



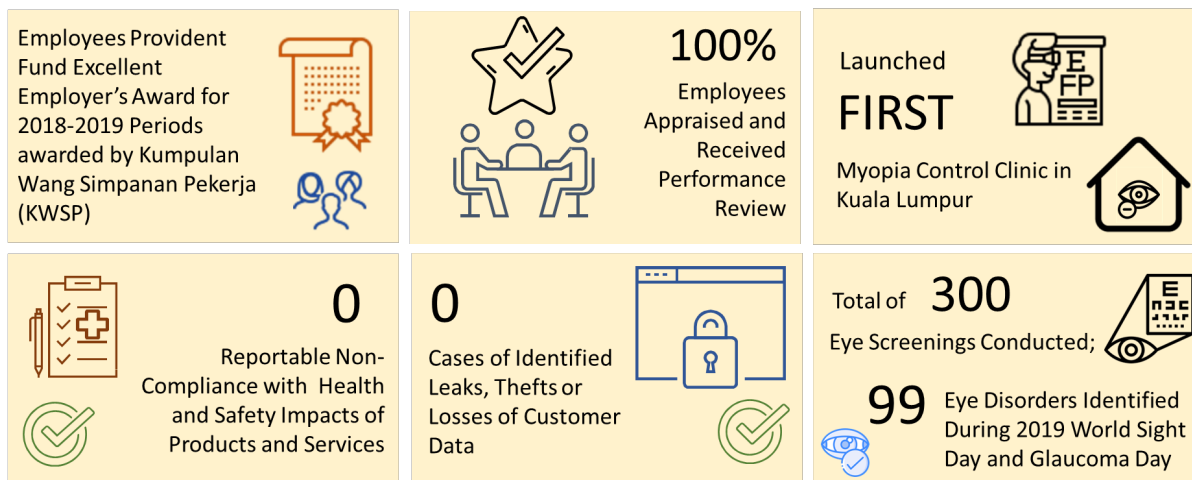
Eye on the
REGION
2019 SUSTAINABILITY
REPORT

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1. ISEC Healthcare Performance Highlights

As of 31 December 2019,



2. About ISEC Healthcare Ltd.

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX”), ISEC Healthcare Ltd. (“ISEC Healthcare” and together with its subsidiaries, the “Group”) is an established regional provider of a comprehensive suite of medical eye care services with ambulatory surgical centres. Led by a team of specialist doctors, who are also opinion leaders in their respective sub-specialty fields, the Group provides patients with attentive and advanced treatments at its well-equipped eye centres that are fitted with state-of-the-art ophthalmic equipment and facilities. Besides investing in the latest medical technologies, its doctors undergo continuous professional development and medical education to offer patients the highest standards of ophthalmic care.

In 2019, ISEC Healthcare became a subsidiary of Aier Eye International (Singapore) Pte. Ltd. (“Aier Eye”) following the latter’s acquisition of a 56.53% stake in ISEC Healthcare. Aier Eye is a wholly-owned subsidiary of Aier Eye Hospital Group Co., Ltd., a company incorporated in the People’s Republic of China, listed on the Shenzhen Stock Exchange.

Figure 1: Location of ISEC Healthcare Ltd. Clinics



¹ On 27 February 2020, the Group acquired Indah Specialist Eye Centre Sdn. Bhd., a multiple sub-specialties eye centre based in Johor.

In Malaysia, ISEC Kuala Lumpur (“ISEC KL”) was the first clinic in Southeast Asia and Far East region to receive the Joint Commission International (“JCI”) accreditation in 2009, which is recognised as the gold standard for healthcare quality and patient safety practices. ISEC KL has been maintaining its JCI accreditation since then.

In Singapore, ISEC Eye Pte. Ltd. (“ISEC Eye”) provides specialist medical ophthalmology to Asia Pacific Eye Centre (formerly known as “Lee Ming Hung Eye Centre”) located at Gleneagles Hospital. In 2016, the Group expanded its healthcare services to include general medical services and aesthetics treatment services, with the acquisition of JLM Companies comprising four clinics located in the heartlands of Singapore. JLM Companies consist of JL Medical (Bukit Batok) Pte. Ltd., JL Medical (Sembawang) Pte. Ltd., JL Medical (Woodlands) Pte Ltd. and JL Medical (Yew Tee) Pte. Ltd.. The Group further expanded this business segment in 2018 with the acquisition of a 25.0% stake in I Medical & Aesthetics Pte. Ltd. (“I Medical & Aesthetics”), increasing its portfolio of general practitioner clinics from four to five.

In 2019, the Group opened its first clinic in Yangon, Myanmar, through a joint venture agreement entered in May 2018 with three independent third parties, namely Next Tier International Company Limited (“Next Tier”), Daw Pyae Pyae Thein and Dr. Khin Khin Win (“Dr Win”) (collectively, the “JV Partners”). The clinic in Yangon will operate and administer ophthalmology centres and provide medical consultations and services in Myanmar.

ISEC Healthcare will continue to seek suitable opportunities in the markets in China, Indonesia, Myanmar and Vietnam while expanding our existing operations in Singapore, Malaysia and Myanmar.

3. About the Report

ISEC Healthcare is pleased to present its third Sustainability Report which has been prepared in accordance with SGX’s Sustainability Reporting Guideline and Global Reporting Initiative (“GRI”) Standards – “Core” reporting requirements. As an internationally recognised standard, the GRI Standards enables us to achieve comprehensive and comparable disclosure of environmental, social and governance (“ESG”) performance.

This report covers the policies, practices and performance of key ESG for the period from 1 January to 31 December 2019 (“FY2019”). In this report, ISEC Healthcare has expanded its reporting scope to include two more of our centres in Malaysia; namely, ISEC KL and Southern Specialist Eye Centre, Malacca (“SSEC”). Comparative data for FY2018 was presented in this report, where appropriate. ISEC Healthcare will continue to improve its data collection systems and expand the reporting scope to include other clinics as its reporting matures.

4. Board Statement

The Board of Directors (the “Board”) of ISEC Healthcare has delegated the responsibility of identifying, assessing and documenting material business risks including ESG risks to the Sustainability Steering Committee. Material ESG factors would be validated by the Board. The Board maintains oversight on the management and monitoring of the material ESG factors at ISEC Healthcare.

This year, ISEC Healthcare reinforces its commitment through the adoption of the United Nations Sustainable Development Goals (“UN SDGs”). Guided by external sustainability consultants, the Management has evaluated current initiatives and mapped them with relevant SDGs. ISEC Healthcare strives to conduct its business in a responsible manner, so as to minimise its impacts on the environment and society at large.

5. Sustainability at ISEC Healthcare

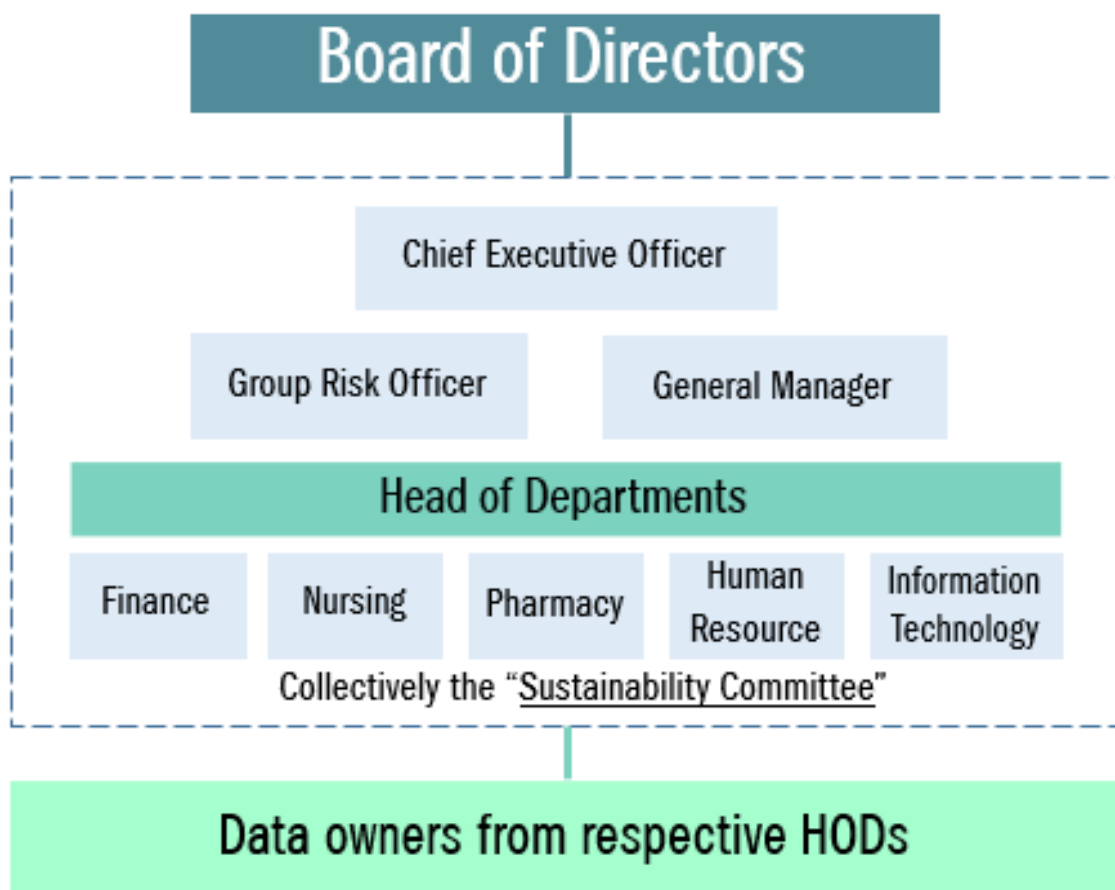
5.1. Sustainability Governance

The Board provides oversight and strategic formulation to achieve ISEC Healthcare’s vision and mission. The Board comprises independent, executive, and non-executive and non-independent directors with core competencies in fields of medical, accounting and finance, and professional legal services.

Established in FY2017, the Sustainability Steering Committee (“SSC” or the “Committee”) assisted the Board to oversee the implementation of sustainability initiatives across the operations at ISEC Healthcare.

The SSC is made up of the CEO, Group Risk Officer, General Manager and various Head of Departments (“HODs”). SSC steers and manages the sustainability initiatives carried out by the various data owners working alongside the respective HODs. The Committee provides updates on sustainability performance and sustainability reporting for approval by the Board. Sustainability performance is conveyed from various data owners to the SSC, which is then presented to the Board through the Sustainability Report.

Figure 2: Sustainability Governance Structure



5.2. Stakeholder Engagement

Effective stakeholder engagement is fundamental to understand each stakeholder’s interests and concerns. This understanding would enable ISEC Healthcare to focus on the appropriate matters and allocate requisite resources to meet stakeholders’ interests. At ISEC Healthcare, stakeholders’ interests are taken into account at every business decision. The Management has identified six groups of stakeholders that are key to our business operations. In light of the recent developments of COVID-19 and Malaysia’s Movement Control Order (“MCO”), we have updated some of the responses and engagement methods. The table below shows further details of engagement methods, frequency and responses.

Table 1: Stakeholder Engagement

Key Stakeholders	Basis of identifying and selecting	Engagement Methods	Frequency of Engagement	Stakeholders’ Concerns	ISEC Healthcare’s Response to Stakeholders’ Concerns
Customers	Customers’ satisfaction is the key to ISEC Healthcare’s business sustainability.	<ul style="list-style-type: none"> Customer feedback through feedback forms Customer reviews through ISEC KL’s and SSEC’s Facebook One-on-one meetings 	<ul style="list-style-type: none"> Periodic Ongoing When required 	<ul style="list-style-type: none"> Service quality Duration of waiting time Pricing of products and services Treatment outcome 	<ul style="list-style-type: none"> Implementation of appointment and queue system Competitive pricing Pre-treatment counselling
Employees and Workers	As a service provider, ISEC Healthcare’s staff are the key contact to customers and business partners.	<ul style="list-style-type: none"> Performance appraisal Town hall meetings Other ad-hoc meetings 	<ul style="list-style-type: none"> Semi-annual Periodic When required 	<ul style="list-style-type: none"> Career development Remuneration Work life balance 	<ul style="list-style-type: none"> Performance appraisals and reward system Coaching and training Regular communication between Heads of Departments and staff
Government	Healthcare industry is highly regulated; therefore, understanding government’s requirements and ensuring compliance is imperative to maintain the Group’s clinics’ licenses to operate.	<ul style="list-style-type: none"> Consultation with authorities Feedback on government’s policies and regulations 	<ul style="list-style-type: none"> Periodic Ongoing 	<ul style="list-style-type: none"> Compliance to rules and regulations 	<ul style="list-style-type: none"> Monitor relevant regulatory developments Ensure compliance to the regulatory requirements

Key Stakeholders	Basis of identifying and selecting	Engagement Methods	Frequency of Engagement	Stakeholders' Concerns	ISEC Healthcare's Response to Stakeholders' Concerns
Local Communities	ISEC Healthcare strives to raise awareness on eye health and contribute to local community's development	<ul style="list-style-type: none"> • Raising awareness through eye tests • Charity clinic • Educational talks • Pro-bono teaching and training to optometrist students • Educational eye care/health videos through Facebook 	<ul style="list-style-type: none"> • Periodic • Ongoing 	<ul style="list-style-type: none"> • Public education on eye health • Affordable treatment for eye ailments 	<ul style="list-style-type: none"> • Keep abreast of community interests in eye health • Facilitate interaction through online methods (i.e use of social media platforms)
Shareholders	Shareholders are essentially the owners of ISEC Healthcare and therefore an important stakeholder group in ISEC Healthcare's operations and decision-making.	<ul style="list-style-type: none"> • Annual General Meeting • Financial results announcements • Face-to-face meetings 	<ul style="list-style-type: none"> • Annual • Quarterly • When required 	<ul style="list-style-type: none"> • Financial performance • Business growth • Liquidity 	<ul style="list-style-type: none"> • Dedicated investor relations section on corporate website with access to annual reports and press releases • Announcements on SGXNet and corporate website • One-on-one or small group meetings with analysts and investors
Suppliers	Good working relationship with suppliers helps to ensure punctual supply and support at competitive prices	<ul style="list-style-type: none"> • Regular meetings with suppliers to provide feedback on quality of products and services 	<ul style="list-style-type: none"> • Periodic • When required 	<ul style="list-style-type: none"> • Continuation of business • Promotion of products • Feedback on products 	<ul style="list-style-type: none"> • Internal review of suppliers' deliverables

5.3. Materiality Assessment

The process of establishing material ESG matters is important as it allows ISEC Healthcare to understand stakeholders' interest, manage impacts as well as identify opportunities. It also forms the foundation for the introduction of future sustainability efforts. In FY2017, ISEC Healthcare completed its inaugural materiality assessment exercise to identify and prioritise its material ESG matters. These ESG matters are reviewed on an annual basis to ensure their continuing relevance to the business and its stakeholders, as well as aligning with the sustainability context of the healthcare industry. The materiality assessment process from FY2017 to FY2019 is shown in Figure 3.

Figure 3: Materiality Assessment Process

FY2017	FY2018	FY2019
<p>ISEC Healthcare conducted its inaugural formal materiality assessment.</p> <p>Seven ESG matters that were deemed material to the organisation and its stakeholders were identified and validated by the Board of Directors.</p>	<p>The existing ESG matters were reviewed and assessed for its continued relevance to the business and its stakeholders, and in line with the sustainability context of the healthcare industry.</p>	<p>The existing ESG matters were reviewed and assessed for its continued relevance to the business and its stakeholders, and in line with the sustainability context of the healthcare industry.</p>

The seven ESG matters identified are presented below in Figure 4.

Figure 4: Results of Materiality Assessment

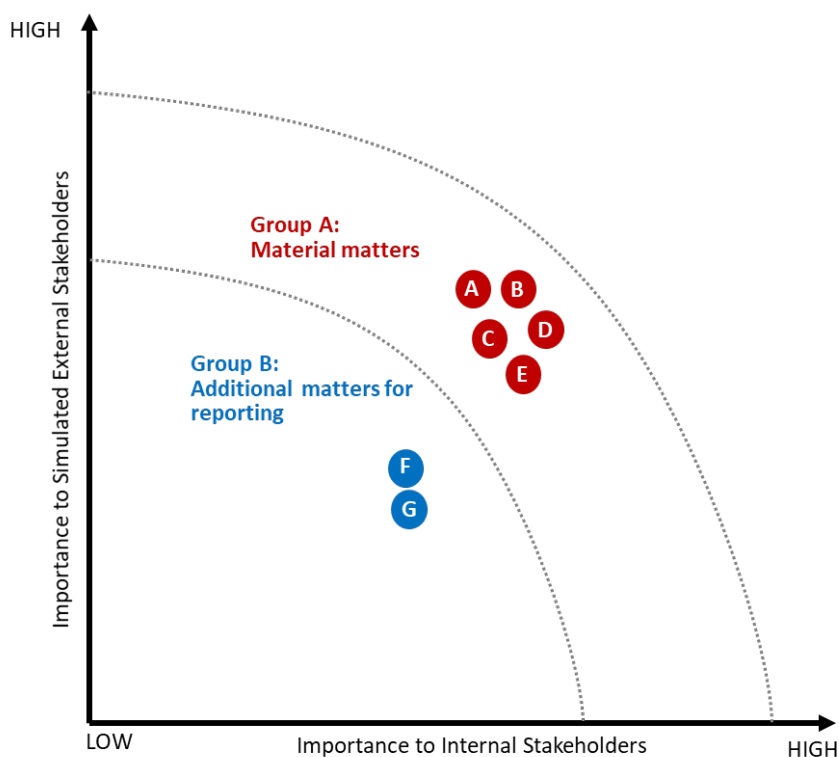


Table 2: Mapping of ISEC Healthcare’s Material and Additional Matters to GRI Topic-Specific Disclosures

Mapping ESG Matters for reporting to GRI topics			
	ESG Matters	Definition	GRI Topic-Specific Disclosures
A	Excellent Service Quality	Offer best-in-class and safe treatment to ISEC’s patients, as evidenced by enhanced patient satisfaction and avoidance of patients’ safety incidents.	GRI 416 Customer Health and Safety (416-2)
B	Occupational Health and Safety	Provide for and promote the health and safety of employees, as measured by avoidance of safety incidents, lost days, absenteeism, etc.	GRI 403 Occupational Health and Safety (403-2)
C	Security of Information and Patient Privacy	Maintain the confidentiality of patients’ information including their personal information, medical records, etc. through robust IT and data protection systems.	GRI 418 Customer Privacy (418-1)
D	Training and Development	Increase employees’ competence through training and development programmes.	GRI 404 Training and Development (404-3)
E	Corporate Governance	Manage business strategy, risk assessments and sustainability processes in order to build financial integrity, investor confidence and superior performance.	Non-GRI: Number of non-compliance to Code of Corporate Governance and other regulatory requirements

Mapping of additional matters for reporting to GRI topics			
	Additional Matters	Definition	GRI Topic-Specific Disclosures
F	Waste Management	Minimise waste generation through reduce, reuse and recycle (“3Rs”) efforts and safe disposal of biological waste.	GRI 306 Effluents and Waste (306-2)
G	Energy and Carbon Footprint	Efficient use of energy to minimise carbon footprint arising from ISEC Healthcare’s operations.	GRI 302 Energy (302-1)




5.4. Contributing to the UN Sustainable Development Goals

The Sustainable Development Goals (“SDGs”), set in 2015 by the United Nations, calls for a collective global effort towards ending poverty, promoting prosperity and protecting the environment. These 17 global goals cover a broad range of social, environmental, governance and social justice considerations. Businesses have been called upon to take charge as they play a vital role in each country’s progress towards achieving these goals.

As a healthcare service provider, many of ISEC sustainability measures are inherently aligned with sustainable development goals; especially for SDG 3: *Good Health and Well-Being*, SDG 8: *Decent Work and Economic Growth* and SDG 12: *Responsible Consumption and Production*.

Table 3: ISEC Healthcare’s Measures of Sustainability Development Goals

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING 	8 DECENT WORK AND ECONOMIC GROWTH 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Good Health and Well-Being	Decent Work and Economic Growth	Responsible Consumption and Production
Ensure healthy lives and promote well-being for all at all ages	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Ensure sustainable consumption and production patterns
How is ISEC Healthcare contributing towards the goals		
Raising public awareness on good eye health and early detection through preventive treatment methods and eye health checks	Decent work for employees and workers in a safe environment	Standard Operating Procedures (“SOP”) on waste management were developed in strict accordance to government regulations
Doctors’ participation in symposiums, clinical trials, development of eye care technology	In-house certified trainers and external training for all	Advocating 3R (“Reduce, Reuse and Recycle”) behaviour through bag-free Saturdays across various clinics
	Provision of complimentary influenza vaccination for employees	Replacement of conventional light fittings to LED type
Relevant Material Matters		
Excellent Service Quality (Pg. 12-14)	<ul style="list-style-type: none"> • Training and Development (Pg. 16-18) • Occupational Health and Safety (Pg. 18-19) 	<ul style="list-style-type: none"> • Energy and Carbon Footprint (Pg. 22) • Waste Management (Pg. 22)

In contribution to SDG 3: *Good Health and Well-Being*, ISEC KL and SSEC have been actively collaborating with industry partners such as Novartis Corporation (M) Sdn Bhd, Santen Pharma Malaysia Sdn Bhd and Allergan Malaysia Sdn Bhd in providing complimentary eye screening services in conjunction with World Sight Day since 2015 and Annual Glaucoma Day since 2010. In FY2019, ISEC KL also launched the first Myopia Clinic in Kuala Lumpur which aims to control progression of myopia in children. With a series of treatment methods, it focuses on slowing down, or in certain cases stopping the development high myopia. Further, our doctors regularly attend conferences and seminars, as speakers to share their expertise as part of our Group’s commitment to impart knowledge to fellow medical professionals, and to nurture medical students.

Case Study 1: World Sight Day 2019 and Glaucoma Day 2019

Every year, ISEC KL and SSEC organise events on World Sight Day and Glaucoma Day to raise public awareness of eye health and inculcate good eye habits like regular eye examinations to allow early detection and early treatments to prevent deterioration of existing conditions. In FY2019, ISEC KL and SSEC conducted a total of 300 eyecare screenings, a 46% increase from FY2018. Of which, a total of 99 eye disorders were identified, ranging from the common disorders such as cataracts and glaucoma to other diagnoses such as dry eyes, squint, Meibomian gland dysfunction (“MGD”)², pterygium³ and entropion⁴.



Far left: Public Eye Screening provided by ISEC KL and SSEC

Left: An eye screening conducted by ISEC KL on Glaucoma Day 2019

In collaboration with Santen Pharma Malaysia Sdn Bhd, eye screenings on World Sight Day 2019 were held at Q Sentral in Kuala Lumpur.



² Meibomian gland dysfunction (MGD) is the blockage or some other abnormality of the meibomian glands resulting in the lack of secretion of oil into the tears. It is associated with dry eye syndrome.

³ Pterygium is a growth of the conjunctiva or mucous membrane that covers the white part of your eye over the cornea.

⁴ Entropion is a medical condition in which the eyelid (usually the lower lid) folds inward, causing discomfort and irritation as eyelashes continuously rubs against the cornea.

Case Study 2: First Myopia Control Clinic in Kuala Lumpur

In October 2019, ISEC KL launched Malaysia’s first Myopia Control Clinic (“MCC”) dedicated to controlling the progression of myopia among children by slowing down or even stopping the progression before they develop high myopia. Through a combination of education, promoting good eye care habits and clinically-proven treatment options to normalise eye growth, it leverages on the latest technology to reduce myopia progression. These treatment methods are suitable for children with myopia, ages 3 to 18 years old, those with myopia progression greater than 0.5 degree per year or those with a family history of myopia.



Some of the treatment methods include:

Myopine™	MiSight™ (Soft contact lenses)	Orthokeratology (Ortho-K)
Atropine 0.01% eyedrop has been used for myopia treatments for over 35 years and is effective in slowing myopia progression (up to 60-70%) with little visual side effects of blurred vision.	The first daily disposable soft contact lens proven to delay progression of myopia growth	The use of specially designed gas permeable contact lenses to temporarily reshape the contour of the cornea and provide a clear vision in the day without the use of contact lenses or spectacles

Case Study 3: ISEC Primary Care Ophthalmology Symposium 2019

To fulfil ISEC Healthcare’s core vision of advancing and disseminating ophthalmic knowledge through education and continual professional development, ISEC KL organised the Primary Care Ophthalmology Symposium at the Gardens Hotel ballroom, Mid Valley City on 25th August 2019.

9 doctors from ISEC KL covered topics such as anatomy of the eye, eye injuries and eye disorders, for example, chronic red eye, cataracts and other retinal diseases at the event.

The event attracted 242 participants in total, including primary care physicians and eye care providers such as optometrists and pharmacists.



6. Social: Providing World-class Service to Our Patients

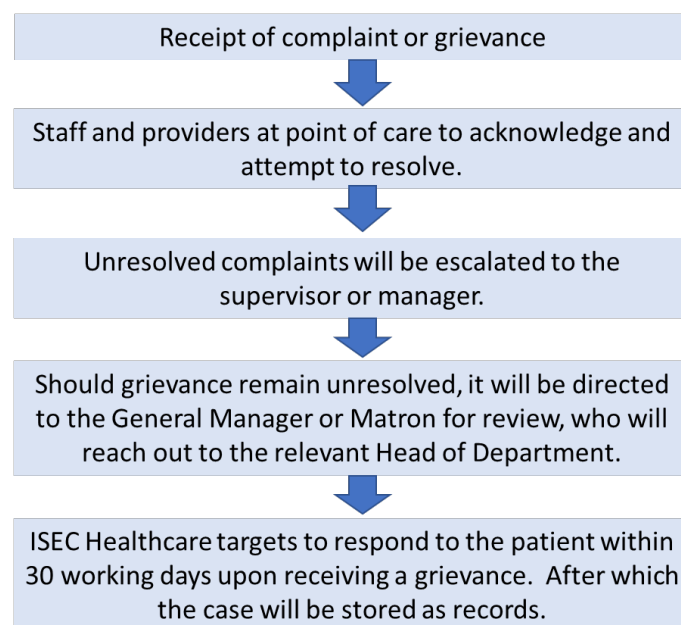


6.1. Excellent Service Quality

ISEC Healthcare strives to be a one-stop speciality medical eyecare service provider through the provision of high-quality, world-class service, with integrity and compassion to the community. The Group prides itself on the high calibre of its ophthalmologists. They possess extensive knowledge through the numerous clinical experiences in the trainings and past clinical appointments at renowned eye centres in Singapore, Australia, India, United Kingdom and the United States.

To maintain excellent service quality, ISEC KL and SSEC establish a Patient Complaint, Grievance and Feedback Procedure which guides employees on resolving grievances and complaints in a prompt, reasonable and consistent manner from patients or next-of-kin. Figure 5 outlines the steps taken from the receipt of a complaint to the conclusion of the case.

Figure 5: Patient Complaint, Grievance and Feedback Procedure



Both ISEC KL and SSEC conduct patient satisfaction surveys to obtain feedback. They are handed out to all patients during registration and collected at the cashier upon payment. The Patient Satisfaction Survey evaluates clinics' performance from appointment scheduling, registration, hospital environment, professionalism of the medical staff and waiting time. Feedback is also collected through ISEC KL and SSEC's Facebook page.

In FY2019, 89% of the respondents rated overall service to be "Good" and above, with 83% in ISEC KL and 92% in SSEC respectively. More than 90% of the respondents indicated that they would recommend ISEC KL and SSEC to their friends and family.

Waiting time is one of the pertinent issues encountered by patients at ISEC KL and SSEC. In FY2018, the clinics have started scheduling patients on weekday slots as well as referring patients to other available doctors. Patients were also encouraged to schedule their next appointment via email or calls as walk-in appointments often result in a longer waiting time. Those initiatives have improved rating on waiting time from "Poor to Average" in FY2018 to "Good to Excellent" in FY2019. On the other hand, the FY2019 survey revealed improvement opportunity for the clinics in terms of the surrounding

environment aspect. This could probably be due to overcrowded clinics. ISEC KL has been actively seeking ways to expand its clinic capacity and hence improving overall ambience.

Targets and Performance

Focus areas	Perpetual target	FY2019 Performance
Service Quality and Patient Satisfaction	Uphold the service quality and achieve at least 90% of the patient satisfaction survey overall results at "Good" and above	89% of patient satisfaction survey overall rated "Good" and above
Customer Health and Safety	Zero reportable cases of non-compliance regarding health and safety impacts of products and services	● Achieved

Case Study 4: Improving Customer Satisfaction Through Training

In 2019, ISEC KL conducted a Customer Satisfaction training module for staff, nurses and medical assistants. Conducted by in-house trainers, employees went through six different modules covering topics on service attitude, effective communication, grooming, the importance of teaming and handling difficult situations. Upon completion, employees were awarded with a Certificate of Attendance. This training module also leveraged on examples of real-life situations, and interactive components like table discussions, games and quizzes to engage employees.



Case Study 5: Response to COVID-19 Situation

As the COVID-19 pandemic evolves, following measures have been put in place at ISEC KL and SSEC to ensure the health and safety of our employees, patients and visitors.

For customers/patients

- Triage units are set up outside of the clinic to take visitors' temperature and travel history records. Visitors with COVID-19 symptoms are directed to senior medical staff for further follow up.
- All visitors are advised to bring in no more than one accompanying member.
- Visitors are constantly reminded of social distancing protocols inside the building; where they are required to maintain distance of at least one meter apart and sit in alternate seats.
- Hand sanitisers are made readily available at triage counters and inside the clinics.



Case Study 5: Response to COVID-19 Situation (cont'd)

For employees

- Reporting staff members receive regular temperature screenings and must use personal protective equipment when in proximity of patients.
- Staff members who have a travel history outside of Malaysia are closely monitored and provided medical guidance.
- An alternate grouping system is adopted for employees to minimise potential spread among the cohort of workers.



6.2. Supply Chains of ISEC KL and SSEC

In FY2019, ISEC KL and SSEC have over 260 suppliers. Our suppliers include medical suppliers, for example, lenses, consumables, medical equipment, medications and laboratory services. We also engage third-party cleaners⁵ in ISEC KL and licensed waste management contractors at both clinics for medical waste disposal. 98% of them are based locally.

As the quality of products and services from suppliers enables ISEC KL and SSEC to deliver exceptional service to its patients, stringent criteria are in place to screen the suppliers. Suppliers are assessed on product certifications, quality assurance, timeliness and cost effectiveness. Product certifications and quality assurance encompass the passing of the performance tests and quality assurance tests with the authorised parties (such as Scientific and Industrial Research Institute of Malaysia and International Organisation for Standardisation). All medications are also required to be registered with Malaysia's Ministry of Health.

Regular suppliers and annual service providers will be subjected to an annual evaluation based on quality, communication, timeliness and support. An Approved Vendor List ("AVL") is maintained and regularly updated based on the results of the screening and annual evaluation. Should there be any lapses in quality, suppliers may face immediate termination.

Additionally, ISEC KL and SSEC encourage suppliers to participate in social responsibility activities such as conducting free eye screening tests, eye-health related awareness talks and campaigns.

7. Social: Developing a High-Performing Workforce



7.1. Employee Demographics

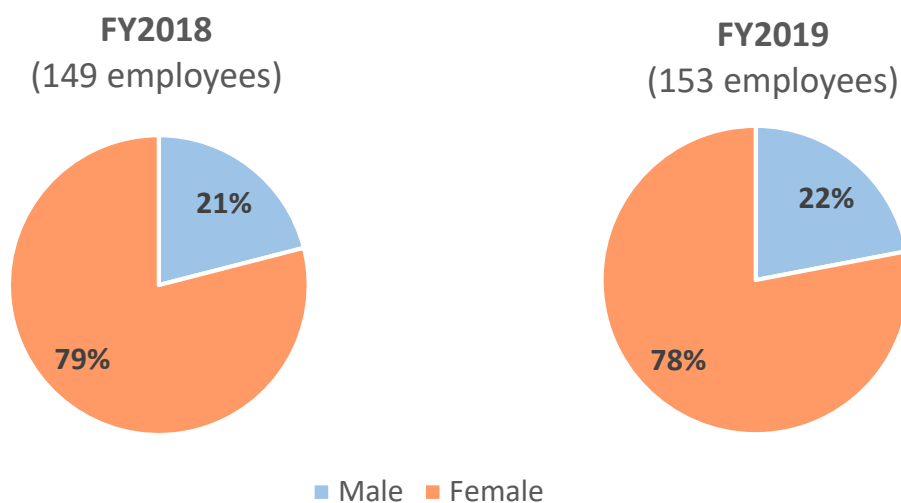
The highly qualified and experienced specialist doctors, supported by the management and clinical staff, are the strengths for ISEC Healthcare to maintain its brand of excellent service quality and market leadership in private ophthalmology.

In FY2018 and FY2019, employment numbers for both clinics remained relatively constant with majority of employees holding permanent and full-time positions. In FY2019, ISEC KL employed three

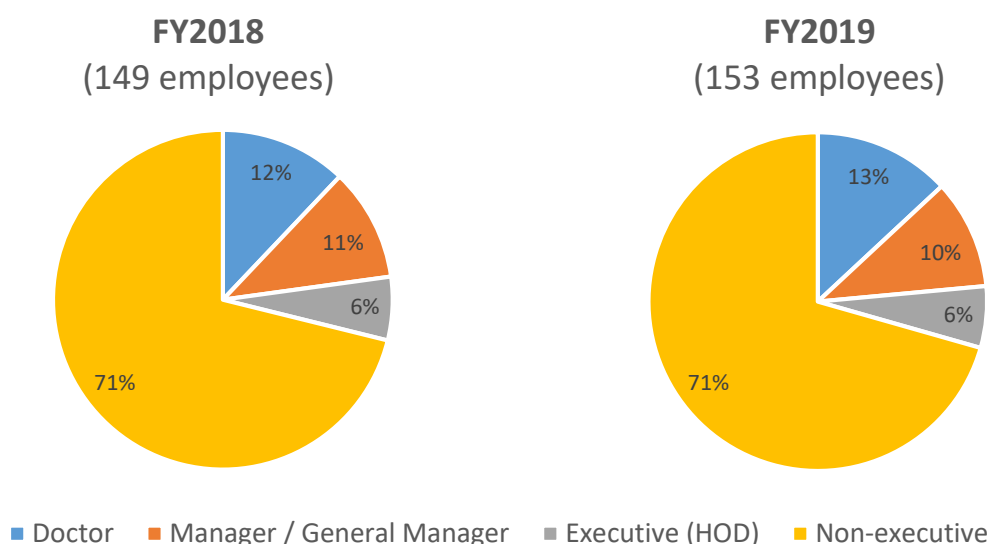
⁵ SSEC has a full time cleaner to carry out daily cleaning job.

workers⁶ for general cleaning services at the clinic. The breakdown of employees by gender, employment contract, type and category are shown in Figure 6.

Figure 6: Breakdown of Employee by Gender and Employment Category⁷



Employment Contract	FY2018		FY2019	
	Male	Female	Male	Female
Permanent	31	113	32	116
Temporary	1	4	1	4
Employment Type	FY2018		FY2019	
	Male	Female	Male	Female
Full-Time	32	116	33	119
Part-Time	0	1	0	1



⁶ Workers refer to non-employees of ISEC KL excluded from total employee count as they work on ad-hoc basis. SSEC does not engage any such workers.

⁷ FY2018 employees' data was restated to include number of employees from SSEC for comparison purpose. Visiting doctors who are on annual service contract are not considered as employees of ISEC Healthcare.

Case Study 6: ISEC KL awarded Employees Provident Fund Excellent Employer's Award

On 14 November 2019, ISEC KL was conferred the Employees Provident Fund Excellent Employer's Award. The award criteria include:

- Timely payment of salary through internet banking to employees
- No complaints, cases of dishonesty or conviction of any criminal or civil cases recorded

ISEC KL is honoured to be one of the 15 companies/government agencies that practise timely payment of provident funds and have maintained a clean non-infraction record.



7.2. Training and Development

ISEC Healthcare focuses greatly on developing employees' expertise and knowledge. This is critical in building and retaining a motivated and high-performing workforce.

The Human Resource ("HR") department oversees overall learning and development for staff in ISEC KL and SSEC. Under the Medical Regulations 2017 for doctors and Provisions in the Nursing Act 2015 for nurses, all medical personnel will have to meet the required Continuing Professional Development ("CPD") points annually for renewal of their respective licenses.

The HR department assists medical staff's fulfilment of CPD requirements by organising adequate training programmes, on-the-job trainings and other career counselling activities. Employees may request to be enrolled for specific trainings through a 'Training Needs Identification' form. In FY2019, all ISEC KL and SSEC medical staff have met the required CPD points for the respective medical license renewal.

Table 4: Types of Training Programs

Types of Training Programs	Examples
Technical (Medical-related)	<ul style="list-style-type: none"> • AT IOL Healthcare Professional Workshop
Technical (Non-medical related)	<ul style="list-style-type: none"> • Microsoft Excel Functions & Formula • Mastering Accounting
Soft-skills	<ul style="list-style-type: none"> • Customer Service • Time Management • Communication
Onboarding	<ul style="list-style-type: none"> • Two-day General Induction program and On Job Training by respective department head at ISEC KL • One-day Induction programme for new employees and subsequent job trainings by respective HODs at SSEC

Case Study 7: Various training and development activities for doctors and medical staff

Doctors at ISEC KL and SSEC hold regular Continuous Medical Education (“CME”) talks for employees, covering various topics on eye diseases and treatment methods. An average of 60 attendees and 25 attendees have been observed for each session from ISEC KL and SSEC respectively.

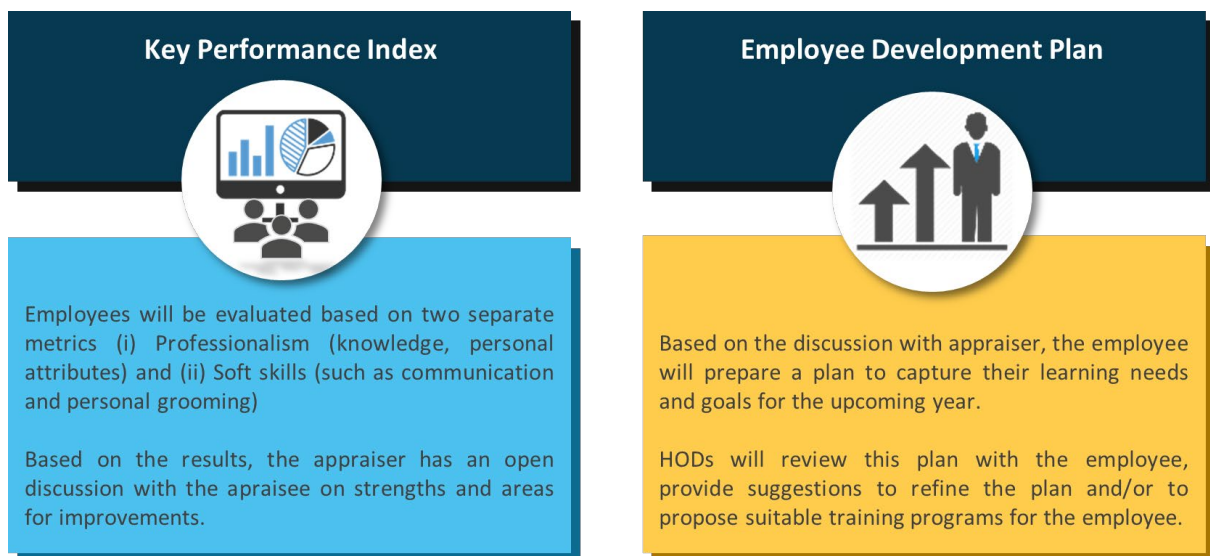


CME Talks conducted by Dr Chan (left), Dr Gan (middle) and Dr Ku (right)


On the other hand, doctors participate in seminars as attendees and speakers where they exchange pointers and gain insights in the ophthalmology sphere. They have also been involved in clinical trials relating to treatment options and eye care technology. In FY2019, ISEC KL and SSEC have conducted a total of 282 teaching activities, clinical attachments and observerships.

All ISEC KL and SSEC employees also receive an annual performance appraisal, with evaluation of their performances based on established Key Performance Index. The evaluations are then used to guide the discussions with employees on their development plans.

Figure 7: Performance Management and Appraisal



Targets and Performance

Focus area	Perpetual target	FY2019 Performance
Training and Development	Continue with full appraisal and performance review	 Achieved 100% of employees from both clinics have received annual performance review from their supervisors.

7.3. Occupational Health and Safety







ISEC Healthcare is committed to providing and maintaining a safe environment for all employees, patients and visitors. ISEC KL and SSEC have implemented required Health and Safety policies which are in compliance to Ministry of Health and Infection Control Precautions and Occupational Safety & Health Act 1994, as detailed in Table 5.

Table 5: List of Occupational Health and Safety Policy


Facility Management and Safety Policy	Facility and Environment Inspection Policy	Emergency Plan	Fire Safety Policy	Personal Protection Equipment ("PPE") policy
<p>This policy comprises guidelines on proper facility management and safe practices which includes handling and disposal of clinical waste, measures to enhance physical security of buildings and conducting facility inspections.</p> <p>Employees are required to report any unsafe acts, conditions as well as occupational injuries.</p>	<p>This policy provides guidelines on ensuring safety of patients, their families, staff and visitors. It also covers facility inspection on entrances and exits; cleanings; Common Electrical Safety Measurement and Medical gases storage.</p>	<p>This policy outlines the actions to be taken in the event of emergencies such as unpredictable power supply, natural disasters and internal disasters such as building structural collapse, explosion, fire, floods, chemical spills and bomb threat.</p>	<p>This policy outlines the roles and responsibilities of Management and employees in line with best fire safety practices. This is to secure the safety and wellbeing of everyone within ISEC Healthcare.</p>	<p>This policy applies to all staff on the use of PPE as part of standard and transmission-based precautions, what PPE is available, where to access it, as well as to ensure staff understand how to safely put on and remove PPE.</p>

Various safety practices are also carried out routinely at ISEC KL and SSEC to promote health and safety awareness and ensure employees' general wellbeing.

Table 6: Occupational Health and Safety practices

Practices to Ensure Occupational Health and Safety		
	Emergency preparedness	<ul style="list-style-type: none"> Participate in annual fire drills held by landlord at ISEC KL
	Routine checks and inspections	<ul style="list-style-type: none"> Yearly air particle checks in ISEC KL and SSEC's Operating Theatres Annual water sampling test for tap water and water dispenser at ISEC KL
	Employee wellbeing	<ul style="list-style-type: none"> Free influenza vaccination for employees at ISEC KL and SSEC
	Audits	<ul style="list-style-type: none"> Audits are conducted once every two years by Ministry of Health for renewal of medical certification.

Targets and Performance

Focus area	Perpetual target	FY2019 Performance
Occurrences of work-related safety incidents	Zero cases of work-related injuries, accidents and fatalities	 Achieved

Absentee Rate ⁸	FY2018	FY2019
Male	0.37%	0.14%
Female	1.50%	1.53%
Total	1.25%	1.23%

8. Governance: Corporate Governance

Stakeholders place their trust in an organisation to conduct its business responsibly to achieve long-term and stable growth. Effective corporate governance is vital in managing the risks and opportunities faced by the organisation. Under the stewardship of the Board, the corporate governance framework serves to guide the Group in conducting businesses responsibly and to steer away from any potential improprieties while enhancing our reputation and credibility to all stakeholders. ISEC Healthcare has a suite of policies which guide all employees on appropriate business conduct. These include Policy for Securities Trading, Policy for Interested Persons Transaction as well as the Whistleblowing Policy.

⁸ Absentee rate refers to percentage of total days of absence (medical, hospitalisation and emergency leave) over total days scheduled for work per year. No absence due to work-related injuries (excluding minor first-aid level injuries) was reported in both FY2018 and FY2019.

Figure 8: ISEC Healthcare’s Vision, Mission and Values



For more details on our Corporate Governance principles and practices, please refer to ISEC Healthcare’s 2019 Annual Report, “Report on Corporate Governance” section.

Targets and Performance

Focus area	Perpetual target	FY2019 Performance
Corporate Governance and Regulatory Compliance	Zero reportable cases of non-compliance in relation to the Code of Corporate Governance practices (on a comply-or-explain basis), as well as other regulatory requirements	<p> Achieved</p> <p>To the best of our knowledge, we are not aware of any non-compliance with the Code of Corporate Governance 2018 in FY2019.</p>

8.1. Enterprise Risk Management

Effective risk management is fundamental for ISEC Healthcare to achieve continued success in our business operations. ISEC Healthcare’s Risk Governance and Internal Controls Framework Manual was designed to align risk governance and internal control framework with the strategic vision and objectives of the Group. The Management is required to adhere strictly to the various risk management policies set out in the manual. (Figure 9).

Figure 9: Risk Governance and Internal Control Framework Manual Content

- Code of Ethics
- Risk Appetite and Risk Tolerance Guidance
- Authority and Risk Control Matrix
- Key Control Activities
- Key Reporting and monitoring Activities

8.2. Protection of Personal Data and Security of Information

With rising cyber security threats and potential breach of personal data privacy, it is imperative for ISEC Healthcare to have in place a robust IT framework to mitigate these risks. Guided by the principles of Malaysia’s Personal Data Protection Act (“PDPA”), the Group has in place a PDPA policy which is applicable across ISEC KL’s and SSEC’s employees. ISEC Healthcare’s corporate headquarters also fully complies with the Personal Data Protection Act in Singapore.

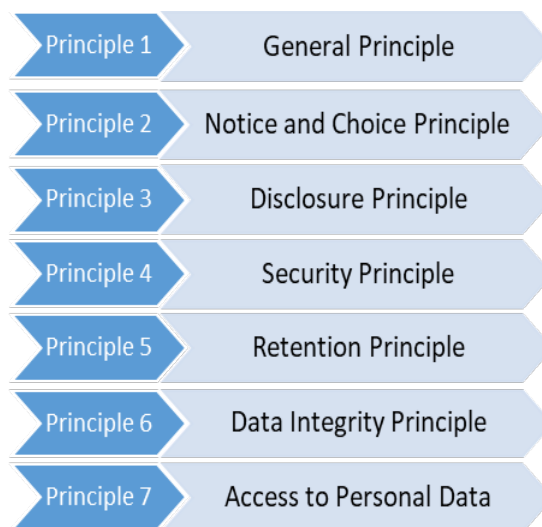
The designated Data Protection Officer (“DPO”) based in ISEC KL ensures compliance with the PDPA policy across all clinics in Malaysia. Any queries or requests from individuals in relation to ISEC’s data protection policies, practices or grievances regarding potential breaches can be filed through email to the DPO.

Doctors are granted access to their patients’ medical records on a need-to-know basis. ISEC Healthcare has also established various IT controls and procedures to safeguard its systems against cyber security threats. The IT team ensures that systems and servers undergo regular update and maintenance, equipped with firewalls and antivirus software.

During the staff induction, all employees at ISEC KL and SSEC are required to read and sign off on the PDPA policy. Throughout the year, good practices will be shared among clinics; for example, proper disposal of personal information and physical security measures such as ensuring door of Medical Record Room closed at all times. Additionally, certificates and posters displayed assures patients that ISEC KL and SSEC are in full compliance with PDPA.

Employees are kept abreast of the latest regulatory requirements through relevant courses conducted by the Department of Protection of Personal Data in Malaysia.

Figure 10: The seven principles of Malaysia's PDPA Act 2010



Targets and Performance

Focus area	Perpetual target	FY2019 Performance
Customer Privacy	Zero substantiated breaches of customer privacy and no leaks, thefts or losses of customer data	<p>● Achieved</p> <p>In FY2019, there were no known complaints concerning breaches of customer privacy and no known cases of identified leaks, thefts or losses of customer data.</p>

9. Environment: Caring for the Environment



9.1. Energy and Carbon Footprint

For medical clinics, energy security is extremely critical for ensuring service quality and patient safety. It is required by law that facilities such as operating theatres and drug storage have to be air conditioned 24/7. Over 600 surgeries are conducted every month at both clinics which leads to significant energy demand for the medical facilities. We have an Uninterruptible Power Supply (UPS) to provide a continuous power supply for equipment even during a power failure and to protect it against power surges. In the event of a power outage, the UPS will supply energy from its battery until the generator set kicks in.

Despite the necessity for energy consumption for our operations, ISEC KL aims to adopt energy-saving initiatives where possible to reduce our environmental footprint. Since FY2017, energy consumption has been optimised by replacing conventional light bulbs with Light Emitting Diode (“LED”) lights in ISEC KL. In FY2019, 26% of the bulbs in ISEC KL have been replaced with LED lights. SSEC has also embarked on this initiative in mid-FY2019. Upon the completion of this initiative, the clinics shall explore the installation of motion sensors to further lower energy consumption.

Performance

In FY2019, 428,579 kWh (FY2018⁹: 399,811 kWh) of electrical energy was consumed, equivalent to energy consumption of 95 Malaysians in a year¹⁰. The 7% increase in energy consumption from FY2018 levels was due to the increase in the number of surgeries conducted and patients served by our additional new full-time specialist doctors recruited over the two years. Additionally, operating hours were extended beyond 5:30 pm on certain days to ensure that patients receive the required treatments.

9.2. Waste Management



As a healthcare provider, waste management is paramount as improper management of medical waste can pose major health and environmental risks to employees, patients and the general public. ISEC KL and SSEC follow a stringent set of Standard Operating Procedures (“SOPs”), as listed in Table 7 on the management of waste.

⁹ FY2018 energy consumption is restated to include SSEC Melaka’s consumption to allow like-for-like comparison with FY2019.

¹⁰ This information is based on Malaysia Energy Statistics Handbook 2018 which reports an average of consumption of 4,533 kWh per Malaysian in 2016.

Table 7: SOPs on Waste Handling, Storage and Disposal

Waste Handling	Waste Storage	Waste Disposal
<ul style="list-style-type: none"> • Manual handling of waste bags should be minimised wherever possible. • All clinical waste bags to be handled by the neck of the bag only. • They should be transported via internal routes which minimise contact with patient care areas. • Only dedicated vehicles should be used for transportation of clinical waste. 	<ul style="list-style-type: none"> • Biohazard waste should be stored in a designated area separated from general waste. • Colour-coded waste disposal bags and containers are used to ensure proper segregation of waste, safe handling and transportation. • Waste containers to remain closed at all times, preventing release of toxic chemicals into the atmosphere in the form of vapours, aerosols or gases. • Waste storage will be subjected to monitoring and reviews 	<ul style="list-style-type: none"> • Only Ministry of Health Malaysia (“MOH”) certified third-party waste contractors are engaged to collect and dispose clinical waste. • Contractors should be contacted to arrange for collection when the waste bins are about two-third full, if this occurs before the routine collection roster. • More trips to be arranged when more waste is generated

In addition, the Group continues to advocate reduce, reuse and recycle (“3Rs”) behaviour among its patients. For instance, ISEC KL has extended its “bag-free Saturdays” to “bag-free every day”. Under such campaign, patients are encouraged to bring their own bags for their medications. Should patients require a bag, only paper bags are given out in both clinics. Plastic bags will only be used when an ice packs are given to patients.

Performance

In FY2019, ISEC KL generated 3,234 kg (FY2018¹¹: 3,011 kg) of clinical waste, all of which were incinerated by certified third-party contractors. Recycling bins are also provided in patient waiting areas to promote recycling efforts. In FY2019, ISEC KL has recycled more than 10kg of paper and boxes per week.

¹¹ FY2018 clinical waste data is restated to include SSEC Melaka’s data to allow like-for-like comparison with FY2019.

10. GRI Content Index

GRI Standard Disclosure	Disclosure	Page Reference or Reason for Omission	
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	About ISEC Healthcare Ltd.	Page 2
102-2	Activities, brands, products, and services	About ISEC Healthcare Ltd.	Page 2
102-3	Location of headquarters	About ISEC Healthcare Ltd.	Page 2
102-4	Location of operations	About ISEC Healthcare Ltd.	Page 2
102-5	Ownership and legal form	About ISEC Healthcare Ltd.	Page 2
102-6	Markets served	About ISEC Healthcare Ltd.	Page 2
102-7	Scale of the organisation	About ISEC Healthcare Ltd.	Page 2
102-8	Information on employees and other workers	Employee Demographics	Page 14
102-9	Supply chain	Supply Chains of ISEC KL and SSEC	Page 14
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation or its supply chain.	
102-11	Precautionary principle or approach	Enterprise Risk Management	Page 20
102-12	External initiatives	Not applicable	
102-13	Membership of associations	About ISEC Healthcare Ltd.	Page 3
Strategy			
102-14	Statement from senior decision-maker	Board Statement	Page 3
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Corporate Governance	Page 20
Governance			
102-18	Governance structure	Sustainability Governance Corporate Governance	Page 4 Page 19
102-22	Composition of the highest governance body and its committees	2019 Annual Report	Page 17
102-23	Chair of the highest governance body	2019 Annual Report	Page 21
102-24	Nominating and selecting the highest governance body	2019 Annual Report	Page 22
102-25	Conflicts of interest	2019 Annual Report	Page 18
102-32	Highest governance body's role in sustainability reporting	Board Statement; Sustainability Governance	Page 3 Page 4
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	Page 5

GRI Standard Disclosure	Disclosure	Page Reference or Reason for Omission	
GRI 102: General Disclosures 2016			
102-41	Collective bargaining agreements	None of ISEC Healthcare's employees are covered by collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	Page 5
102-43	Approach to stakeholder engagement	Stakeholder Engagement	Page 5
102-44	Key topics and concerns raised	Stakeholder Engagement	Page 5
Reporting practice			
102-45	Entities included in the consolidated financial statements	2019 Annual Report	Page 74
102-46	Defining report content and topic boundaries	About the Report	Page 3
102-47	List of material topics	Materiality Assessment	Page 7
102-48	Restatements of information	FY2018 data were restated to include SSEC for Employee Demographics, Occupational Health and Safety, Energy and Carbon Footprint	
102-49	Changes in reporting	About the Report	Page 3
102-50	Reporting period	About the Report	Page 3
102-51	Date of most recent report	Published and announced on 9 May 2019	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	2019 Annual Report	Corporate Information
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	Page 3
102-55	GRI content index	GRI Content Index	Page 24
102-56	External assurance	ISEC Healthcare has not sought external assurance for this report, but will consider it for future reports.	

GRI Standard Disclosure	Disclosure	Page Reference or Reason for Omission	
Material matters			
Excellent Service Quality			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	About the Report; Materiality Assessment Page 3 Page 7
	103-2	The management approach and its components	Excellent Service Quality Page 12

GRI Standard Disclosure		Disclosure	Page Reference or Reason for Omission	
	103-3	Evaluation of the management approach	Excellent Service Quality	Page 13
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Excellent Service Quality	Page 13
Occupational Health and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment	Page 3 Page 7
	103-2	The management approach and its components	Occupational Health and Safety	Page 18
	103-3	Evaluation of the management approach	Occupational Health and Safety	Page 19
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety	Page 19
Training and Development				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment	Page 3 Page 7
	103-2	The management approach and its components	Training and Development	Page 16
	103-3	Evaluation of the management approach	Training and Development	Page 17
GRI 404: Training and Development 2016	404-3	Percentage of employees receiving regular performance and career development reviews	Training and Development	Page 18
Corporate Governance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment	Page 3 Page 7
	103-2	The management approach and its components	Corporate Governance	Page 19
	103-3	Evaluation of the management approach	Corporate Governance	Page 20
Security of Information and Patient Privacy				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment	Page 3 Page 7
	103-2	The management approach and its components	Protection of Personal Data and Security of Information	Page 21

GRI Standard Disclosure		Disclosure	Page Reference or Reason for Omission	
	103-3	Evaluation of the management approach	Protection of Personal Data and Security of Information	Page 21
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of Personal Data and Security of Information	Page 21
Additional Matters				
Energy and Carbon Footprint				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment	Page 3 Page 7
	103-2	The management approach and its components	Energy and Carbon Footprint	Page 22
	103-3	Evaluation of the management approach	Energy and Carbon Footprint	Page 22
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy and Carbon Footprint	Page 22
Waste Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	About the Report; Materiality Assessment	Page 3 Page 7
	103-2	The management approach and its components	Waste Management	Page 22
	103-3	Evaluation of the management approach	Waste Management	Page 23
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal Method	Waste Management	Page 23