



Transforming into Asia's Preferred Health System of Choice

SUSTAINABILITY REPORT 2018

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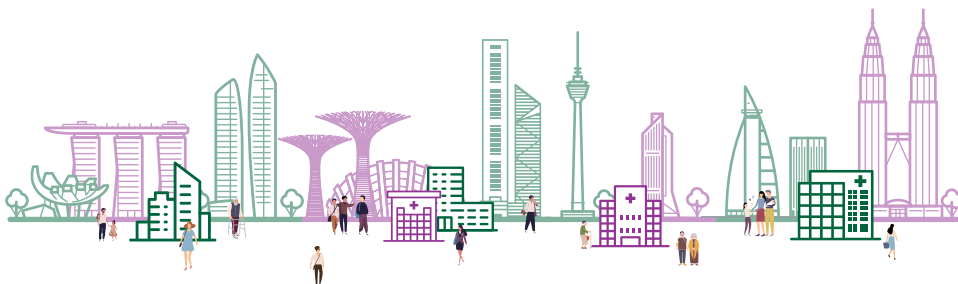
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ABOUT THOMSON MEDICAL GROUP LIMITED

Listed on the Mainboard of the Singapore Exchange, Thomson Medical Group Limited (the “Group” or “TMG”) is one of the largest healthcare players in the region. The Group’s operating healthcare businesses include Thomson Medical Pte Ltd (“TMPL”) and TMC Life Sciences Berhad (“TMCLS”). Another developing business is the Vantage Bay Healthcare City (“VBHC”) which is now in development and planning stage. Headquartered in Singapore, our healthcare businesses currently have presence in Singapore and Malaysia and a diverse talent pool of over 1,500 people.

The Group completed the acquisition of the healthcare business on 25 April 2018 and changed its name from Rowsley Ltd. to Thomson Medical Group Limited. The Group is constantly on the lookout for the best talents, partners and opportunities to expand its regional footprint. The Group continues to build on the strong foundation of its healthcare businesses in Singapore and Malaysia and is working towards its vision of transforming into the preferred Pan-Asian healthcare system of choice.



THOMSON MEDICAL

Incorporated in 1979, Thomson Medical is Singapore’s leading provider of private healthcare services for women and children. It owns and operates the Thomson Medical Centre. Over the years, Thomson Medical has expanded its operations beyond its core women’s and children’s health services to include new areas of specialties and services such as Aesthetics, Cardiology, Musculoskeletal, Dermatology, Women Cancer Treatment, Dental, Traditional Chinese Medicine, Health Screening (under the Wellth brand), products, supplements and services, Pre-natal Diagnostic Laboratory and Radiology centres.

TMC LIFE SCIENCES

TMC Life Sciences Berhad is one of the fastest growing healthcare groups in Malaysia. It has been listed on the Main Market of Bursa Malaysia Securities Berhad since 2005. Its flagship 205-bed hospital Thomson Hospital Kota Damansara (THKD) is strategically located in the golden triangle of Petaling Jaya, and houses more than 100 consultant specialists. THKD handles over 18,000 admissions a year. TMCLS has embarked on a major expansion programme, with significant additional capacity and capabilities. The plans include expanding THKD onsite to a 605-bed hospital with additional critical care units and specialist centres.

VANTAGE BAY HEALTHCARE CITY

Sited on freehold waterfront land in Johor Bahru’s City Centre, Vantage Bay Healthcare City is envisioned to be a purpose designed first-of-its-kind integrated medical, education and wellness hub. VBHC comprises a medical hub - three hospitals and a long-term care facility; a wellness hub providing therapeutic care and life style related services, including age-friendly assisted-living residences; and an education and training hub which will comprise a medical training institute and teaching hospital. This is the first fully integrated health sciences platform to be developed in the region.

BOARD STATEMENT

The Board of Directors (the **"Board"**) is pleased to present TMG's 2018 Sustainability Report (the **"Report"**).

In April 2018, the acquisition of the healthcare businesses was completed. With the divestment of the Real Estate business on 31 January 2019, TMG is now focused on building its healthcare platform, taking the first step towards achieving TMG's vision of developing the Pan-Asian Health System of choice to provide the highest quality of health and medical services in the region. This Report focuses on the healthcare businesses as these will be the Group's core businesses going forward. This Report encapsulates our overarching approach towards environmental, social and governance (**"ESG"**) risks and opportunities and its performance in our Singapore healthcare operations.

Sustainability continues to be part of our strategy to foster innovation and create long-term value for our stakeholders.

We believe that good ESG management helps to build a reliable and resilient business. We conducted a materiality assessment to further our sustainability journey and focus our efforts on the ESG issues that are most relevant to our stakeholders and healthcare businesses.

The Board has approved the material ESG factors identified and continues to manage and monitor our ESG performance with the support of the Sustainability Steering Committee (**"SSC"**) and Sustainability Task Force (**"STF"**). Moreover, the Board oversees the overall sustainability direction and is responsible for approving this Report.

We believe that TMG is well-positioned to build a sustainable business that makes a positive difference to our environment and communities. As we grow our business, we will continue to enhance our sustainability strategy, approach and performance to reach our objectives.



ABOUT THIS REPORT

The Group's healthcare business comprises Thomson Medical in Singapore and TMC Life Sciences in Malaysia. Sustainability information of our operations in Malaysia can be found in TMC Life Sciences's 2018 Sustainability Report published as part of its 2018 Annual Report.

This Report only covers our operations in Singapore, which includes Thomson Medical Centre, our hospital held under Thomson Medical Pte Ltd ("**TMPL**") as well as our clinics island-wide.

TMPL's sustainability report provides an overview of TMPL's sustainability approach, practices and performance for the financial year ended 31 December 2018.

This Report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards 2016 – Core option. The GRI Standards is an internationally recognised reporting framework that provides useful guidance to TMPL not only on report quality but also on materiality, stakeholder inclusiveness and performance indicators.

The Report does not disclose the targets of the material factors for the forthcoming year as the Group has been undergoing restructuring after the acquisition of the healthcare businesses. We are committed to align our sustainability objectives with our business strategy and we will disclose the targets of the material factors in our next year's report.

The Report, together with the Annual Report, aim to provide comprehensive and transparent reporting of our overall objectives and performance to TMPL's stakeholders. In line with the Group's commitment to environmental sustainability, no hardcopies of this report have been printed. The report can be viewed on our website: www.thomsonmedicalgroup.com/investor-relations/annual-reports/.

As we continuously seek to improve our performance, your feedback on our sustainability practices is valuable to us. You may send your feedback to us at contactus@thomsonmedicalgroup.com.



SUSTAINABILITY APPROACH

TMPL's sustainability approach closely aligns with our long-term vision to be the provider of choice for integrated healthcare solutions across Asia.

We strive to create long-term value to our stakeholders through a holistic approach. We are committed to providing accessibility to a wide range of healthcare services and products, innovating unique and relevant services, delivering value and quality as well as contributing to the community.

TMPL's core values of Integrity, Commitment, Accountability, Respect and Empathy underpin its sustainability approach. These will continue to provide guidance to our people in supporting TMPL's sustainable growth.



Largest Private Healthcare for Women & Children

- Provide access to a wide range of healthcare services and products through an extensive network of clinics and facilities in Singapore
- Be an innovator of services that are unique, relevant and integrated



Value and Quality

- Offer personalised service experience to patrons
- Attract and retain a diverse pool of experienced and dedicated specialists and medical and nursing professionals
- Cultivate a safe, family-friendly ambience for both patrons and staff
- Provide innovative and value added post-delivery care and services programmes



Contributing to the Community

- Raise awareness on health and wellness amongst the community
- Explore partnerships to address health and preventive medical issues in Singapore

To effectively implement our sustainability approach and demonstrate accountability to our stakeholders, TMPL has a set of policies, practices as well as a dedicated SSC to govern our sustainability activities.

The SSC is co-chaired by TMG's Executive Director and Chief Executive Officer ("CEO") as well as CEO of TMPL. The SSC comprises senior management across functions of our healthcare businesses and is responsible for developing

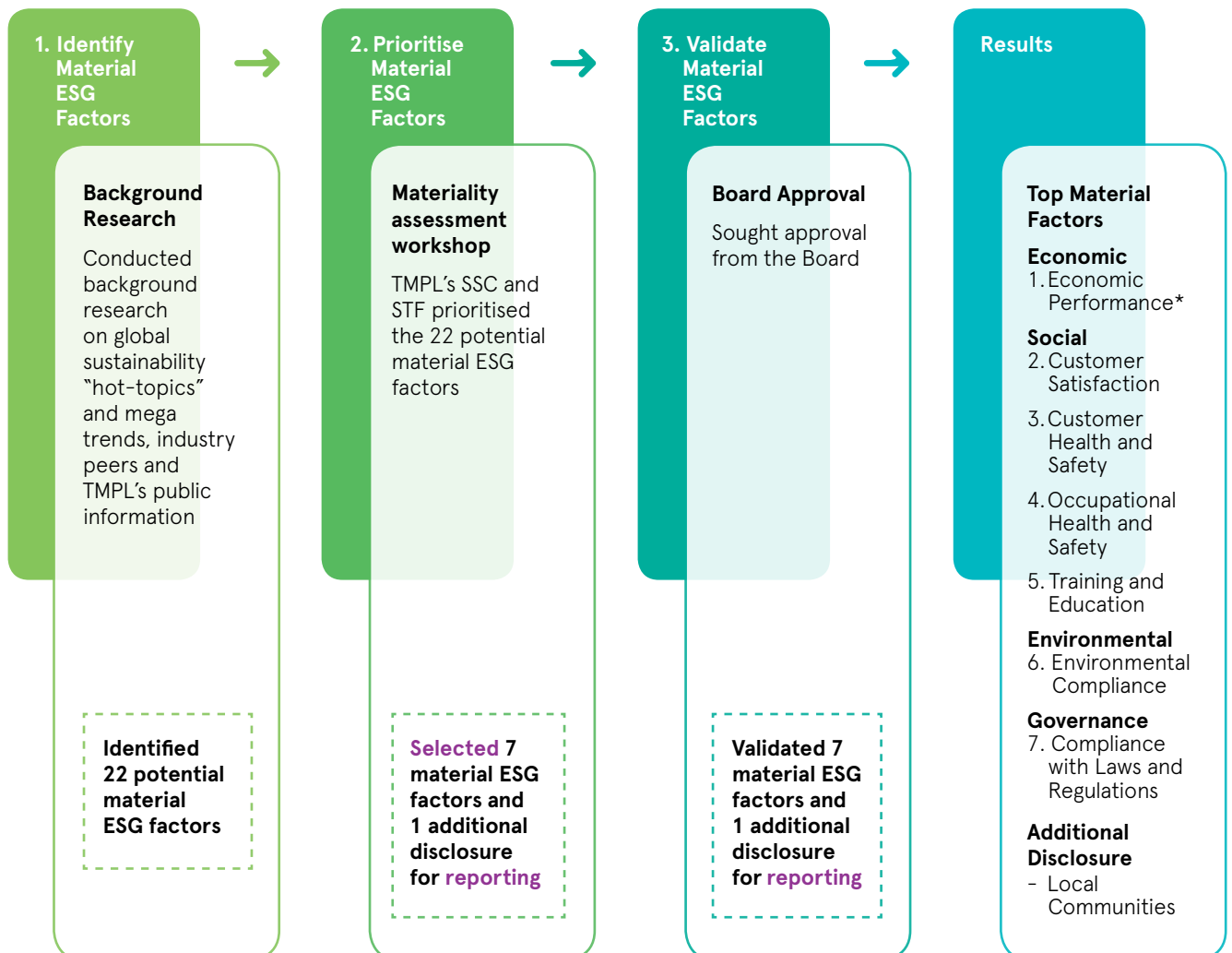
sustainability strategy, managing the overall sustainability performance and reporting to the Board.

Supporting the SSC is the STF, which is formed by representatives across functions. The roles of the STF include implementing and executing the sustainability policies and practices as well as monitoring the sustainability performance.

MATERIALITY ASSESSMENT

Guided by the GRI Materiality Principles, TMPL undertook a three-step materiality assessment process to identify the ESG factors that are material to its healthcare businesses and stakeholders. TMPL engaged an external consultant to facilitate the materiality assessment process. The materiality process activities and outcomes are summarised in the diagram below:

MATERIALITY ASSESSMENT PROCESS AND OUTCOMES



* Economic Performance is disclosed in the 2018 Annual Report. Please refer to the Letter to Shareholders (pages 6-9), Operations Review (pages 24-33), Financial Highlights (pages 34-35) and Financial Contents (pages 51-159) for details.

STAKEHOLDER ENGAGEMENT

At TMPL, we are committed to developing and maintaining strong relationships with a broad range of stakeholders. We practise open and two-way communication with our stakeholders which allows us to align our sustainability approach with stakeholders' needs and expectations. TMPL has identified seven key stakeholder groups which either have a significant impact on, or are significantly impacted by, our sustainability performance. Our key stakeholder groups and our approach to engaging with them to address their concerns are described in the table below.

KEY STAKEHOLDERS	FORMS OF ENGAGEMENT	FREQUENCY	KEY TOPICS OF CONCERNS
Internal			
Employees	<ul style="list-style-type: none"> • Staff meetings • Intranet and newsletter • Training • Performance appraisals • Social activities • Senior Leaders' walk rounds 	<ul style="list-style-type: none"> • Throughout the year 	<ul style="list-style-type: none"> • Fair compensation and benefits • Learning and career development opportunities • Equal opportunities • Occupational health and safety • Employee well-being • Resource planning
External			
Customers (including patients, family members of patients)	<ul style="list-style-type: none"> • Customer satisfaction survey • Website • Customer hotline • Ward rounds 	<ul style="list-style-type: none"> • Daily 	<ul style="list-style-type: none"> • Quality patient care • Clean and safe environment • Customer service • Pricing of services • Prompt response for enquiries and feedback
Doctors	<ul style="list-style-type: none"> • Phone calls, emails and meetings • Breakfast sessions 	<ul style="list-style-type: none"> • Throughout the year 	<ul style="list-style-type: none"> • Clinical quality • Staff competency and support • Pricing and quality of facilities
Shareholders	<ul style="list-style-type: none"> • Release of financial results and announcements, press releases and other required disclosures through SGXNet and TMPL's website • SGX Corporate Connect Seminar • Annual Report • Annual General Meeting 	<ul style="list-style-type: none"> • Throughout the year • Annual 	<ul style="list-style-type: none"> • Business and operations performance • Business strategy and outlook • Corporate governance • Compliance with relevant laws and regulations • Transparency and timely announcement
Government & Regulators	<ul style="list-style-type: none"> • Reports of various performance and clinical indicators • Ongoing communication and consultation with the relevant authorities 	<ul style="list-style-type: none"> • Periodic • Throughout the year 	<ul style="list-style-type: none"> • Compliance with relevant laws and regulations • Prompt and accurate regulatory disclosures
Suppliers & Contractors	<ul style="list-style-type: none"> • Tenders, request for quotations and proposals • Site visits and meetings • E-mail 	<ul style="list-style-type: none"> • Throughout the year 	<ul style="list-style-type: none"> • Business performance • Fair tender process • Competitive pricing • Good quality of goods and services • Occupational health and safety • Compliance with laws and regulations
Local Communities	<ul style="list-style-type: none"> • Public education programmes and support for local non-profit organisations 	<ul style="list-style-type: none"> • Throughout the year 	<ul style="list-style-type: none"> • Contribution to and engagement with the local communities

PERFORMANCE HIGHLIGHTS

CUSTOMER EXPERIENCE



33:1

Compliments
to complaints ratio



Choice hospital again

98.3%

selected "definitely" and "likely"



Customer satisfaction

99.1%

selected "much better than expected" and "better than expected"



Recommend TMPL
to friends

98.2%

selected "definitely" and "likely"



Zero

non-compliance incidents
concerning health and safety
impacts

EMPLOYEE CULTURE



Zero

Workplace fatalities
and high-consequence work-
related injuries



0.8%

Monthly employee
turnover rate



Zero

non-compliance incidents
with environmental laws and other
relevant laws



Zero

complaints concerning
breaches
of customer privacy and losses
of customer data

CUSTOMER EXPERIENCE

Customer Satisfaction

At TMPL, our customers are our priority as we aim to build long-term relationships with them and their families. We strive to provide our customers with memorable experiences, personalised to their diverse needs.

TMPL has considered patients' needs, preferences and expectations for their choice of the healthcare centre in its design and planning of services. It is paramount to continuously improve the quality of services. When patients have a good perception of the quality of healthcare services at TMPL, they are likely to return and make recommendations to their families and friends. In addition to having extensive services and desirable quality of service, we take one step further to continue to innovate services and customised post treatment for our customers. Some of these services include confinement food home delivery service, home care visits by lactation consultants,

training for helpers at home and a loyalty programme with benefits to allow our patients to use services within TMPL. Patients who deliver at our hospital are provided with follow-up services by our lactation consultants, such as a post-discharge phone call to support, coach and guide our patients to achieve success in breastfeeding. Patients who delivered their babies and were discharged over the weekend are entitled to a free phone consultation and half an hour personalised parent craft clinic visit review by our lactation consultants.

Our Customer Experience Committee ("**CEC**") oversees patient experience, an indicator that measures the performance of TMPL. The CEC develops the service excellence framework, executes customer service strategy, ensures consistency of service standards on-site and off-site TMPL environment and develop and spread service improvement initiatives to enhance the overall patient





experience. Providing direction and guidance on service related policy, process issues and for senior leadership engagement and reinforcement, as well as identifying opportunities and recommending initiatives for service improvements are amongst the several responsibilities of the CEC. Meetings of the CEC are held quarterly, ensuring that matters related to quality of service provided to customers are reviewed on a regular basis.

TMPL believes that improved staff experience ultimately leads to improved patient experience. Thus, staff undergo service training programmes, coaching, audits and rewards and recognitions in collaboration with Human Resources Department to teach and reinforce service behaviours and standards. More information on development opportunities for staff can be found under “Training and Education” on page 14-15 of the Sustainability Report.

As part of our Standard Operating Procedure (“SOP”), we have set in place a process relating to the management of patients’ complaints. Complaints are received either verbally via nurse managers, ward rounds and doctors or in writing via email or letters, Patient’s Evaluation Questionnaire (“PEQ”) and Facebook. We are able to improve on the clinical and service quality through reviewing and addressing the complaints received from the patients.

Our efforts in providing quality service to our patients are translated in the many awards that we won in the Singapore Health Quality Service Awards 2018 as well as the results of our PEQ. Our performance and targets are reviewed annually. In 2018, TMPL met our target in relation to customer satisfaction set in the previous year. The following table presents our performance for the year:

Table 1. PEQ results for 2018

INDICATOR	PERFORMANCE
Compliments to complaint ratio	33:1
Choice hospital again	98.3% selected “definitely” and “likely”
Customer satisfaction	99.1% selected “much better than expected” and “better than expected”
Recommend TMPL to friends	98.2% selected “definitely” and “likely”

CUSTOMER EXPERIENCE

Customer Health and Safety

As a healthcare provider, TMPL is responsible for protecting its customers' health and safety through quality treatments as well as its management systems and facilities design. Improving the quality and safety of healthcare services remains a key concern for healthcare leaders and practitioners.

TMPL has in place a Property and Operational Support Quality Committee ("**POSQC**") which allows for open channels of communication with mutual trust for interdepartmental collaboration. This in turn creates a platform to continuously review the structures, systems and processes, identify gaps and initiate effective strategies to minimise institution risks, provide high quality and safe care and promote health and safety to our customers at TMPL. Meetings within the POSQC are held every other month as we recognise the importance of keeping abreast with the latest requirements in safeguarding our customers' health and safety.

As part of our Hospital Administrative Policy, TMPL has set in place a Quality Improvement and Patient Safety Plan. The purpose of this is to ensure that a coordinated and integrated approach is defined for managing patient safety, quality assurance and improvement activities so as to reduce risks to customers and improve clinical, operational processes and outcomes. A Quality and Safety Plan ("**QPS**") Framework stipulates specific key strategic thrusts that relate to clinical risk management, patient safety, quality service and performance improvement. These include service and system initiatives which deal with fundamental quality assurance, quality improvement, patient safety basics, service standards, people development and organisation business excellence and evidence-based practices.

Hand hygiene audits were conducted monthly and food hygiene audits were conducted weekly during the year. The hand hygiene audit covers the 5 Moments of Hand Hygiene, evidence-based guidelines from WHO. This is also reflected

in IPSG 5 of the Joint Commission International Standards. The 5 Moments of Hand Hygiene are as follows; before touching patient, before starting a clean procedure, after exposure to body fluid, after touching a patient and after touching patient surroundings. There were over 10,000 hand hygiene observations conducted, which achieved a compliance rate of 88%, above the benchmark of 80% from Australian National Hand Hygiene Audit Program¹. Moment 1, before touching the patient and moment 5, after touching patient's surroundings such as touching the bed-rails etc. required reinforcement through education and campaigns.

The food hygiene audit criteria was adapted from National Environmental Agency's Food Hygiene Audit Checklist. This covers general condition of the kitchen, storage of food, functionality of refrigerators and cold room, diet presentation and quality, cleaning standard and staff hygiene. Weekly food hygiene audits were conducted in 2018. The audit achieved a result of 84% compliance. There were positive results of food services and storage processes. However, there were challenges in consistently maintaining a clean and dry environment.

TMPL strives to meet the International Patient Safety Goals ("**IPSG**") as part of ensuring our customers' health and safety. The purpose of the IPSG, as referenced from Joint Commission International, is to promote specific improvements in patient safety, highlight problematic areas in healthcare and apply evidence-based expert-based consensus solutions to these problems. The IPSGs will be part of the overall Quality and Patient Safety Plan and TMPL's Annual Quality Dashboard. We have selected the following goals from the IPSG to ensure the delivery of safe care to our patients and focus on our performance improvement. The following performance shows that we have achieved our goals during the year:

¹ More information on the Australian National Hand Hygiene Audit Program can be found at <https://www.hha.org.au/audits/national-data/national-hand-hygiene>

GOAL 1: CORRECT BABY IDENTIFICATION

- Number of babies identified incorrectly - one near miss in 2018 which was averted by the radio-frequency identification ("RFID") Tag alarm system

GOAL 2: SAFETY IN DISPENSING HIGH ALERT MEDICATIONS

- Number of dispensing of High Alert Medications ("HAM") medication error was tracked from 2018, resulting in zero dispensing error during the year

GOAL 4: ENSURE SAFE SURGERY

- 100% compliance to the time-out pre-procedure safety protocol in 2018

GOAL 5: COMPLIANCE TO WHO FIVE MOMENTS OF HAND HYGIENE

- 88.3% compliance to the World Health Organisation's ("WHO") five moments of Hand Hygiene, above the benchmark of 80% from Australian National Hand Hygiene Audit Program

GOAL 6: REDUCE RISK OF HARM RESULTING FROM INPATIENT FALLS

- Reduction of falls from 24 falls in 2017 to 16 falls in 2018. These were attributed to paediatric patient falls which were unavoidable at times

During the year, there were zero incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services.

EMPLOYEE CULTURE

Occupational Health and Safety

Minimising incidents of work-related injury and illness will positively impact TMPL’s health and safety performance and build employees’ morale. In order to provide our patients with quality service and care, a safe workplace has to be established for our staff.

Our Workplace Safety and Health Risk Management Committee (“**Committee**”) has the overall responsibility for quality improvement, patient and staff safety in the hospital. It provides an oversight for the continuous improvement activities identified in the required and desired measures. This Committee is the driver of all quality and patient safety initiatives for the hospital and oversees staff related injuries such as needlestick injuries. These initiatives are aligned with the TMPL Quality and Patient Safety Framework.

Our Workplace Safety and Health Risk Management Committee oversees our SOP for hazard identification and risk assessment. The purpose of the SOP is to establish standard procedure to identify hazards relating to occupational health and safety, evaluate the risks associated with these hazards and to ensure that appropriate actions are taken to manage the risks involved. The following diagram illustrates the procedure outline in relation to hazards at TMPL:

Diagram 1. Procedure outline of hazard identification and risk assessment conducted thrice a year



As depicted in diagram 1, risk assessment and control measures are in place in order to manage the identified risks/ hazards. TMPL has an internal prompt list for hazard identification. The hazard identification process considers all activities, both routine and non-routine. All potential hazards associated with contractors and visitor activities are also considered during the hazard identification process. All potential hazards are identified and recorded, regardless of their likelihood of occurrence. The Head of Department ("**HOD**") and the Risk Assessment ("**RA**") team are responsible for the risk assessment process, including hazard identification, preparation and conducting of risk assessment, evaluation of risk, implementation of control measures, follow up and review of effectiveness of control measures. Staff are encouraged to participate in the risk assessment or assist in conducting the risk assessment.

Control measures are implemented in the following sequence:

- Eliminate the hazards altogether at source
- Reduce the risks through Substitution
- Apply Engineering Control to limit/isolate the hazards at source
- Apply Administrative Control
- Provide Personal Protective Equipment

Staff are required to report all adverse incidents to the HOD/ Manager as soon as the incident occurs and put up a Hospital Occurrence Reporting ("**HOR**") form. At TMPL, we adopt Agency for Healthcare Research and Quality Patient Safety Network framework on culture of safety to create a blame free environment where staff are able to report errors and near misses without fear of reprimand or punishment. The HOD will conduct root cause analysis to determine system gaps. However, if deliberate violation of safety procedures were identified, Human Resource ("**HR**") and HOD will counsel the staff and institute actions such as monitoring, re-training and warning as appropriate. Staff are also required to inform their supervisors of any shortcomings in the safe work procedures or risk control measures.

An emergency response plan which details the various measures and operational actions that need to be undertaken by TMPL in the event of any fire or other emergencies to minimise injury to personnel and damage to property is in place. A fire safety training is conducted on a bi-annual basis to staff. The HOR SOP incorporates

reporting and investigation of incidents, recording of incident details as well as immediate actions taken to mitigate the problems and prevent recurrences.

Another SOP of occupational health and safety is the management of sharp injury/ blood and body fluids exposure. The infection control manager ("**ICM**") oversees matters pertaining to this SOP. The ICM conducts a risk assessment of sharp injury and discusses with the affected staff on the possible risks in the event of a needlestick, patient bite or sharp injury. As a means of minimising the incidences of needlestick injuries, training is provided for induction programme for new nurses and staff are re-trained. During the year, there were zero recordable work-related injuries for employees and workers who are not employees but whose work and or workplace is controlled by TMPL.

Several initiatives in relation to occupational health and safety have been implemented by TMPL. These include a fire safety training conducted by the fire safety manager twice a year at the hospital and a risk assessment exercise which is reviewed and updated thrice a year. In addition, a health screening is conducted every other year for employees. TMPL provides recreational activities to promote a healthier lifestyle such as regular scenic walks at various parks in Singapore, Zumba classes etc. Due to the nature of our operations, staff are not required to work off-site. Staff who are required to travel overseas are insured. All staff are provided with medical and healthcare benefits. A vaccination program which is conducted on employees on an annual basis is in place.

As a result of our collaborative efforts in safeguarding the health and safety of our staff, there were zero workplace fatalities and zero high-consequence work-related injuries in 2018.



EMPLOYEE CULTURE

Training and Education

A diverse workforce and long term service employees contribute to the quality of the services that TMPL provides, hence promoting business growth. TMPL has a relatively diverse workforce of different age groups, as seen in table 4. TMPL's employees are largely female due to the nature of our business, which focuses to a large part on women and children healthcare.

Monthly new hire rate at TMPL is 1.5% while the monthly new hire rate for the industry is 1.7%². This is reflective of the good retention of our staff. On the other hand, monthly turnover rate at TMPL is 0.8%, lower than the monthly industry turnover rate of 1.2% in 2018³. This reflects the success of our human resource management policy in recruitment, job-fit, job satisfaction, conducive workplace which results in our ability to retain staff and provide them opportunities for long-term career with TMPL.

Table 2. Total number of employees by employment contract and gender

INDICATOR	EMPLOYEE CONTRACT	
	Permanent	Temporary
Gender		
Male	71	4
Female	556	83
Total	627	87

Table 3. Total number of employees by employment type and gender

INDICATOR	EMPLOYEE TYPE	
	Full-time	Part-time
Gender		
Male	75	0
Female	578	61
Total	653	61

Table 4. Total number of employees by age group

AGE GROUP	NUMBER OF EMPLOYEES
< 30 years old	128
30 – 50 years old	376
>50 years old	210
Total	714

Having a workforce that is equipped with the appropriate

² Ministry of Manpower Labour Turnover 2018, <https://stats.mom.gov.sg/Pages/Labour-Turnover-Tables2018.aspx>

³ Ministry of Manpower Labour Turnover 2018, <https://stats.mom.gov.sg/Pages/Labour-Turnover-Tables2018.aspx>

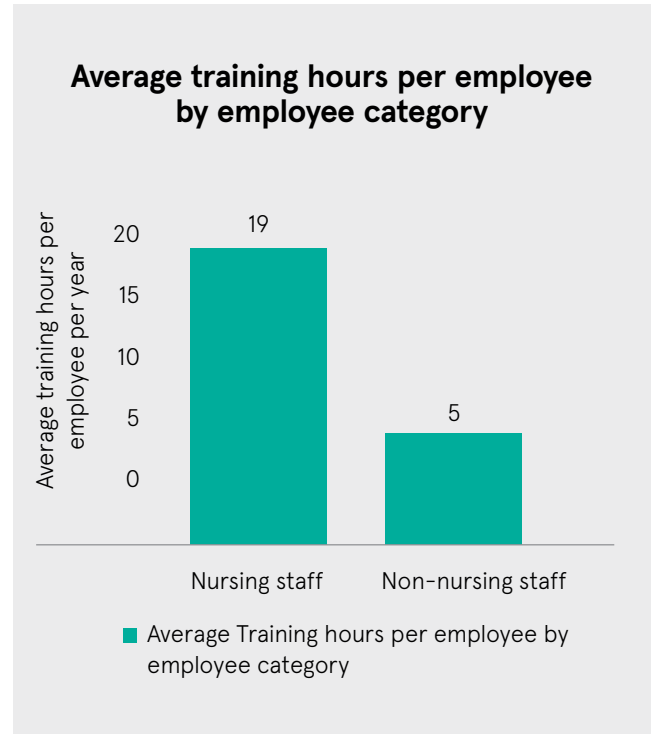
skills and best practices is crucial to the delivery of quality patient care and services to our patrons and their family members. In addition, a well-trained workforce improves employee morale and talent retention by fulfilling their potential and ensures their skill-sets remain current.

TMPL has in place a training policy which strives to develop staff members' work potential and ability. An annual Training and Development Needs Analysis is conducted and involves each staff member and their Immediate Head in identifying and agreeing on their training needs. The Human Resource Department and Nursing Administration Department are responsible for nursing staff's training related matters. All employees undergo a robust annual performance appraisal.

We provide trainings such as general training, competency based training as well as specialty training to employees according to their roles. For example, our front service staff are provided with service training while our support staff such as Operations and Finance undergo technical skills upgrades and attend relevant seminars and conferences. Our employee learning and development interventions and programmes include advanced diplomas and degrees on specific allied health programmes and informal interventions such as on-the-job coaching.

Training and education related initiatives held during the year include development of a potential assessment system for nurses to guide efforts on training, creation of core competency programmes for paediatrics and Obstetrics & Gynaecology ("O&G") as well as creation of preceptor skills programmes. The following are examples of our development programmes for our nurses:





Thomson Touch

Thomson Touch is a development programme dedicated to providing tailored training for our nurses. This programme provides nurses with skills that ensure quality care and service are provided to our patients. Thomson Touch highlights our commitment to our patients as we dedicate extra investment into the training of our nurses.

Nursing staff refer to healthcare assistants and the like, while non-nursing staff include sonographers, radiographers, pharmacists, management, administrative staff etc. Due to the roles and responsibilities of nurses, nursing staff undergo the most number of training hours as compared to our non-nursing staff. Most of our nurses and allied health employees are female due to the nature of our business which focuses on women and children. Hence, the number of training by gender is irrelevant to our business and has not been disclosed.

Diploma programme for nurses

TMPL sponsors selected nurses to attend a full-time advanced diploma programme as a means of upgrading their skill level. The programme focuses on paediatrics and medicine. Nurses are selected based on their performance, and undergo this programme for 9 months. TMPL believes that investment in our staff would allow them to provide our patients with quality care and service.



GOVERNANCE

Environmental Compliance

TMPL understands the importance of compliance with environmental laws and regulations to maintain its licence to operate. In addition to environmental compliance, proper environmental management helps TMPL minimise its business impacts to the environment. Efficiency is enhanced through use of more efficient cooling systems and regular maintenance of energy consuming equipment, thus minimising cost to the business.

Waste including bio-hazard waste, cytotoxic waste and general waste are generated during our operations and we have an SOP in place to ensure the waste are disposed properly. The objective of the SOP is to lay down the guidelines for the proper disposal of bio-hazard waste, cytotoxic waste and general waste in order to safeguard staff from the dangers of injury and to comply with the legal requirements for proper disposal of waste. Our housekeepers ensure the different types of waste are kept and placed separately in the designated bin bags and bin centre and are collected and disposed of by licensed contractors. Needles and glass ampoules are disposed in sharps containers. Moreover, the bin center is checked by our housekeeping staff daily and is cleaned and disinfected when necessary. For bio-hazard wastes and cytotoxic waste, consignment chit is issued after every collection and acknowledged by our staff. Our efforts are part of compliance with infection control and regulatory requirements.

In 2018, there were zero non-compliance incidents with environmental laws and or regulations which resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance⁴.

TMPL plays our part in reducing our environmental footprint beyond compliance. Over the past 2 years, we have progressively replaced our lightings with more

energy efficient LED lighting to our corridors, wards and staircases. This initiative contributed to approximately 2% savings in overall energy expenses per year. In August 2017, we embarked on a chiller replacement project to replace our existing air cooled chiller with a more energy efficient water cooled chiller. The new chiller started operations in July 2018, and we managed to achieve around 15% overall energy savings for the hospital as compared to 2017 for the same period. TMPL monitors our energy consumption through our monthly electricity bills.

Compliance with Laws and Regulations

TMPL practises good corporate governance to operate in a highly regulated healthcare industry as non-compliance will result in hefty fines and reputational damage. Benefits of good corporate governance and compliance include securing stakeholders' trust, economic growth, positive brand image and reputation as well as license to operate, amongst others.

Processes have been continuously enhanced or set in place to ensure compliance with requirements set by Ministry of Health ("MOH"), Private Hospitals and Medical Clinics Act, Personal Data Protection Act ("PDPA"), Companies Act, the Stock Exchange of Singapore, Employment Act and other regulations and statutory requirements. The TMPL Chief Financial Officer is the appointed Data Protection Officer at TMPL. Directives from the MOH and other government bodies are disseminated to the relevant departments, and are updated in our SOP in relation to compliance with regulations and requirements.

During the year, there were zero substantiated complaints concerning breaches of customer privacy and losses of customer data. Additionally, there were zero non-compliance in relation to relevant laws and regulations where non-compliance would have resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms⁵.

⁴ Significant means monetary fines for over SGD 10,000.

⁵ Significant means monetary fines for over SGD 10,000.

LOCAL COMMUNITIES



TMPL contributes to improving the nation's total fertility rate and Singapore's population through raising the community's awareness on family planning and fertility issues.

Several initiatives were implemented by TMPL during the year which target at improving the lives of women and children. We collaborated with various organisations to organise 8 large scale consumer seminars, reaching out to approximately 2,000 participants. These seminars are heavily subsidised by TMPL and participants pay a nominal fee to learn about pregnancy, baby care and parenting.

The seminars aim to educate mothers-to-be with knowledge from renowned obstetricians and paediatricians. Mothers-to-be are also empowered by hands-on training received at breastfeeding and baby-care workshops organised by International Board Certified Lactation Consultants.

In the past 2 years, our fertility clinic, Thomson Fertility Centre ("TFC") has partnered with I Love Children, the voluntary welfare organisation behind the annual Know Your Fertility Wellness Campaign. The campaign reaches out to young adults and couples island-wide on the topic of fertility health and family planning, with the purpose of helping young couples conceive and increasing Singapore's birth rate by advocating a higher priority to having children. TFC has been supporting the campaign with complimentary fertility health screenings and our experts contributing to articles and roadshow talks. In 2018, TFC was the sole private fertility partner sponsoring 200 couples with fertility screening worth \$400 for each screening.

These included the public events on the education of pregnancy and childbirth as well as support the non-profit organisation "I Love Children" with free fertility screening to encourage couples to have children early.

GRI CONTENT INDEX

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GENERAL DISCLOSURES		
Organisational Profile		
102-1	Name of the organisation	Thomson Medical Group Limited
102-2	Activities, brands, products, and services	About Thomson Medical Group Limited, Page 1
102-3	Location of headquarters	About Thomson Medical Group Limited, Page 1
102-4	Location of operations	About Thomson Medical Group Limited, Page 1
102-5	Ownership and legal form	Thomson Medical Group Limited 2018 Annual Report, Page 160
102-6	Markets served	About Thomson Medical Group Limited, Page 1
102-7	Scale of the organisation	About Thomson Medical Group Limited, Page 1
102-8	Information on employees and other workers	Training and Education, Page 14-15
102-9	Supply chain	The organisation's supply chain consists of sourcing, evaluating, purchasing, storage and distribution of pharmaceutical supplies, drugs, medical devices, equipment and personal products as well as clinical services such laboratory and radiology services. Products under the house brand are produced and packaged locally in order to support local suppliers.
102-10	Significant changes to organisation and its supply chain	Completion of the acquisition of the healthcare business in April 2018
102-11	Precautionary principle or approach	TMPL's Enterprise Risk Management ("ERM") includes environmental risk management such as disease outbreaks.
102-12	External initiatives	TMPL currently does not have any external initiatives.
102-13	Membership of associations	TMG is a member of the Healthcare Information and Management Systems Society ("HIMSS"), Sale of Infant Foods Ethics Committee Singapore ("SIFECs"), Reproductive Technology Accreditation Committee ("RTAC"), Singapore Business Association ("SBA") and Singapore National Employer Federation ("SNEF")
Strategy		
102-14	Statement from senior decision-maker	Board Statement, Page 2
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Approach, Page 4

GRI STANDARD S		NOTES/PAGE NUMBER(S)
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Governance		
102-18	Governance structure	Board Statement, Page 2 Sustainability Approach, Page 4
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement, Page 6
102-41	Collective bargaining agreements	Not applicable. TMPL does not have or belong to any Union and are not bound by any collective agreements.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Page 6
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 6
102-44	Key topics and concerns raised	Stakeholder Engagement, Page 6
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements 2018 Annual Report, Page 116-117
102-46	Defining report content and topic Boundaries	About this Report, Page 3
102-47	List of material topics	Materiality Assessment, Page 5
102-48	Restatements of information	Not applicable as the report for this year is of a different scope.
102-49	Changes in reporting	Board Statement, Page 2
102-50	Reporting period	About This Report, Page 3
102-51	Date of most recent report	The Sustainability Report 2017 was published in June 2018.
102-52	Reporting cycle	Annual
102-54	Claims of reporting in accordance with GRI Standards	About This Report, Page 3
102-55	GRI content index	GRI Content Index, Pages 18-21
102-56	External assurance	TMG has not sought external assurance on this Report.

GRI STANDARD S		NOTES/PAGE NUMBER(S)
GENERAL DISCLOSURES		
Reporting Practice		
103-1	Explanation of the material boundary and topic	<p>The material factor boundaries are defined as where TMPL has significant impacts and has caused or contributed to the impacts through its business relationships.</p> <p>Material factors with internal boundaries are as follows:</p> <ul style="list-style-type: none"> · Economic Performance · Occupational Health and Safety · Training and Education <p>Material factors with internal and external boundaries are as follows:</p> <ul style="list-style-type: none"> · Customer Satisfaction · Customer Health and Safety · Environmental Compliance · Compliance with Laws and Regulations · Local Communities
Material Topics		
Economic Performance		
103-2	The management approach and its components	Letter to Shareholders 2018 Annual Report, Page 6-9 Operations Review 2018 Annual Report, Page 24-33 Financial Highlights Annual Report, Page 34-35 Financial Contents Annual Report, Page 51-159
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	
Customer Health and Safety		
103-2	The management approach and its components	Customer Health and Safety, Page 10-11
103-3	Evaluation of the management approach	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	

GRI STANDARDS		NOTES/PAGE NUMBER(S)
GENERAL DISCLOSURES		
Occupational Health and Safety (2018)		
403-1	Occupational health and safety management system	Occupational Health and Safety, Page 12-13
403-2	Hazard identification, risk assessment, and incident investigation	Recordable work-related injuries refer to injuries that are reported to the authorities.
403-3	Occupational health services	Rate of recordable work-related injuries for both employees and workers who are not employees but whose work and/ or workplace is controlled by the organisation are zero.
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	Number of hours worked for employees is 1,559,376, while number of hours worked for workers who are not employees but whose work and/ or workplace is controlled by the organisation is 62,400.
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-9	Work-related injuries	
Training and Education		
103-2	The management approach and its components	Training and Education, Page 14-15
103-3	Evaluation of the management approach	
404-1	Average hours of training per year per employee	
Environmental Compliance		
103-2	The management approach and its components	Environmental Compliance, Page 16
103-3	Evaluation of the management approach	
307-1	Non-compliance with environmental laws and regulations	
Compliance with Laws and Regulations		
103-2	The management approach and its components	Compliance with Laws and Regulations, Page 16
103-3	Evaluation of the management approach	
419-1	Non-compliance with laws and regulations in the social and economic area	



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