".

### Our Patients

**Material Matter:** Quality of Care and Patient Satisfaction

The Net Promoter Score ("NPS") measures how satisfied our patients are with their experience. We use the NPS to gauge the likelihood patients will recommend our services to their family and friends.

KPI Target	Business Units	Achieved
A unique NPS target is set for each business units, based on their unique performance factors and criteria.	IHH Malaysia	✓
	IHH Singapore	✓
	Greater China	✓
	Hong Kong	✓
	IHH India	✓
	Acibadem	✓

### Our People

**Material Matter:** Employee Capability Building

Our employees are the Group's most vital asset to deliver superior quality healthcare services. To ensure our operations remain successful, we ensure employees remain satisfied with their jobs and work environment. Employee performance appraisals is an important way to check in with our employees, evaluate their work, and help them achieve their unique professional development goals.

KPI Target	Business Units	Achieved
100% of eligible employees across all business units are to receive performance appraisals.	IHH Malaysia	✓
	IHH Singapore	✓
	Greater China	✓
	Hong Kong	✓
	IHH India	✓
	Acibadem	✓
	IMU	✓

### Our Environment

**Material Matter:** Waste Management

Reducing waste sent to landfills is a fundamental aspect of reducing our environmental footprint. As an environmentally conscious organisation, we have established a waste management process that maximises the recovery of non-scheduled wastes, thereby reducing the amount of waste sent to landfills.

KPI Target	Business Units	Achieved
Each business units must conduct waste recovery activities to reduce the quantity of non-scheduled waste entering the landfills.	IHH Malaysia	✓
	IHH Singapore	✓
	Greater China	✓
	Hong Kong	✓
	IHH India	✓
	Acibadem	✓
IMU	✓	

# Our Patients



## Patient Safety and Welfare

IHH's approach to sustainable healthcare centres on serving patients safely and reliably. IHH patients entrust their health and wellbeing to us. In return for this trust, the Group implements multiple initiatives to improve patient wellbeing. Following our hospital policy and governance frameworks, IHH strives to improve patient safety by adequately training our employees and maintaining open communication channels with patients.

Worldwide, medicine administration has become a top concern for healthcare providers. Globally, unsafe medication practices and medication errors are the leading causes of injury and avoidable harm in healthcare systems, according to the World Health Organisation ("WHO"). Administering medicines and drugs incorrectly can have significant adverse health effects and compromise the immune system, resulting in long recovery times and increased healthcare costs. We review all prescriptions to ensure the type and dose are appropriate for the patient's treatment before prescribing the medication. Before discharge, patients will receive instruction from our medical staff on using their medications properly. Special counselling sessions are arranged for certain types of medication, including inhalers.

While antibiotics were heralded as a breakthrough in medicine, their use has led to the emergence of Multi-Drug-Resistant Organisms (MDRO) or 'Superbugs'. The World Health Organisation ("WHO") has listed drug resistance as one of the top 10 global health issues for 2021. We recognise our responsibility to respond to this pressing issue as an international private healthcare provider. In our Antimicrobial Stewardship Programme ("ASP"), we emphasise the importance of administering antibiotics at the right time, with the

correct dose. Data is also collected on the use of broad-spectrum antimicrobials to determine the appropriate dosage or if such treatment is needed at all. Data will be shared among hospitals to improve the ASP. Singapore has also

introduced guidelines requiring patients who have been in the hospital within the past month to be screened for MDRO. Those who test positive will be isolated and treated separately to prevent the spread of MDRO.

## Case Study: COVID-19 Vaccination and Swab Centre in Singapore

### Vaccination Centres and Swab Sites

In support of national efforts, IHH Healthcare Singapore operated up to five mass vaccination centres ("VCs") in FY2021. Three are open to all eligible members of the public ("MOP") located at Hong Kah Secondary School ("HKSS"), Bukit Timah Community Club ("BTCC"), Taman Jurong Community Club ("TJCC"). Two VCs, Benoi Sector ("BSVC") and Sungei Kadut Industrial Area ("SKVC"), served truck drivers who frequently delivered goods from Malaysia into Singapore. The vaccine operations at VCs were aligned with the advisory document outlined by the MOH. Staff were briefed each day on the Standard Operating Procedure ("SOP") and Work Instructions ("WI") regarding vaccination, with copies placed at each station and internal checks performed by on-site management. People who received vaccinations were guided, screened and monitored throughout the process. Personnel on-site monitored MOPs for any side effects and provided immediate assistance. Vaccinated individuals received disposable masks and bottles of hand sanitiser for personal use after vaccination.

In addition, we managed on-site swab operations, providing both the Antigen Rapid Test ("ART")

and Polymerase Chain Reaction ("PCR") tests. The segregation of contaminated areas from non-contaminated areas was similar to that found in our hospitals. Sites were demarcated to prevent the intermingling of different groups, and Ministry of Health ("MOH") audits were conducted to ensure compliance with government protocol.

In addition, we developed our own Operations Playbook, using SOPs and WIs, and keep our staff updated on the latest protocols and advisories. Our primary focus is on operational efficiency and clinical precision, ensuring that MOPs were swabbed rapidly and without bunching to reduce the risk of cross-transmission. MOPs received their results promptly once swab samples were collected and safely processed.

Both the VC and swab sites enjoyed great success with implementation. We committed to vaccinating at least 140 MOP per hour; however, our dedicated mass VCs achieved approximately 160 MOP per hour. Over 2,000 samples were collected and processed per day at our swab sites.

In FY2021, we delivered over 690,000 doses of vaccine and performed over 1.74 million PCR swabs.

## Preventing the spread of COVID-19



We took the necessary steps as a leader and frontliner against the pandemic, ensuring our hospitals did not become potential sites for outbreaks while setting an example for others. Initial measures included temperature monitoring and contact tracing via the 'TraceTogether' App. To ensure that COVID-positive patients were isolated from the rest of the hospital, we also instituted strict segregation of staff and patients in hospitals.

To prevent airborne disease transmission, we have completed an Air Conditioning and Mechanical Ventilation ("ACMV") review of our facilities to ensure that COVID-19 wards do not circulate contaminated air and that our facilities meet ASHRAE Standards.

To minimise the risk of COVID-19 transmission among staff, we created specialised teams for treating COVID-19 patients and providing services to the COVID wards at our hospitals to prevent cross-deployment. While performing their duties, all staff were required to wear full Personal Protective Equipment ("PPE") and be fully vaccinated against COVID-19. For early detection of COVID-19 infection in healthcare workers, we enrolled our staff handling incoming patients for the Rostered Routine Testing ("RRT"), per MOH directive. Staff members with respiratory symptoms were urged not to report to work and seek medical attention immediately.

The fight against COVID-19 requires the cooperation of all stakeholders, not just our healthcare workers. Health Declarations are required at selected contact points for early identification and isolation of suspected COVID-19 cases. Patients admitted due to testing positive for COVID-19 will be restricted to designated routes within the hospital and closely monitored to prevent contamination.

## Protecting our Patient's Welfare

Our hospitals follow the Patient Safety, Quality, and Clinical Governance Framework to provide patients with the best clinical outcome and experience possible. The framework adheres to national licensing standards and the Joint Commission International ("JCI") standard for patient safety and healthcare quality. During FY2021, we referred to the Singapore Ministry of Health ("MOH") for additional COVID-19 guidelines.

Our hospitals administer medications based on established best practices and expert reviews. IHH Singapore has further enhanced this process by incorporating technology into the administration and dispensing processes. Medicines are stored in automatic dispensing cabinets accessible only to authorised personnel. Patients' identities will be verified via Quick Response ("QR") codes on wrist tags by nurses retrieving medication based on specific orders.

As a result of technological advancements, medical devices are becoming integrated into the healthcare system. In the hospital, patients' parameter sensors are linked to the hospital's electronic medical record ("EMR"), where results of medical tests can be directly transferred to patient records. The result is a fast and consistent flow of critical information while reducing transcription errors and gaps in medical records.

Our initiatives encompass all stages of the treatment procedure, from patient preparation to discharge. To avoid medical

complications, doctors administering sedatives to ventilator-dependent patients in critical care must determine how much sedative to administer before surgery or treatment. The Nursing Team implemented Clinical Practice Guidelines and relevant Work Instructions ("WI") based on evidence-driven practices to assess the level of sedation patients require.

Our hospital's internal review has determined that our current modified Aldrete-score system is not suitable for assessing the home-readiness of patients after recovering from sedation. As a new scoring system based on standardised criteria, a modified Post Anaesthesia Discharge Scoring System ("PADSS") has been introduced to resolve this issue. The PADSS was introduced through training material which included relevant hospital policies. This material was circulated among the Singapore hospitals.

## Quality of Care and Patient Satisfaction

We are committed to providing quality healthcare services and products. To meet the needs and expectations of our patients, we developed a comprehensive system for measuring progress.

Our Sustainable Roadmap includes establishing an annual KPI, the Net Promoter Score ("NPS"). Both inpatients and outpatients are tracked for NPS in all business units. Group performance is reviewed quarterly. In FY2021, we demonstrated a strong market presence and high patient satisfaction.

NPS Target	Region	Achievement
Each business units sets its own NPS target based on division-specific performance factors.	Malaysia	✓
	Singapore	✓
	Greater China	✓
	Hong Kong	✓
	India	✓
	Turkey & Europe	✓

Case Study: Value-Driven Outcomes in Malaysia and Singapore

Malaysia:

The IHH Healthcare teams in Malaysia have gathered together to examine care outcomes to develop ways to improve the quality and safety of care. Healthcare teams use the Value Driven Outcomes (“VDO”) framework to review and analyse outcomes data such as clinical quality indicators to ensure the highest standards are being met. In addition, the framework seeks to continuously enhance the safety and quality of care to our patients while optimising costs.

For instance, in a colonoscopy, doctors have been able to adopt best practices by rigorously measuring and comparing our clinical processes and outcomes across hospitals.

VDO will be implemented in both laparoscopic cholecystectomy (for non-malignant conditions) and hysterectomy (for malignant conditions) at IHH Malaysia hospitals in Q4 of FY2021.

Singapore:

Singapore, like Malaysia, has implemented its VDO initiatives to review the quality and safety of care provided to patients whilst reducing the cost required to provide that care. Clinical quality indicators are compared to the total cost to the patient for selected medical procedures. The data is analysed by the hospital’s teams of doctors and nurses to ensure and maintain the highest quality of

Our clinical quality indicators are based on four key procedures:

FY2021 Target	VDO Procedures	FY2021 Results
To complete full-year tracking and reporting of Clinical Quality Indicators	Percutaneous Coronary Intervention	✓
	Total Knee Replacement Surgery	✓
	Arthroscopic Surgery for Anterior Cruciate Ligament Conditions	✓
	Colonoscopy	✓

To provide the best-in-class service quality to the nation’s healthcare sector, we incorporate best practices into our clinical governance policies and operating procedures. Regulatory requirements are met with a management system that is monitored and tracked to ensure compliance. Our medical devices undergo quality control and are sourced only from licensed providers to comply with the Medical Device Act. We have conducted internal and corporate audits of our hospital’s operations to assess

risks and ensure compliance. In addition to accredited surveys, our hospitals received JCI accreditation as proof of their quality.

Along with the NPS survey discussed above, we also engage third parties to survey discharged patients. By year-end FY2021, our Total Experience Index (“TEI”) score was 90%, exceeding our target of 87%.

care. Clinical protocols are then formalised for consistency across our hospitals based on these standards.

Engaging our Patients

As part of IHH Singapore’s effort to improve patient satisfaction, our Patient Experience department solicits constructive feedback from patients. We currently use the following systems to collect patient feedback:

1. Patient Experience Survey

As a balanced scorecard measure, the Patient Experience Survey analyses satisfaction across six metrics: Overall, Staff, Facility, Journey, Treatment, and Value. Patients are given questionnaires regarding their clinical outcomes. The feedback generated is used to aid in the continuous improvement process. Our TEI score ended FY2021 at 90.2% – well above our target of 89%.

2. Feedback Form

Feedback received through our feedback channels is monitored as a complaint rate (measured as “Complaints per 100 patient days”) and analysed monthly to recognise and address increasing complaint trends.

FY2021 Target	VDO Procedures	FY2021 Results
To complete full-year tracking and reporting of Clinical Quality Indicators	Percutaneous Coronary Intervention	✓
	Total Knee Replacement Surgery	✓
	Arthroscopic Surgery for Anterior Cruciate Ligament Conditions	✓
	Colonoscopy	✓

Enhanced Healthcare Services

To maintain our reputation as a prominent healthcare provider in Singapore, we adhere to several policies and procedures that govern our hospital services to ensure compliance with local regulations.

Delivery of Patient Care

Keeping in line with the requirements of the Private Hospitals and Medical Clinics Act, we have established a Quality Assurance mechanism in each of our hospitals.

Serious Reportable Event

“Root Cause Analysis of Serious Reportable Events” policy lays out a framework for reviewing significant incidents and instituting preventive measures.

Medical Equipment

Biomedical Engineering (“BME”) inspects and approves all medical devices before they are used on patients.

Proper Medication Use

The Medication Management and Use Plan provide guidance on appropriate selection and storage of medications, as well as their safe prescription, administration and monitoring in IHH Singapore Hospitals.

Sterilised Products

A product recall order will be issued within 12 hours if received sterilised products fail the Biological Indicator test.

Privacy of Patient’s Data and Medical Records

The healthcare industry has embraced technological advancements to improve connectivity between care teams and patients. The COVID-19 pandemic has accelerated the move to online meetings and consultations, necessitating their conduct. Although EMR and online healthcare services offer many advantages, IHH recognises that there are risks associated with data breaches in the course of business that may compromise the privacy of our patients, students, customers, suppliers, service providers and partners. We take cybersecurity and data privacy seriously since they impact IHH’s reputation and patient and doctor information confidentiality. The Group complies with local data privacy laws in all regions where it operates.

IHH introduced its Personal Data Protection Policy that outlines the Group’s basic requirements and considerations in handling, disclosing,

and storing personal data in the Group’s possession. It outlines expectations regarding the use and handling of personal data during business operations and ensures compliance with applicable laws and regulations.

Training on personal data protection basics and e-Posters on personal data protection is currently in development. It will be made available to all relevant parties via an e-learning platform.

The Personal Data Protection Notice or Privacy Policy Statement and consent form for IHH are available on our corporate website for our employees, customers, suppliers, service providers, and partners to view, understand, and be aware of our data protection practices before providing us with any personal information. Group-wide, the Personal Data Protection Notice provides stakeholders with transparency on handling their data and explains how personal data is processed under existing laws. Additionally, IHH has appointed Division

Data Protection Officers (“DDPOs”) in all jurisdictions to ensure that the Personal Data Protection Policy is implemented and provide educational and advisory services on data protection matters to internal stakeholders.

Cyber Security Center of Excellence (“COE”) initiatives are underway in all IHH regions. COEs enable Group-wide standardised processes, policies, technological upgrades, and enhanced detection capabilities. By standardising COEs across the Group, we can simultaneously improve security performance and governance at a reasonable cost.

All employees will be required to complete a course on Information Security Awareness in 2021 to address the dynamic threat landscape and improve the security of our information systems and data. The course is designed to help employees identify and recognise common cyber security threats and prevent falling victim to a cyberattack.

# Our People



## Occupational Safety and Health

Employees are the Group's greatest assets and their safety and wellbeing are paramount to IHH's long-term strategy. All IHH hospitals are equipped with Occupational Safety and Health ("OSH") Management System that meets all regulatory requirements and standards. Internal policies and procedures have been established encompassing all facets of OSH, from pre-emptive measures to post-incident reporting and handling.

In accordance with SOPs, an OSH Committee is established in every hospital and clinic to oversee all OSH matters. Employee representatives are present in OSH Committee meetings to report any complaints or communicate any changes to policies/procedures. Regular risk assessments will be carried out to proactively identify any unsafe work practices or hazardous situations. A dedicated OSH mechanism is also available for employees to report any issues that could potentially harm a staff or patient. Findings from risk assessments will be reviewed by the Committee for implementation of Corrective and Preventive Action ("CAPA").

In order to inculcate safety at the workplace, all employees attend compulsory safety training every year.



Protecting our staff's health and wellbeing through the provision of Personal Protective Equipment (PPE), establishing safe work practices, and ongoing infection control training.

We focus on making the trainings practical and relevant by organising the programmes in modules. All employees are trained on topics such as fire safety, emergency response plan, workplace violence and infection control, with specialised training provided on safe handling of dangerous chemicals and management of chemical spills.

### COVID-19 Safety Measures

COVID-19 brought many uncertainties to the healthcare industry and to adapt to such situations, decisive measures were needed to protect our staff worldwide. Our first act was to develop a COVID-19 response team and plan. New hospital protocols and work procedures were established with expert guidance to safely handle suspected COVID-19 patients. Strict triage screening, testing and dedicated hospital wards have allowed our staff to perform their duties without worry of COVID-19 infection.

In the early stages, potential shortage of essential PPEs such as face shields, N95 masks, gloves and disposable gown was identified as a major risk to IHH operations. The stockpile and consumption rate of PPEs were monitored daily to ensure our supplies not fall below critical levels. Our Procurement Teams took proactive measures to source PPEs through close

cooperation with suppliers and distributors to secure uninterrupted supply.

We also recognise the possibility of stressed and overburdened healthcare workers due to increased workload arising from the pandemic. Additional manpower was recruited to provide optimal healthcare services during periods of increased occupancy, with rotation systems in place to avoid burnout. IHH remains committed to complying with all government regulations pertaining to work hours.

### Staff Vaccination

Getting our staff vaccinated is critical not only to keep our workforce safe but to also set an example for the wider public. We at IHH strongly recommend all eligible members of public to get fully vaccinated and contribute to a COVID-resistant society. The vaccination rate among IHH staff as of Q4 FY2021 are presented below:

China	88%
Fortis	95%
Hong Kong	93%
India	95%
Malaysia	100%
IMU	99%
Turkey and Europe	86%
Singapore	100%



At IHH, our staff's welfare and safety is our top priority. We want to ensure that our staff are protected for them to perform their duties with peace of mind.

## Human Rights

At IHH, we recognise the principles of universal human rights and strive to ensure this commitment is exemplified by our actions. Respect for human rights and the interests of employees are enshrined in the Group's core values: Patients First, Integrity, Empathy, Teamwork, and Excellence. Our dedication to protecting

human rights extends beyond the Group's operations. All IHH associates are made aware of our Third-Party Code of Conduct. Upon entering a business deal with the Group, our associates acknowledge that they comply with IHH's expectations in multiple issues such as labour standards, business conduct and sustainable practices.

We take a firm stance against discrimination across all levels of operation, from the Board to new hires. Our Workforce Diversity Policy is designed to provide a safe and inclusive work environment for all employees and is regularly reviewed by our management. This policy is applied Group-wide and embedded throughout our operations from hiring practices to promotion opportunities.

### Case Study: Non-discrimination in Singapore

IHH Singapore endeavours to be a progressive employer by complying with the following guidelines:

1. Fair Consideration Framework under the Ministry of Manpower ("MOM")
2. Tripartite Alliance on Fair and Progressive Employment Practices ("TAFEP")
3. Terms and Conditions of Collective Agreement

IHH Singapore abides by the Tripartite Guidelines on Fair Employment Practices ("TGFEF"). Under the TGFEF, candidates are selected based on merit regardless of age, race, gender, religion, marital status or disability. During the recruitment and selection process, the Human Resource ("HR") Talent Acquisition Team conducts a thorough reference check and background verification to ensure the candidates are trustworthy and meet our employment criteria.



Workplace diversity improves team performance. Photo: Gleneagles Hospital's 2021 Workplan Seminar.

When hiring foreign workers, we comply with MOM and Immigration and Checkpoints Authority ("ICA") requirements. If external agencies are to be engaged in the recruitment process, we perform an assessment and select reputable employment agencies that are registered with the government.

We do not employ any individual under the age of 16 or engage in forced labour practices. As IHH Singapore maintains a strict adherence to the guidelines and framework, no risks involving human rights infringement were identified in its operations.

## Our People

### Employee Capability Building

At IHH, we have a skilled and competent team at the helm of our operations. Employee training is planned with holistic development in mind but with a focus on

individual job scopes; technical skills for our clinical staff, and functional and behavioural competencies for non-clinical staff. Our training initiatives provide employees with ample opportunities

through a mixture of job exposure, projects and formal programmes. Since the onset of COVID-19, a greater portion of our training initiatives have moved to a virtual platform to adapt to the new normal.

### Case Study: Training and Learning Management System in China

#### Key Training Programmes

In FY2021, we successfully conducted three training programmes to raise the competency level of our employees. A series of workshops were conducted throughout the year for fifty frontline staff on administrative skills, grooming standards, telecommunication skills and customer complaint management. These workshops aim to improve staff awareness when attending to patients' needs, as well as strengthen communication between clinics. Sixteen of our internal trainers attended a two day 'Train the Trainer' course to enhance their abilities to conduct training sessions and teach others.

Thirty of our staff also attended JCI training sessions to better understand the JCI standards and framework.

#### Learning Management System ("LMS")

The LMS has been successfully implemented in Malaysia, Singapore, and Hong Kong, as a method of synchronising staff training and development across our regions. Each team member has access to their own unique LMS account, which can be used to track progress through the learning materials.

Recently, the LMS was introduced at Gleneagles Hospital Chengdu, China,

to further promote knowledge transfer between IHH hospitals. Fifty accounts were created for our nurses as pilot users to test the system's implementation. As of this moment, our Nursing department will download LMS training material to be reviewed offline so that they can provide their feedback on the system. Currently, the LMS content is from Singapore and is only available in English. Due to this multi-language support limitation, the LMS is yet to be offered to all staff. Nevertheless, we will continue to improve on the LMS as it provides a beneficial avenue for hospitals to collaborate on learning opportunities.

### Talent Recruitment and Retention

In the current competitive business environment, having a diverse and motivated workforce is crucial for the Group's success. Our commitment to preventing discrimination at the workplace is instilled in IHH's core values.

#### Talent Acquisition

In this reporting period, we took significant steps to elevate our effort in talent acquisition. This includes leveraging the Group's reputation and high professional standards to attract new talent to the IHH family. As a private healthcare group with global market presence, IHH is recognisable to most people within the medical field in the countries we operate in. This, combined with clear career progression

and endless learning opportunities have allowed us to shape IHH into a strong employer.

Our talent acquisition team keeps meritocracy at the forefront of their decisions. We continue to engage with universities to scout fresh graduates as potential new hires during career events. Internship programmes are implemented in select hospitals, with job offers for students who exhibit high potential during the internship.

#### Retention

We endeavour to understand the needs and issues faced by our staff by listening to and obtaining their feedback. To enrich our human capital, we launched many engagement activities including National Doctor and International Nurse Day,

Employee Recognition Awards for Long Term Service and Employee of the Month. Hospital staff also celebrate cultural festivities depending on the regions they are in. Additionally, we undertake initiatives to identify qualified individuals for potential career advancement. We have made it a KPI for all eligible employees across IHH to undergo performance appraisals.

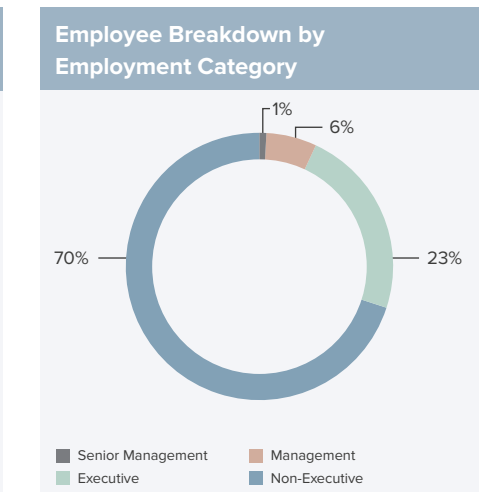
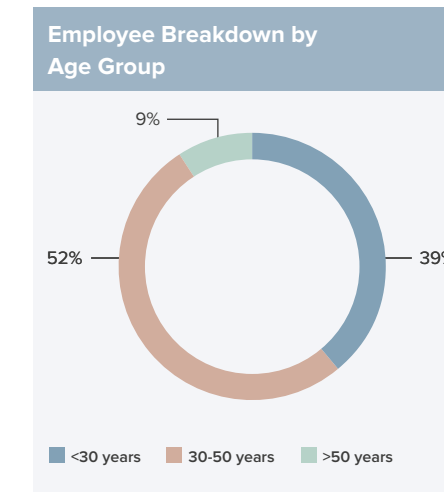
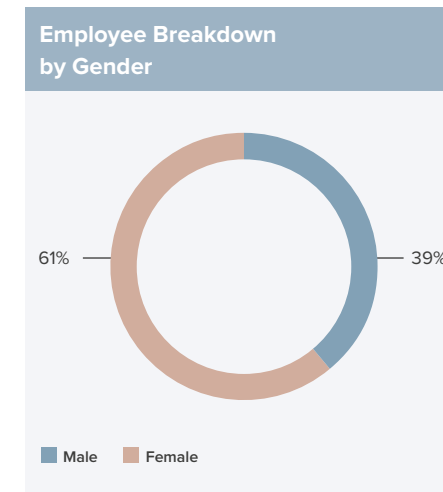
We retain our current talent by offering competitive remuneration and benefits. Our employees are remunerated according to market rates and in compliance with relevant wage regulations. IHH provides conventional benefits across the Group such as annual leave, medical benefits and insurance coverage, with fringe benefits awarded depending on business units such as mobile reimbursements, subsidised parking and food vouchers.

### Our People – Employee Strength

As of Q4 FY2021, our global workforce is predominantly based in India (41%)<sup>1</sup>, and Turkey and Europe (29%), followed by Malaysia (19%)<sup>2</sup>.

### Group Employee Breakdown

Country	Gender (%)		Age Group (%)			Employment Category (%)			
	Male	Female	<30 years	30-50 years	>50 years	Non-Executive	Executive	Management	Senior Management
Malaysia (19%)	21.3	78.7	35.2	56.5	8.3	64.7	28.3	6.4	0.6
Singapore (8%)	27.4	72.6	17.7	60.6	21.7	14.5	64.3	18.8	2.4
India (41%)	54.2	45.8	41.5	52.4	6.1	71.9	21.8	5.3	1.0
Hong Kong (2%)	23.5	76.5	22.4	58.7	18.9	37.1	49.9	12.4	0.6
China (1%)	21.0	79.0	13.2	77.4	9.4	44.7	44.0	9.9	1.4
Turkey & Europe (29%)	32.8	67.2	44.7	44.9	10.4	90.9	6.5	2.0	0.6
<b>Group Total (100%)</b>	<b>38.7</b>	<b>61.3</b>	<b>38.7</b>	<b>52.0</b>	<b>9.3</b>	<b>70.5</b>	<b>22.8</b>	<b>5.8</b>	<b>0.9</b>



#### Notes

- India data is inclusive of Fortis.
- Malaysia data is inclusive of IMU.



# Our Organisation



**IHH's Code of Conduct**  
Contains an outline of the Group's values and expected standards of behaviour.

**Whistleblowing Policy**  
Provides a channel through which employees can confidentially report incidents of malpractice, improper conduct, wrongdoings, corruption, fraud, and/or abuse within the Group, without fear of retaliation.

**Anti-Bribery and Corruption ("ABC") Policy**  
The ABC Policy was implemented in FY2019 and built on the principles outlined in the Code of Conduct, including compliance with all anti-corruption laws specific to the Group's countries.

## Ethics, Integrity and Corporate Governance

In every aspect of our business, IHH adheres to high ethical standards. Our team members recognise that their efforts and actions reflect IHH's values as a whole.

Our corporate governance and group policies apply to all of our operations at the global level. The Board of Directors of the Group is responsible for directing the business in line with the Malaysian Code on Corporate Governance 2021 ("MCCG"). Detailed roles and responsibilities for Board members are outlined in the Board Charter can be found on our corporate website. As per our Boardroom Diversity Policy, all Directors

are selected based on merit, regardless of gender, age, or background.

Group-wide policies are regularly reviewed to ensure they remain relevant and in line with industry best practices. In FY2020, we amended our Code of Conduct and Whistleblowing Policy. These policies are freely available on our corporate website.

In all global operations, new employees are trained on the Code of Conduct, Whistleblowing Policy, and Anti-Bribery and Corruption Policy as part of their induction. The update of these policies is communicated to all employees via email. In Acibadem this year, e-learning videos were developed to ensure employees understand the Code of Conduct and the policies.

## Regulatory Compliance

We comply with each country's local laws and regulations in which we operate. We must update our procedures whenever laws and regulations change to remain compliant.

### Case Study: Regulation Changes at IMU

IMU's team monitors legislation and regulations constantly to ensure we remain compliant if changes or updates occur. We obtain news and advice about changes to applicable laws and regulations from government announcements and our lawyers on our panel where appropriate. We notify all staff of regulatory changes directly impacting IMU if they occur. To address any changes, new policies will be created and presented to the Management Committee for approval, followed by training for all impacted staff.

The OSH (Noise Exposure) Regulation 2019 was recently updated by authorities. Following the update, a noise risk assessment was carried out at the IMU premises, and it was determined that no persons were being exposed to excessive noise levels. To ensure that all staff members were fully informed of the topic and associated risks, we also provided DOSH Requirement Training on noise exposure. The OSH Committee meets quarterly to discuss and communicate any further legislative updates.

IMU is ISO45001 (occupational health and safety) certified.

## Technology and Innovation

IHH understands that staying on top of innovations and technologies will help us succeed in the future. With the impact of the COVID-19 pandemic, it is becoming increasingly evident that businesses are embracing new technologies to adapt to the "new normal." A group-wide initiative, telemedicine is just one way in which the Group is using technology to support and improve patients' lives.

### Case Study: Telemedicine Innovation in Hong Kong

Hong Kong became the first location where we implemented our Group-wide telemedicine initiative in March 2020. Using telemedicine, patients in oncology, gastroenterology, and hepatology could consult with doctors and get prescriptions from the comfort of their own homes.

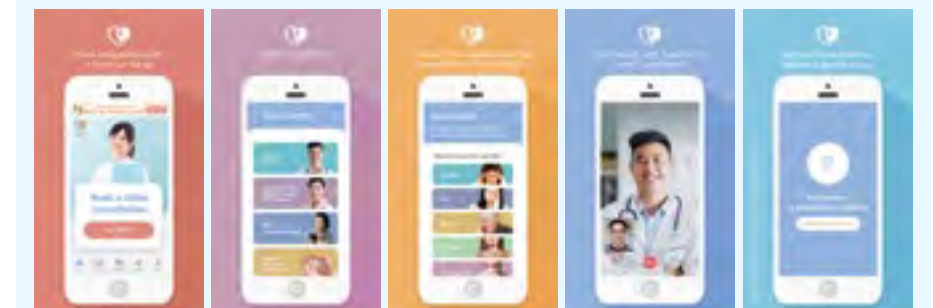
Through a partnership with AIA Hong Kong, a leading insurance provider, the telemedicine initiative was expanded with the launch of Doctor on the Go ("DrGo"), providing high-quality video consultations with doctors at Gleneagles Hospital Hong Kong. Consultations and diagnoses can be provided via video platform, with the medication and other documents delivered directly to the patient's home, often within 4 hours of the appointment.

There are three main advantages of DrGo over traditional in-person consultations:

1. Safe and convenient – An online consultation eliminates the need for customers to leave their homes and risk being exposed to COVID-19.
2. Professional and comprehensive – appointments are made with an on-duty doctor with referrals for a specialist follow-up if needed. If necessary, DrGo users can also seek further in-person consultations at Gleneagles Specialist Outpatient Clinics.
3. Premium service – through our partnership with AIA, pre-approval and cashless arrangement services are available for select customers<sup>1</sup>.



Gleneagles Hong Kong has consulted 790 patients via its app, with 475 consultations scheduled in FY2021.



<sup>1</sup> The selection depends on the customer's specific medical benefits plan under AIA.

**Cost-Effectiveness**

For our patients to benefit from excellent service value, we have established comprehensive supply chain management strategies, including methods to ensure we get the best price from our suppliers. In accordance with the Group Procurement Strategy and System, we encourage our suppliers and contractors to offer competitively priced bids throughout our global operations. Each business units conducts additional practices to improve cost-effectiveness within its area, in addition to the Tendering Policy.

A pre-qualification process in IHH's operations in Greater China assesses vendor pricing structure and includes market research, analyses, and forecasts to gauge price fairness. To ensure the very best price, a "sanity check" is performed against past purchase records, internal and external peers, and online stores.

Medication, consumables and inventory are monitored regularly at hospitals to minimise product loss. We have also

launched a WeChat mini-programme to assist patients with online appointments. This year, Greater China is transitioning to a newly established centralised system for monitoring all our clinics' Gross Operating Profits ("GOP"). The setup of an escalation mechanism for underperforming clinics is now possible.

Hong Kong's procurement team regularly reviews offers and negotiates with suppliers, along with systematic reviews of inventory and consumables costs.

We benchmark our cost structures periodically against our key competitors in IHH Malaysia. We review profitability margins against the previous year's budget every month.

In IHH Singapore, procurement is handled strategically through volume consolidation, taking the entire IHH Group into account. The hospitals are currently working to reduce the annual tender cost of raw food and beverages by 30%. The procurement office is also working on reorganising the pharmacy

departments so that Hospitals, Parkway Shenton, and Parkway Cancer Centre are all incorporated into the central procurement office of IHH Singapore.

To reduce third-party costs at Acibadem, direct purchasing is used whenever possible. For instance, bulk purchasing of drugs, medical & non-medical consumables, and prices fixed for general expenses and utilities have been pursued to combat the current inflationary pressures.

**Economic Performance**

There have been significant economic impacts worldwide due to the COVID-19 pandemic, and IHH is no exception. Due to public concern over COVID-19 transmission, voluntary treatment has decreased or been delayed. Our supply chains are being rigorously evaluated, and we are adopting innovative technologies, including telemedicine, to overcome these challenges.

Detailed financial information can be found on page 142.

**Case Study: Acibadem Return on Equity despite Economic Downturn**

In Acibadem, rising international commodity prices and global supply chain disruptions have contributed to inflation<sup>3</sup> and currency depreciation. Combining this with an increase in Credit Default Swap ("CDS") rates makes combating currency depreciation one of our key challenges in the region.

Acibadem has strengthened its foreign currency-denominated operations by

servicing more foreign patients in Turkey and expanding its European operations. Consequently, additional foreign currency reserves have been built up, and foreign patient volume has continued to increase. With the increase in foreign patients, many of our existing loans and overseas borrowings have been hedged through CCS<sup>4</sup> and our foreign currency cash balance. Our hedging coverage ratio

has steadily increased from 82% in Q4 2020 to 106% in Q4 2021.

Despite local economic challenges such as inflation and the global economic challenges caused by the COVID-19 pandemic, Acibadem has achieved a strong return on equity ("ROE") through hedging activities and strong operating performance.

<sup>3</sup> In FY 2021, inflation increase in Turkey has been reported to be up by 36.08% compared to the previous year.  
<sup>4</sup> CCS refers to "cross currency swap" – exchange of interest payments and principal in foreign currency to principal and interest payments in local currency.

**Our Environment**



**Green Design**

We believe that good sustainability practices begin during the design phase for our operations to be truly sustainable. As a result of embracing sustainable infrastructure from the beginning, we can enjoy several long-term benefits, including reduced air conditioning costs and benefits for patients from natural light and green spaces.

**Case Study: Malaysia's First Green Hospital – Pantai Hospital Laguna Merbok**



In 2014, Pantai Hospital Laguna Merbok ("PHLM") achieved GBI Silver certification, becoming the first purpose-built hospital to incorporate green technologies and design into its construction and operations in Malaysia. IHH acquired 100% ownership of the hospital in 2018 and conducted a GBI renewal assessment in 2021. The reassessment found that PHLM scored particularly well in Energy Efficiency, Sustainable Site Planning & Management, and Innovation. The noteworthy innovations are green vehicle charging stations, condensate water harvesting, solar hot water for showers, and LED façade lighting.

The hospital's orientation was deliberately designed to reduce heat transfer from the sun, reducing internal temperatures and, therefore, less reliance on air conditioning. A window fitting is carefully adjusted to eliminate glare so that patients' rooms receive adequate natural daylight.

A tranquil indoor courtyard with plants and flowers surrounds the inpatient ward rooms, providing a soothing perspective of the hospital. Relaxation

and anxiety reduction are critical to the recovery process.

A 44% reduction in water use has been achieved by installing water-efficient fittings in the hospital. Landscapes are watered entirely using rainwater harvesting and reclaimed reverse osmosis water used in haemodialysis.

PHLM installed rooftop solar panels in FY2020, producing 60,977 kWh of electricity, which accounted for 3.2% of the hospital's overall electricity consumption. In FY2021, solar electricity generation totalled 61,356 kWh, an increase in the previous year's total. Regular monitoring of the solar system is possible through real-time data display.

Red hybrid tilapia (*Oreochromis spp.*) and black tilapia (*Oreochromis niloticus*) are raised on-site through the hospital's aquaponics project. These fish species were chosen for their ease of rearing and rapid maturation. The fish are harvested once mature and served in the hospital cafeteria. Also grown at PHLM are four types of vegetables (baby bok choy, coral lettuce, kailan, and choy sum), served in the cafeteria and inpatient meals.

All plastic cutlery has been replaced with wooden cutlery at the hospital cafeteria, allowing us to reduce landfill waste by about 6,500 pieces of plastic cutlery each month. Using reusable ceramic mugs instead of plastic bottles has eliminated 1,300 plastic bottles each month. Using biodegradable containers has reduced paper waste by 1,500 pieces each month.

**Aquaponics Facilities at PHLM**



## Our Environment

### Resource Use and Conservation

#### Waste Management

In the healthcare industry, where medical, biological, and other hazardous wastes are produced along with general waste such as paper and plastics, proper handling and management are imperative. A lack of adequate waste management can impact the environment and our larger community. The Group adheres to strict waste management regulations in each country of operation and engages licensed contractors to handle and dispose of clinical waste.

Reducing waste output is one of the three Key Performance Indicators for our Global Initiatives. To minimise waste generation and landfill disposal, we are undertaking the following activities:

#### Greater China and Hong Kong

Direct contracting with a recycling company to handle medical and hazardous products in China.

Over 60 kg of takeaway plastic waste has been saved from entering landfills due to the “bring your own container” programme in Hong Kong. In addition to recycling 13,435 kg of cardboard, and 490 kg of magazines and newspapers, we upgraded our quilt fabric with more durable material to last longer.

#### India

Transitioning to electronic prescriptions and electronic billing to reduce paper waste.

#### Malaysia

A zero-plastic-bottle initiative has been launched to eliminate plastic bottles in our hospital cafeterias. Our priority is to acquire reusable, recyclable, or biodegradable alternatives.

#### Singapore

Segregated bins are placed in various locations around the hospitals to collect recyclable general waste. As part of these initiatives, staff have been trained on the correct kinds of waste to be recycled versus disposed of in landfills.

#### Turkey & Europe

Pathology laboratories often use Xylene, which can be recycled through a recycling device, which will allow the recycled material to be used again as a product wash. At Acibadem Atakent Hospital, 60% of Xylene was recycled annually, amounting to 720 litres.

### Energy Conservation, Climate Change, and Water Efficiency

We have also taken steps to reduce our water and electricity consumption throughout all our operations in order to reduce our environmental footprint further.

Our efforts in China include raising and promoting awareness of energy-saving mechanisms, such as standardising the use of lighting and air-conditioning with optimal ranges. All hospitals are equipped with water-efficient features such as sensor faucets and high-efficiency toilets.

In Hong Kong, fluorescent bulbs have been replaced with LED lights. A timer controls the light in common areas and turns them off during non-business

hours. The temperature setpoint for major facilities has been raised from 22°C to 24°C. In addition, every ward received low-flow showerheads estimated to reduce water consumption by 30%.

We have upgraded our central chillers in India to more energy-efficient models. Plans include installing solar water heaters with heat pumps, further reducing our dependence on grid electricity. After wastewater is treated, it is recycled for gardening, landscaping, and flushing toilets.

Malaysian hospitals were designed, reviewed, and then fitted with appropriate Heating, Ventilation, and Air Conditioning (“HVAC”) systems depending on their unique structure and ventilation requirements. HVAC systems are fine-tuned after installation to ensure

the best efficiency. Besides harvesting rainwater for gardening, we have recently launched our Solar System Project in hospitals across Malaysia.

We have installed leak detection sensors and water meters in Singapore that monitor water usage. When a discrepancy is detected, we can act immediately to prevent a leak.

At Acibadem, the steam generators in our Bulgaria facilities have been upgraded with high-efficiency units that offer energy recovery of up to 65%. Periodic energy studies are conducted to monitor consumption and identify areas that can be reduced. Regular maintenance ensures the maximum effectiveness of machinery. In addition, new, energy-efficient dishwashers have recently been installed.



Solar System Project in hospitals across Malaysia.

# Our Community



## Affordable and Accessible Treatment

The financial situation should not restrict an individual's access to healthcare. We are dedicated to providing affordable treatments for all patients while still offering the high level of service and quality that our patients expect. To assist patients in making informed decisions about treatment options, our pricing structure is transparent and easy to understand.

### Case Study: Fixed price packages in Hong Kong

For some of our patients, uncertainties concerning the cost of healthcare can prevent them from seeking an appointment. To ensure patients are not surprised by bill sizes, we present a transparent price list of major items. Furthermore, we offer complimentary financial counselling to all patients to help them manage their costs and make informed decisions before undergoing any treatment.

We pride ourselves on our transparent price packages. All costs associated with the procedure are included in the package price, and there are no additional costs if the patient is discharged within the scheduled length of the stay. Packages include everything from a doctor's fee to an anaesthetist's fee, room charges to meals, laboratory testing and diagnostic

imaging to operating room charges, nursing procedure charges, inpatient medication, and consumables. The packages we offer are tailored to meet the specific needs of our patients in each of our areas of operation. Gleneagles Hospital Hong Kong, for example, currently offers 240 fixed-price medical packages in various specialties.

Available since 2017, the packages have steadily gained popularity with our patients. This year, Gleneagles Hospital Hong Kong has 7,513 admissions under the price package system.

The packages are promoted on our website, social media, and press releases.



## Community Engagement

We are dedicated to improving the lives of our patients and the communities in which we operate. We conduct community education and engagement programs throughout the year to promote health awareness and improve the quality of life for those who need it most.

### Case Study: Social Initiatives at Fortis

Embracing social initiatives is at the heart of Fortis' Vision, philosophy, and commitment to staying connected to the greater community. As well as identifying those most in need of help and support, we strive to meet the unmet needs of marginalised groups within the community. Fortis' social initiative policy can be found on its corporate website.

During FY2021<sup>1</sup>, Fortis and its subsidiaries contributed a total of INR 17.02 crores (approx. MYR 9.5 million) to various social initiatives. The three primary donation projects in FY2021 were:

1. PM CARES Fund: Donation of INR 5.90 crore on 2 April 2020, to set up

effective healthcare facilities and services across the country for patients affected by COVID-19.

2. Indian Council of Medical Research ("ICMR"): Donation of INR 2.5 crores on 26 September 2020, to support the Central and State Government's medical infrastructure set-up for COVID-19 patients.

3. Bharat Ke Veer Corpus Fundz by India's Ministry of Home Affairs: Donation of INR 8.62 crores on 30 March 2021, to benefit the family members of the Central Armed Police Forces' officers who had given their lives in the service of the nation.



Bharat Ke Veer Corpus Fundz by India's Ministry of Home Affairs to benefit the family members of the Central Armed Police Forces' officers who had given their lives in the service of the nation.

<sup>1</sup> Fortis follows an April-March financial year.