

isecTM
HEALTHCARE
SUSTAINABILITY REPORT 2022



**BUILDING ON RECOVERY
AND OPPORTUNITIES**

Contents

1. ISEC Healthcare Performance Highlights	2
2. About ISEC Healthcare Ltd.	2
3. About the Report	3
4. Board Statement	4
5. Sustainability at ISEC Healthcare	5
5.1. Sustainability Governance	5
5.2. Stakeholder Engagement.....	6
5.3. Materiality Assessment.....	9
5.4. Contributing to the UN Sustainable Development Goals	10
6. Social: Providing World-class Service to Our Patients	15
6.1. Excellent Service Quality	15
6.2. Supply Chains of ISEC KL, SSEC and ISEC Penang	17
7. Social: Developing a High-Performing Workforce	18
7.1. Employee Demographics	18
7.2. Training and Development.....	19
7.3. Occupational Health and Safety	21
8. Governance: Corporate Governance	24
8.1. Enterprise Risk Management.....	25
8.2. Protection of Personal Data and Security of Information	25
9. Environment: Caring for the Environment.....	26
9.1. Energy and Carbon Footprint.....	26
9.2. Waste Management	27
9.3. Task Force on Climate-Related Financial Disclosures (TCFD)	29
10. GRI Content Index	32
12. Appendix	36

1. ISEC Healthcare Performance Highlights¹

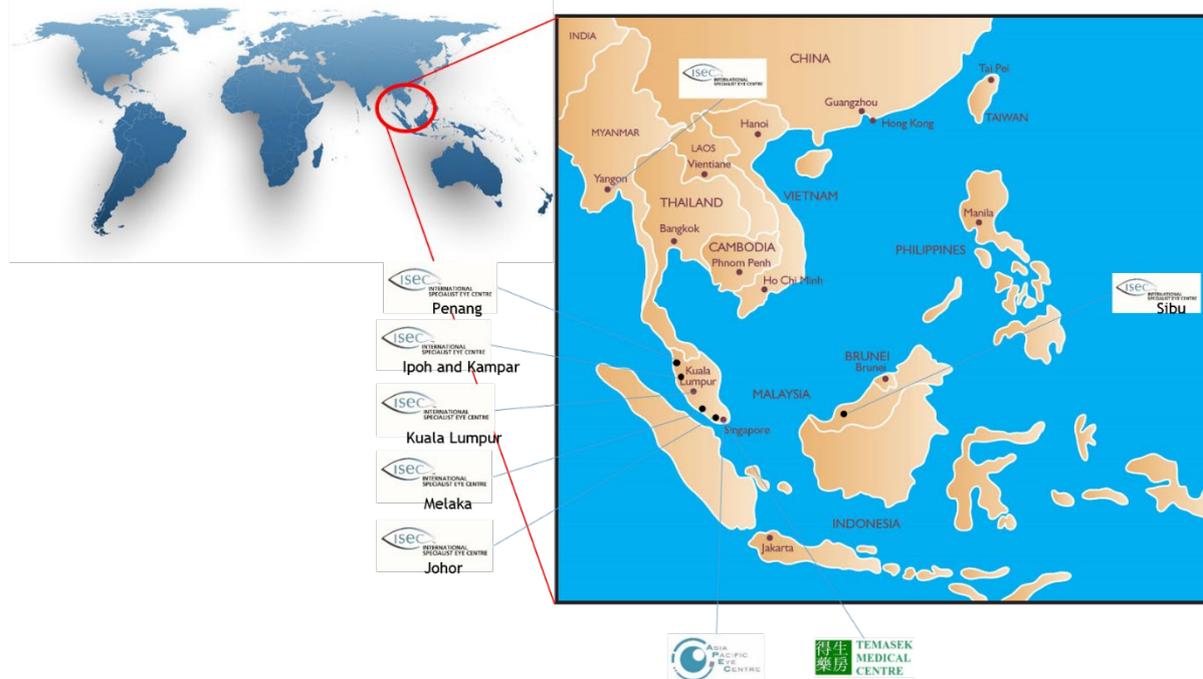
As of 31 December 2022,



2. About ISEC Healthcare Ltd.

Listed on the Catalist 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.

Figure 1: Location of ISEC Healthcare Ltd. Clinics



¹ tCO₂e is short for "tonnes of carbon dioxide equivalent," which is about all GHG emissions (e.g. carbon dioxide, methane, and refrigerants, etc.) together in the same measurement.

Backed by more than 10 years of track record, the ISEC brand possesses strong brand equity and is recognised for its world-class and high-quality eye care services. In Malaysia, the Group operates medical eye care centres in Kuala Lumpur, Melaka, Penang, Johor, Ipoh, Kampar and Sibiu. 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, and successfully obtained its latest JCI reaccreditation in March 2022.

In Singapore, ISEC Eye Pte. Ltd. (“ISEC Eye”) provides specialist medical ophthalmology to Asia Pacific Eye Centre located at Gleneagles Hospital. In 2016, the Group expanded its healthcare services to include general medical services and procedural 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..

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 operates and administers ophthalmology centres and provide medical consultations and services in Myanmar.

ISEC Healthcare’s mid-term goal is to further grow our ophthalmology business in China, Vietnam and Myanmar markets due to their high growth potential in South-East Asia, while expanding our existing operations in Singapore and Malaysia. ISEC Healthcare is in discussions with Aier Eye Hospital Group to expand and grow operations in China.

3. About the Report

ISEC Healthcare is pleased to present its annual Sustainability Report which has been prepared in accordance with SGX’s Sustainability Reporting Guideline and the Global Reporting Initiative (“GRI”) Standards – “Core” option, the international sustainability reporting framework. GRI is widely adopted for sustainability reporting, enabling us to achieve comprehensive and comparable disclosure of environmental, social and governance (“ESG”) performance.

This report discloses the sustainability performance of ISEC Healthcare from 1 January to 31 December 2022 (“FY2022”), with FY2021 used for comparison for certain material matters where applicable. In FY2022, ISEC Healthcare continues to enhance and stabilise its data collection systems while exploring the possibility to expand its reporting scope in subsequent reports.

Table 1: Group entities scoped in ISEC Healthcare’s Sustainability Report

Included in Scope	Excluded from Scope
<ul style="list-style-type: none"> • ISEC Sdn. Bhd. (“ISEC KL”) • Southern Specialist Eye Centre (“SSEC”) • ISEC (Penang) Sdn. Bhd (“ISEC Penang”) <p>Note: ISEC Healthcare’s headquarters in Singapore is also part of the reporting scope</p>	<ul style="list-style-type: none"> • ISEC Eye Pte. Ltd. • International Specialist Eye Centre Pte. Ltd. • ISEC Global Pte. Ltd. • JL Medical (Bukit Batok) Pte. Ltd. • JL Medical (Sembawang) Pte. Ltd. • JL Medical (Woodlands) Pte. Ltd. <p><i>For full list of excluded entities please refer to Appendix, Page 36.</i></p>

In FY2017, we began reporting on ISEC KL's operations and have gradually expanded to include SSEC in FY2019 and ISEC Penang in FY2020. FY2022's Sustainability Report only includes ISEC KL, SSEC and ISEC Penang where the data collection systems are considered mature. Clinics which are in the midst of improving data collection systems for sustainability reporting have been excluded from the scope. ISEC Healthcare looks to include other clinics in the subsequent years.

As mandated by SGX, an internal review is now mandatory for sustainability reports for fiscal year commencing from 1 January 2022 onwards. From 2022 to early 2023, ISEC Healthcare has engaged internal auditors to review its existing sustainability reporting processes. The internal review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The scope included a risk-based review of the processes including but not limited to the sustainability governance and management; the identification, prioritisation and assessment of ESG-related risks and opportunities; reporting relevant sustainability information; climate-related disclosures; and compliance with local regulatory reporting requirements.

4. Board Statement

ISEC Healthcare strives to operate and interact with stakeholders in a transparent and sustainable manner amid the recovery of operations following the relaxation of COVID-19 pandemic restrictions and measures. The Board of Directors (the "Board") of ISEC Healthcare has delegated the responsibility of identifying, assessing and documenting material business risks including climate-related risks to the Sustainability Steering Committee ("SSC" or the "Committee"). Thereafter, 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.

ISEC Healthcare is committed to promoting a diverse, inclusive, and collaborative culture. The Board recognises that a diverse board is an important element which will better support the Company's achievement of its strategic and business objectives for sustainable development. Our Board Diversity Policy aims to enhance the decision-making process and governance of the Board through the perspectives derived from the various skills, knowledge, professional experiences, genders, ages, length of service and other distinguishing qualities of the Directors.

ISEC Healthcare strives to conduct its business responsibly, to minimise its impacts on the environment and society at large. As we continue on the path towards sustainability, ISEC Healthcare maps its sustainability efforts towards the United Nations Sustainable Development Goals ("UN SDGs") Goal 3 (good health and well-being), Goal 8 (decent work and economic growth) and Goal 12 (responsible consumption and production). Further details of the three goals and ISEC Healthcare's efforts are explained within this report.

With more than three years of living with COVID-19, many countries begin easing their COVID-19 safe management measures and restrictions with the intention to treat COVID-19 as an endemic condition. Countries begin reopening their borders as the world progresses towards new norms of travel, business and lifestyle activities. However, with the possible emergence of more COVID-19 variants in the future, there remains uncertainty among businesses and communities.

ISEC Healthcare is committed to working towards climate change mitigation and we demonstrate this through our Sustainable Development Strategy. ISEC Healthcare will focus on short and medium-term strategies to ensure a diligent and focused approach from our team. Our short-term strategy is to grow our ophthalmology business in Malaysia, Singapore, and Myanmar whilst increasing and retaining our talent pool of Consultant Ophthalmologists, doctors and medical support professionals. Achieving this will allow ISEC Healthcare to stay forefront of the ophthalmology services industry by driving innovation and adopting cutting-edge technology.

Our medium-term strategy over the next 5-10 years, is to grow our ophthalmology business in China, Vietnam and markets with high growth potential in Southeast Asia. In addition, we continue to build our ISEC brand name as a trusted brand for our loyal client base in the region and to strengthen our capital base through the conscious accumulation of our earnings to provide financial flexibility in broadening our financing options for the proposed business expansion.

5. Sustainability at ISEC Healthcare

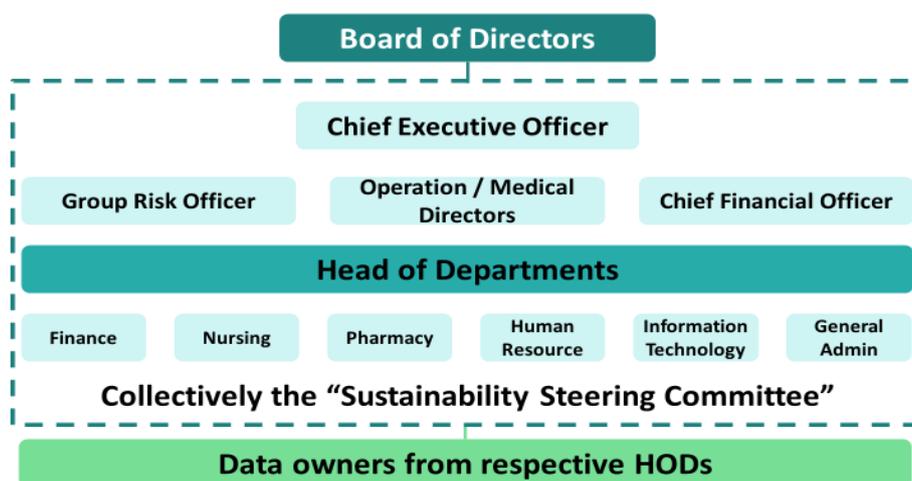
5.1. Sustainability Governance

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, legal services and other professional competencies.

Since FY2017, the SSC has assisted the Board on overseeing the implementation of sustainability initiatives across ISEC Healthcare’s operations. Starting FY2022, the SSC has also been delegated by the Board to oversee the identified climate risks.

The SSC comprises the Chief Executive Officer, Group Risk Officer, Operation/Medical Directors, Chief Financial Officer, as well as the various Heads of Departments (“HODs”). The SSC drives the sustainability initiatives, ensuring that they are being carried out across the relevant departments shown in Figure 2. Data owners working alongside HODs will collate and report the sustainability performance to the SSC for review. This 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 allows ISEC Healthcare to focus on the appropriate matters and allocate requisite resources to meet the respective stakeholders' interests. At ISEC Healthcare, stakeholders' interests are considered at every business decision. The Management has identified six groups of stakeholders that are key to our business operations. Our approach towards stakeholder engagement is presented below.

Table 2: Stakeholder Engagement

Key Stakeholders	Basis of identifying and selecting	Engagement Methods	Frequency of Engagement	Stakeholders' Concerns	ISEC Healthcare's Response to Stakeholders' Concerns
Customers (i.e. Patients and Visitors)	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 Facebook pages Customer reviews and feedback are welcomed and addressed on Google Review 	<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 Delay in treatment and surgeries 	<ul style="list-style-type: none"> Implementation of appointment and queue system Competitive pricing Pre-treatment counselling Prompt communication with patients if re-arrangement on appointments needed any postponement in surgeries / treatment
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 Job security Safety protocols within ISEC Healthcare clinics 	<ul style="list-style-type: none"> Performance appraisals and reward system Coaching and training Regular communication between Heads of Departments and staff No retrenchment exercise due to COVID-19 Prompt communication of safety protocols to employees
Government	Healthcare industry is highly regulated; therefore, understanding	<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 with rules and regulations 	<ul style="list-style-type: none"> Monitor relevant regulatory developments Ensure compliance with the regulatory requirements including COVID-19 regulations

Key Stakeholders	Basis of identifying and selecting	Engagement Methods	Frequency of Engagement	Stakeholders' Concerns	ISEC Healthcare's Response to Stakeholders' Concerns
	government's requirements and ensuring compliance is imperative to maintain the Group's clinics' licenses to operate.				
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 and podcasts • 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 • Maintain support towards community initiatives such as eye tests and awareness talks 	<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) • Educational videos, covering topics relating to eye healthcare such as cataract, eye problems in children, glaucoma, diabetic and eye diseases and many more
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 • Announcements on business development updates • Virtual meetings • Emails / Feedback channels 	<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

Key Stakeholders	Basis of identifying and selecting	Engagement Methods	Frequency of Engagement	Stakeholders' Concerns	ISEC Healthcare's Response to Stakeholders' Concerns
Suppliers	Good working relationship with suppliers helps to ensure punctual supply and support at competitive prices	<ul style="list-style-type: none"> Regular meetings, phone calls and email correspondences 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 introduction of future sustainability efforts.

ISEC Healthcare conducted its first materiality assessment in FY2017 to identify and prioritise its material ESG matters. The ESG matters are reviewed every year to ensure their continuing relevance to the business and its stakeholders, as well as aligning with the sustainability context of the healthcare industry. The results and materiality assessment process from FY2017 to FY2022 are shown in Figure 3.

Figure 3: Materiality Assessment Process

FY2017	From FY2018 to FY2022 (annually)
<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>In FY2022, the COVID-19 pandemic continued to be considered in the annual review of ESG matters. The existing ESG matters were deemed to be relevant to our business and stakeholders.</p> <p>The ESG matters were subsequently presented to the Board of Directors for validation.</p>

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

Figure 4: Results of Materiality Assessment

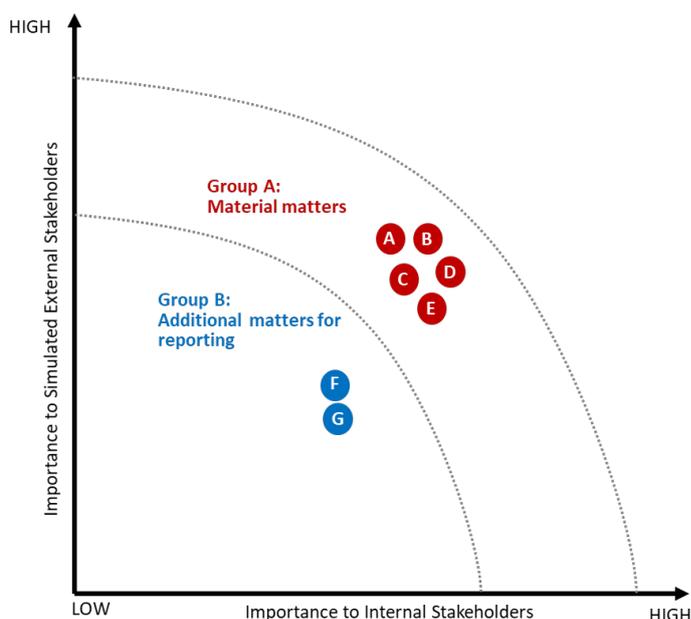


Table 3: Mapping of ISEC Healthcare's Material and Additional Matters to GRI Topic-Specific Disclosures

Mapping ESG Matters for reporting to GRI topics			
No.	ESG Matters	Definition	GRI Topic-Specific Disclosures ²
A	Excellent Service Quality	Offer best-in-class and safe treatment to ISEC Healthcare'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 work-related injuries, etc.	GRI 403 Occupational Health and Safety 2018 (403-9)
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.	GRI 205 Anti-corruption (205-3) GRI 2-27 Compliance with Laws and Regulations

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 Waste (306-1, 306-2 and 306-3)
G	Energy and Carbon Footprint	Efficient use of energy to minimise carbon footprint arising from ISEC Healthcare's operations.	GRI 302 Energy (302-1) GRI 305-1, 305-2 Emissions (Scope 1 and 2)

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

² Unless otherwise stated, ISEC Healthcare continues to report in accordance with GRI Standards 2021 topic-specific disclosures. We acknowledge that the GRI Standards 2021 will be effective for reports or other materials published on or after 1 January 2023, which will be applicable for ISEC Healthcare's FY2023 SR.

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 Healthcare’s 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 4: 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 working 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 with 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
Physical and Online talks, podcasts and virtual awareness topics such as cataract, paediatric ophthalmology, glaucoma and COVID-19-related topics, available in English, Mandarin and Cantonese	Provision of complimentary updated influenza vaccination for all employees	Replacement of conventional light fittings to LED type
Provided consultation to patients in Myanmar via tele-consultation	Performance-based promotions for suitable employees	Refurbishment of existing medical equipment such as replacing faulty lamps, parts of the microscope and tonometer ³ across clinics instead of purchasing new units
Relevant Material Matters		

³ A tonometer is an instrument used to determine the pressure inside the eye and the test conducted helps to check for glaucoma.

Excellent Service Quality (Pg. 15-16)	<ul style="list-style-type: none"> • Training and Development (Pg. 19-21) • Occupational Health and Safety (Pg. 21-23) 	<ul style="list-style-type: none"> • Energy and Carbon Footprint (Pg. 26-27) • Waste Management (Pg. 27-28)
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In contribution to SDG 3: *Good Health and Well-Being*, our clinics 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 World Glaucoma Day since 2010, except for 2020 when Malaysia was hit by the COVID-19 pandemic. We have since resumed the complimentary eye screenings on World Sight Day and World Glaucoma Day in 2022. Since 2020 with the implementation of safe distancing and travel restriction measures, and despite the relaxation of such measures, our doctors had voluntarily developed educational videos to continue to share their expertise with the community, covering topics relating to eye healthcare such as cataract, eye problems with children, glaucoma, diabetic eye disease and many more. Our doctors also actively attend both physical (when safe distancing and/or movement restrictions were lifted) and virtual 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. More details are showcased in the Case Studies below.

Case Study 1: World Sight Day 2022

Each year, ISEC KL, SSEC and ISEC Penang organise events on World Sight 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.

This year, the event returned to be held as a physical event where ISEC Healthcare’s ophthalmologists shared information on numerous common and important eye diseases. The theme for FY2022 was titled #LoveYourEyes which called out to participants who were able to book an eyesight test, exam or screening to check on the wellbeing of their eyes. Across the two events held, eye care topics on red eye, cataract and glaucoma were shared. Our events received a total of 244 attendees, amongst whom the clinics identified 127 eye disorders.



Above: Promotional poster for October’s World Sight Day 2022 event

Case study 2: ISEC KL's participation in Ministry of Health outsourcing initiatives

The continued disruption of medical services around Malaysia in 2021 caused by the COVID-19 pandemic had resulted in a growing backlog of patients at the Malaysia's Ministry of Health ("MOH") facilities. Since 2020, MOH had begun outsourcing medical services for non-COVID-19 patients to private hospitals and clinics to help overcome the backlog issue. ISEC KL participated in MOH's outsourcing initiatives to perform vitreo-retinal surgeries and procedures for public healthcare patients. ISEC KL received and served 26 patients referred by MOH between August 2022 and December 2022, valued at RM450,000.

Case study 3: ISEC Healthcare Ophthalmology Symposium 2022

ISEC Healthcare conducted its annual Ophthalmology Symposium virtually on Zoom in FY 2022. The three-hour event was held to help raise awareness and share information around acute eye conditions, chronic eye conditions and how to address them. The event was held as a free-to-attend live online event on 26th November 2022 and received 303 live viewers.

**ISEC SYMPOSIUM 2022
OPHTHALMOLOGY:
TO INFINITY AND BEYOND**

▶ VIRTUAL ZOOM PLATFORM
 ▶ 26th November 2022, Saturday
 ▶ 3:00pm - 6:00pm

Scan Me for Registration

TIME	TITLE	SPEAKER
FIRST SESSION		
3:00pm - 3:05pm	Welcome & Introduction	Dr. Wong Jun Shyan, Dr. Gan Eng Hui, Dr. Yew Chien Voon
3:05pm - 3:15pm	Patient with Patients	Dr. Kamala Devi Lingam
3:15pm - 3:25pm	Bayer Symposium	TBC
3:25pm - 3:35pm	Allergic Eye Disease	Dr. Azura Ramlee
3:35pm - 3:45pm	The Case of Mysterious Floaters	Dr. Janie Foo Mei Li
3:45pm - 3:55pm	Changing The Window To The Soul	Dr. Adrian Tey
3:55pm - 4:05pm	Vitreotomy: Updates	Dr. Ho Whye Ginn
4:05pm - 4:20pm	Q&A Session 1	All Speakers
4:20pm - 4:30pm	Break Time	
SECOND SESSION		
4:30pm - 4:40pm	Micro-invasive Glaucoma Surgery: Smaller, Faster, Better?	Dr. David Woo Wen Wei
4:40pm - 5:00pm	Eye on Sahara Desert	Dr. Chan Jan Bond
5:00pm - 5:10pm	Macular Degeneration - Past, Present and Future	Dr. Alan Ang Jin Soon
5:10pm - 5:20pm	A Hairy Affair	Dr. Tan Siow Wei
5:20pm - 5:30pm	Beyond Cataracts: Don't Lose Sight of Your Ageing Eyes	Dr. Ang Wen Jeat
5:30pm - 5:40pm	Are We Too Short-Sighted?	Dr. Tsang Ung
5:40pm - 5:55pm	Q&A Session 2	All Speakers
5:55pm - 6:00pm	Closing Remark	Dr. Gan Eng Hui, Dr. Yew Chien Voon

Above: Promotional poster and schedule of events for ISEC Healthcare Ophthalmology Webinar conducted on 26th November 2022

Case study 4: Free Eye Screening during World Glaucoma Week 2022

In conjunction with World Glaucoma Week, on 11th March 2022, complimentary eye screening was provided to members of the public who were 40 years and above with a strong family history of glaucoma. They were also welcomed to sign up for a free eye screening with ISEC Healthcare's ophthalmologists where a total of 18 patients were screened.

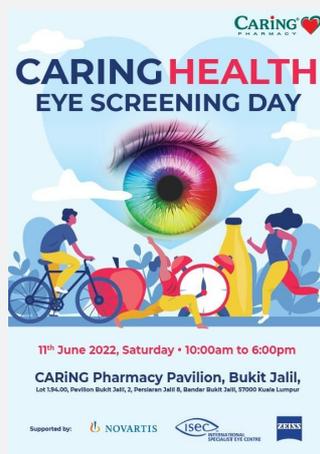


Left: Poster for World Glaucoma Week 2022 at ISEC KL

Central and Right: Eye screening at SSEC during World Glaucoma Week

Case study 5: ISEC Healthcare Collaborations 2022

In our efforts to further the outreach and growth of ISEC Healthcare, we embarked on collaborations with other companies and pharmacies which had similar values and goals as ours. Our collaboration with Caring Pharmacy looked to provide our eye screening services to a new customer base and community by holding our screenings in their pavilion. This helped to widen the reach of our eye screening services and improve the public's knowledge on eye-related healthcare.



Poster for collaboration for Caring Pharmacy with ISEC KL

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

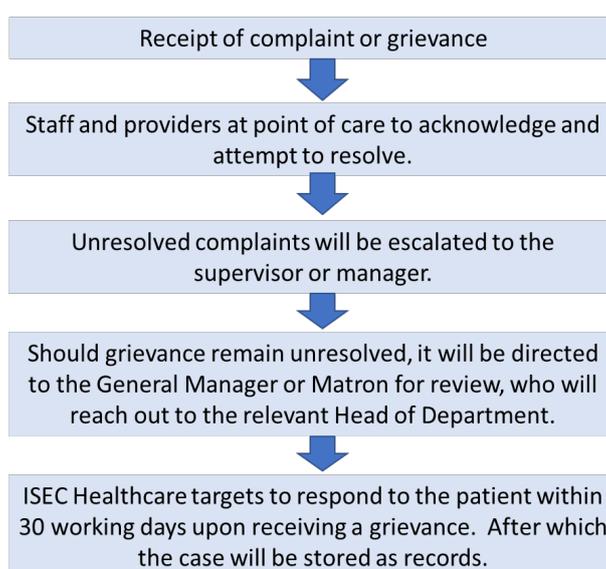


6.1. Excellent Service Quality

As a one-stop speciality medical eye care service provider, ISEC Healthcare remains committed to providing high-quality, world-class services, with integrity and compassion to the community. We have a team of high calibre and experienced ophthalmologists, possessing extensive knowledge through numerous clinical experiences in the trainings and past clinical appointments at renowned eye centres in Singapore, Australia, United Kingdom and the United States.

Dedicated personnel at each of the clinics are appointed to oversee the Patient Complaint, Grievance and Feedback Procedure. It guides employees on the necessary steps to be taken in resolving grievances or complaints received from patients or next-of-kin in a timely, reasonable and consistent manner. Figure 5 outlines the key steps taken from the receipt of a complaint to the conclusion of the case.

Figure 5: Patient Complaint, Grievance and Feedback Procedure



In FY2022, we have begun the transition to collect feedback through Google Reviews for our clinics. This is to serve as a consistent measurement for our clinics to adhere to and to make our customer satisfaction data more readily available to both customers and stakeholders of ISEC Healthcare.

Table 5: Google Review Results for ISEC Healthcare's clinics for FY2022

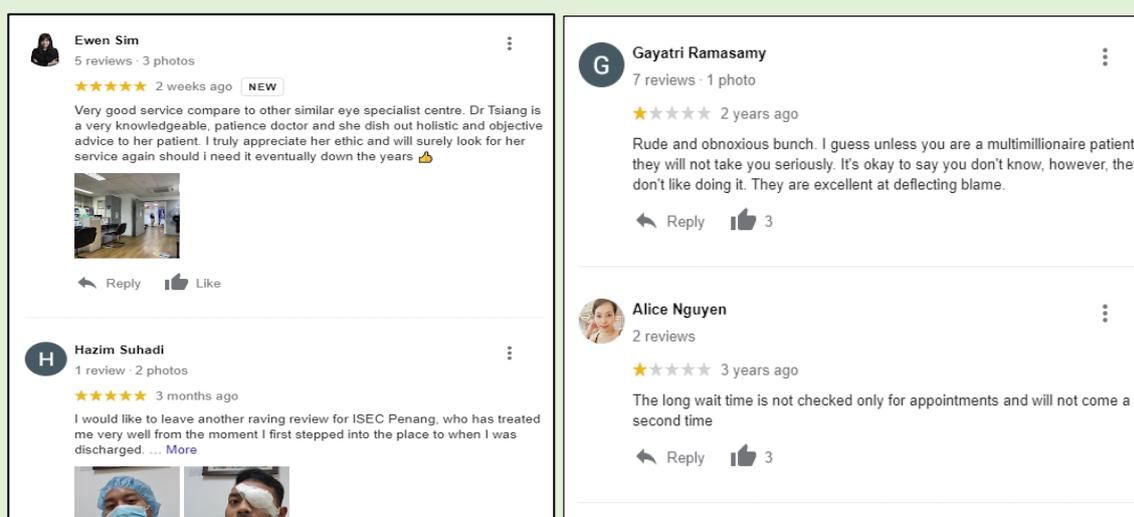
Star(s)	Number of Reviews / %
5	377 / 89%
4	18 / 4%
3	3 / 1%
2	4 / 1%
1	19 / 5%
Total:	421

Targets and Performance

Focus Areas	Perpetual Target	FY2022 Performance
Service Quality and Patient Satisfaction	To achieve a Google Review rating of: - 4.5 or higher for ISEC KL and ISEC Penang - 4.0 for SSEC, by end of FY2022	 Not achieved <ul style="list-style-type: none"> • ISEC KL is close to achieving the target with a 4.4 rating as at the end of FY2022 • ISEC Penang has achieved the target with a 4.6 rating as at the end of FY2022 • ISEC SSEC has achieved the target with a 4.0 rating as at the end of FY2022
Customer Health and Safety	Zero reportable cases of non-compliance regarding health and safety impacts of products and services	 Achieved

Highlight 1: Positive and negative quotes received from Google Reviews and/or feedback forms.

All feedback from Google Reviews is collated and reviewed by the CEO/Medical Director/Assistant Medical Director, and General Manager. The feedback is discussed with the respective HODs be it positive or negative and when necessary, the required improvements or changes are made. At the moment, there is no graph or chart to display this reporting structure, but we have plans to develop this for FY2023. Negative feedback is reviewed with the respective HODs and doctors. If we can contact the patient, a call will be made to the patient to better understand the issue the patient had experienced, before further investigations into the root cause and attempt to resolve the matter. We also bring up all case studies to our concerned staff so as to allow them to explain the situation. In the event they are unable to handle the situation, the case will be escalated to the clinic manager or the doctor.



Left: Example of a positive review on Google Reviews

6.2. Supply Chains of ISEC KL, SSEC and ISEC Penang

In FY2022, the supply chain of the three clinics comprised over 300 suppliers including those providing medical supplies such as lenses, consumables, medical equipment, medications and laboratory services to the three clinics. We also engage third-party cleaners⁴ in ISEC KL and ISEC Penang. Licensed waste management contractors were engaged across all three clinics for medical waste disposal. 99% of our suppliers are based locally.

Suppliers continue to be screened and assessed against stringent criteria before engagement. Product certifications and quality assurance encompass passing 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 undergo an annual evaluation based on quality, communication, timeliness of delivery and support provided. 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, the three clinics organise joint activities with suppliers as part of our efforts to contribute to the community, such as conducting free eye screening tests, eye-health awareness talks and campaigns.

In FY2022, our clinics experienced medication shortage arising from global supply chain crisis. Medication shortages affected clinic workflow as pharmacists needed to advise doctors to switch to alternatives and prescribe new medications, which caused longer patient waiting times. Additionally, we saw patients approaching ISEC Healthcare to purchase medications that were out-of-stock elsewhere or not readily available from external vendors. This affected our clinics workflow as orders and approvals were required from doctors before the prescriptions can be given to these patients.

The following steps were taken to mitigate the impacts of this global supply chain crisis:

1. Searching for alternative products and suppliers either from Malaysia or from other countries.
2. Stocking up products and supplies in advance accordingly if advanced notice of potential shortages were given by suppliers.
3. Increasing our stock holding of up to six months (for certain medications)
4. Factoring in longer lead time in the setting up of new facilities for expected shipment delays of new equipment.

Across our existing facilities, we have routine planned maintenance for our existing machines, and vendors will provide temporary replacements while our existing machines are being repaired or undergoing maintenance, thereby mitigating operating risks.

⁴ SSEC has a full time cleaner to carry out daily cleaning job.

7. Social: Developing a High-Performing Workforce

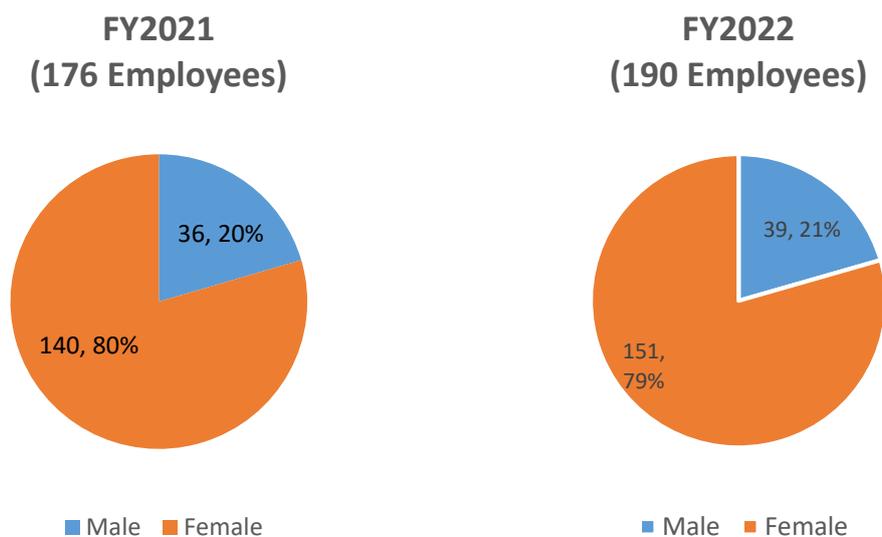


7.1. Employee Demographics

Employees are core to every business, essential to ensure the Group continues delivering excellent service quality and maintaining market leadership in private ophthalmology. As such, ISEC Healthcare strives to attract and retain highly qualified and experienced specialist doctors, management, clinical staff and infrastructure support staff.

In FY2021 and FY2022, employment numbers for the three clinics remained relatively constant with majority of employees holding permanent and full-time positions. In FY2022, there were a total of 18 workers⁵ employed for general cleaning services, waste disposal and medical equipment maintenance at ISEC KL, SSEC and ISEC Penang. The breakdown of employees by gender, employment contract, type and category are shown in Figure 6.

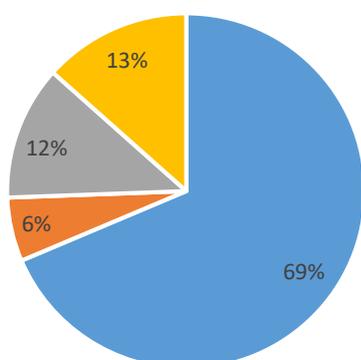
Figure 6: Breakdown of Employee by Gender and Employment Category



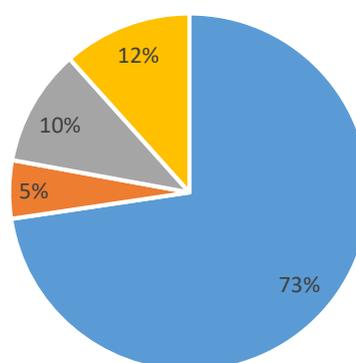
⁵ In arriving at the number of workers, non-employees are excluded as they work on ad-hoc basis. SSEC does not engage any such workers.

Employment Contract	FY2021		FY2022	
	Male	Female	Male	Female
Permanent	36	138	39	151
Temporary	0	2	0	2
Employment Type	FY2021		FY2022	
	Male	Female	Male	Female
Full-Time	36	138	39	151
Part-Time	0	2	0	2

FY2021
(176 employees)



FY2022
(190 employees)



■ Non-executive ■ Executive (HOD) ■ Manager / General Manager ■ Doctor

ISEC Healthcare continues to ensure the job security of our employees during the COVID-19 situation. There have not been any manpower restructuring or retrenchment exercises during the year.

7.2. Training and Development

ISEC Healthcare strives to equip our employees with adequate training, cultivating a culture of continuous learning and development. With a high-performing and motivated workforce, employees can better adapt to the changing market, which allows ISEC Healthcare to remain relevant in the competitive medical industry.

The Human Resource (“HR”) department at ISEC KL is responsible for overseeing the learning and development programmes for staff across all three clinics and assists its medical staff to fulfil Continuous Professional Development (“CPD”) requirements for renewal of their respective licenses under the respective Medical Regulations 2017 for doctors and Provisions in the Nursing Act 2015 for nurses. In FY2022, doctors and medical staff have resumed their training to fulfil the CPD requirements by the respective medical associations to maintain their licenses.

Throughout the year, the HR department organised various training programmes, on-the-job trainings and other career counselling activities. To encourage continuous and proactive learning, a ‘Training Needs Identification’ form is made available to employees for which requests can be made to enrol themselves into specific courses relevant to their job scopes.

Table 6: Types of Training Programmes

Types of Training Programmes	Examples
Technical (medical-related)	<ul style="list-style-type: none"> • Basic Life Support Training • Medical Devices Reprocessing Workshop
Technical (non-medical related)	<ul style="list-style-type: none"> • Payroll Administration & PCB calculation • ESG in Financial Reporting • Malaysian Financial Reporting Standards (Updates and refresher course) • A Comprehensive Review of Latest Developments in MFRS • Fundamentals of Human Resource Management
Soft skills	<ul style="list-style-type: none"> • Business Writing Skills
Onboarding	<ul style="list-style-type: none"> • Two-day General Induction program and On-The-Job Training by respective department heads at ISEC KL (Includes training on anti-corruption) • One-day Induction program for new employees and subsequent job trainings by respective HODs at SSEC and Penang
Anti-Corruption	<ul style="list-style-type: none"> • An Anti-Bribery & Corruption Awareness Training was conducted across all three clinics in line with the introduction of Malaysian Anti-corruption Commission (“MACC”) Act A1657

In FY2022, our doctors have resumed Continuous Medical Education (“CME”) talks for employees, covering various topics on eye diseases and treatment methods. We received a total of 448 participants across the six CME talks held during the year.

Table 7: Continuous Medical Education (“CME”) talks for employees

Date:	Speaker:	Topic:	No. of Participants
21/07/2022	Dr David Woo Wen Wei	Glaucoma	78
25/08/2022	Dr Yew Chien Voon	What does an oculoplastic surgeon do?	84
15/09/2022	Dr Ho Whye Onn	Blurry vision	76
13/10/2022	Dr Chan Jan Bond	Innovation in Ophthalmology	69
24/11/2022	Dr Shereen Tang	Code Blue	84
15/12/2022	Matron Alice & Firdaus	Fire Safety	57

In FY2022, we have resumed critical medical trainings and conducted virtual seminars, other activities such as participation in clinical trials, teaching activities and clinical attachments were resumed with easing of COVID-19 restrictions.

100% of employees across the three clinics went through the annual performance appraisal in FY2022. Results from the evaluation were used to facilitate discussions, highlighting strengths and areas for improvement. These will help in employees’ development plans for the forthcoming year as well as explore relevant future training programmes.

Figure 7: ISEC Healthcare’s Approach to Performance Management and Appraisal

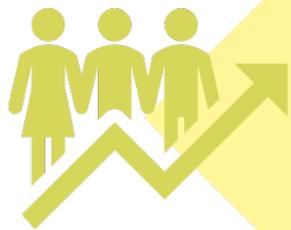


Key Performance Index

Employees will be evaluated based on two separate metrics:

- (i) Professionalism (Knowledge and Personal Attributes)
- (ii) Soft Skills (Communication and Personal Grooming)

Based on the results, the appraiser has an open discussion with the appraisee on strengths and areas for improvements.



Employee Development Plan

Based on the discussion with the appraiser, the employee will prepare a plan to capture their learning needs and goals for the upcoming year.

HODs will review this plan with the employee, provide suggestions to refine the plan and/or propose suitable training programs for the employee.

Targets and Performance

Focus area	Perpetual target	FY2022 Performance
Training and Development	Continue with full appraisal and performance review	<p>● Achieved</p> <p>100% of employees from both clinics received annual performance review from their supervisors.</p>

7.3. Occupational Health and Safety



Occupational health and safety (“OHS”) is a top priority at ISEC Healthcare. All the three clinics have implemented the required Health and Safety polices which are in compliance with the Ministry of Health and Infection Control Precautions and Occupational Safety & Health Act 1994, as detailed in Table 8. With the transition into the COVID-19 endemic phase, additional safety protocols and the COVID-19 Pandemic Mitigation SOP have been maintained to ensure that ISEC Healthcare continues to provide and maintain a safe environment for all employees, patients and visitors.

Table 8: List of Occupational Health and Safety Policy

Facility Management and Safety (“FMS”) 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 unpredicted 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>
<p>All OHS related policies and procedures are documented and accessible by all employees via ISEC Healthcare’s intranet.</p>				

Across the three clinics, an incident reporting channel is made available to all employees and staff to report any safety incidents. Upon the report being received by the Operations and Clinical HODs, the relevant departments would attend on the resolution of the incident. Thereafter, corrective actions would be implemented to prevent recurrence. This year, we recorded zero needle prick incidents, achieving our target set.

All new employees will have to undergo a mandatory induction training which covers our OHS policies and SOPs relevant to their job scope. One of the topics covered at the induction training titled 8 Elements of Infection Control trains employees on the importance of ensuring personal hygiene, use of appropriate PPE, managing clinical, sharps waste as well as the medical attire worn. Specific training such as administering cytotoxic drugs such as mitomycin, safe handling and managing spills were also conducted for relevant employees. ISEC Healthcare’s set of SOPs follow the Guidelines on Chemical Management in Health Care Facilities by the Ministry of Health Malaysia.

Initiatives aimed at improving health and wellbeing of our employees are regularly organised. Through staff gatherings, fitness sessions and health talks, employees are reminded to adopt a healthy lifestyle. Such activities have been scheduled to resume as per normal in 2023.

Since 2009, ISEC Healthcare has been accredited by the Joint Commission International (“JCI”) in Ambulatory Care. This accreditation means that patient care standards and safety systems at ISEC KL meet the stringent requirements set by the Commission. We continue to adhere to the rigorous standards of JCI and deliver quality care to our customers and in March 2022, ISEC KL successfully obtained the latest JCI reaccreditation.

Table 9: 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 Operating Theatres across all three clinics Annual water sampling test for tap water and water dispenser at ISEC KL
	Employee wellbeing	<ul style="list-style-type: none"> Free updated influenza vaccination for employees at ISEC KL Regular employee engagement to promote staff health and wellbeing at ISEC KL, SSEC and ISEC Penang
	Audits	<ul style="list-style-type: none"> Audits are conducted once every two years by Ministry of Health for renewal of medical certification.
	Employee Health Promotion	<ul style="list-style-type: none"> Health insurance provided for employees across three clinics Reimbursement of medical fees for employees seeking treatment for respiratory infections during the COVID-19 period

Targets and Performance

Focus area	Perpetual target	FY2022 Performance
Occurrences of work-related safety incidents	Zero cases of work-related injuries, accidents and fatalities	 Achieved
	Zero needle prick incidents	 Not Achieved, 4 needle prick incidents in FY2022

In FY2022, there were zero cases of work-related fatalities and high-consequence⁶ injuries out of the 447,373 manhours (FY2021: 431,401 hours) worked by our employees across the three clinics. Likewise, the same was observed for our non-employees⁷ out of the 13,238 manhours (FY2021: 13,591 hours) worked.

Noting that we recorded four needle prick incidents in FY2022, we have taken the following corrective actions: re-educating our staff on the safe use and handling of sharp waste, additional sharp object bins were provided and frequent check on sharp containers were done to minimise reoccurrence.

⁶ High-consequence work-related injury refers to work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

⁷ Non-employee workers include all workers who are not employees but whose work and/or workplace is controlled by the organisation. This also includes workers who are not employees and whose work and workplace are not controlled by the organization, but the organization's operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships. Examples include third-party cleaners, security guards and contractors.

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.

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 2022 Annual Report, “Report on Corporate Governance” section.

Targets and Performance

Focus area	Perpetual target	FY2022 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.	Achieved To the best of our knowledge, we are not aware of any non-compliance with the Code of Corporate Governance 2018 and any other regulatory requirements in FY2022

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

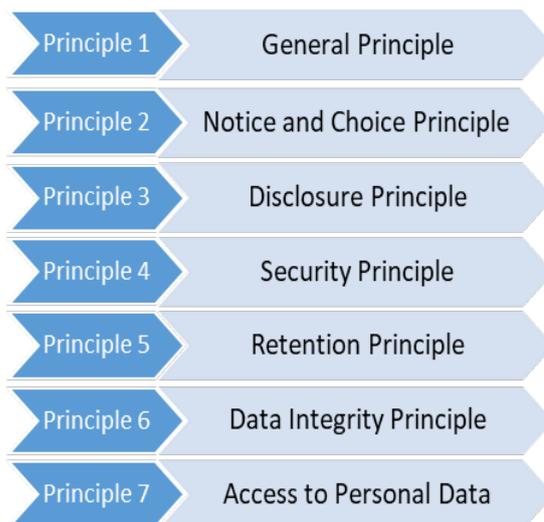
- Code of Ethics
- Risk Appetite and Risk Tolerance Guidance
- Authority and Risk Control Matrix
- Key Control Activities
- Key Reporting and monitoring Activities

As part of the annual risk management review, “Supply Chain Management” is categorised as one of the top 10 risks following the global supply chain crisis and the gradual recovery of the COVID-19 situation.

8.2. Protection of Personal Data and Security of Information

ISEC Healthcare realises the growing importance of the protection of personal data and security of information amid advancements in ICT. This remains crucial amid the transition out of remote working and the return to normal office environments during the COVID-19 endemic phase. The Group continues to maintain a robust IT framework which identifies relevant risks and implements the appropriate mitigation actions.

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



Guided by the principles of Malaysia’s Personal Data Protection Act (“PDPA”), the Group has in place a PDPA policy which is applicable to employees across the three clinics.

The designated Data Protection Officer (“DPO”) that is based in ISEC KL is responsible for ensuring compliance with the Group’s PDPA policy across all clinics in Malaysia. Any query or request from individuals in relation to ISEC Healthcare’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 continues to employ 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. Remote access to our IT systems is only granted to a small group of infrastructure staff who are working from home. Doctors and clinical staff do not have remote access to the IT system.

All employees are required to read and sign off on the PDPA policy upon induction. Throughout the year, good practices and physical security measures are shared among employees. Certificates and posters displayed at our clinics assure patients that we remain compliant with PDPA. Employees are

updated on the latest regulatory requirements through courses conducted by the Department of Protection of Personal Data in Malaysia.

Targets and Performance

Focus area	Perpetual target	FY2022 Performance
Customer Privacy	Zero substantiated breaches of customer privacy and no leaks, thefts or losses of customer data	<p>● Achieved</p> <p>In FY2022, 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

Energy security is extremely critical in ensuring service quality and patient safety. It is required by law that areas such as operating theatres and drug storage have to be air conditioned 24/7. Across all clinics, we have an Uninterruptible Power Supply (UPS) which provides 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 acts as a temporary energy source until the generator set kicks in. An annual preventive maintenance inspection is conducted to ensure the system is operational.

ISEC KL continues with the replacement of conventional light bulbs with Light Emitting Diode (“LED”) to reduce our carbon footprint. In FY2022, 80% of the downlights at ISEC KL have been replaced with LED lights. Although progress has been disrupted by the pandemic, ISEC KL continues to monitor the situation closely, conducting the replacement at appropriate junctures. ISEC Penang and SSEC have also embarked on this initiative, replacing 70% and 80% of its total downlights respectively. Replacement to LED lights are conducted as soon as existing downlights are no longer functional.

A potential downside that ISEC Healthcare has identified on Energy Consumption and Carbon Footprint is the environmental impact of our electricity consumption. The high use of electricity negatively impacts the environment as Malaysia’s electricity is mainly generated using coal and natural gas. Electricity generated from coal and natural gas emits carbon dioxide to the atmosphere. Our steps to mitigate our carbon footprint include switching off air conditioning in general areas and to turn off computers and lights after operating hours. However, there are certain areas that require constant air conditioning, such as operating theatres and imaging rooms with diagnostic machines and our IT server rooms.

Performance

In FY2022, the total electricity consumption across all three clinics was 1,988,220 kWh equivalent to energy consumption of about 439 Malaysians in a year⁸. This 17% increase from FY2021's level of 1,694,068 kWh is attributable to business resumption post-COVID-19. We observed a significant increase in patient load across our clinics in FY2022 as compared to FY2021 with a 52% increase in consultations (FY2022: 180,088 vs FY2021: 123,076). With a higher usage of medical equipment across the clinics, this has resulted in a large increase in electricity consumption across our clinics for FY2022. As we expect to see an upward trend in electricity usage, we will continue to monitor the trends and seek to introduce other energy-saving measures where appropriate.

ISEC Healthcare's main source of emissions for FY2022 are from purchased electricity (Scope 2 Emissions) which translates to 1.2820 tCO₂e. ISEC Penang and SSEC used a minimal amount of diesel (Scope 1 Emissions) in their operations, mainly for backup generator purposes in FY2022 (95 litres) which translates to 0.2512 tCO₂e.

9.2. Waste Management



As a healthcare provider, it is our responsibility to ensure proper and effective waste management. Medical waste is biohazardous and can pose major health and environmental risks if mishandled. Our three clinics continue to follow a stringent set of Standard Operating Procedures ("SOPs") on Waste Handling, Storage and Disposal listed in Table 10.

In FY2022, there were no disruptions to the frequency of waste collection by third-party waste contractors. All medical and general waste were collected and disposed of regularly across the three clinics.

A potential downside that ISEC Healthcare has identified on Waste Management is the risk of improper waste disposal which could pollute the environment and impact the health of waste handlers. We mitigate the impact of this by ensuring we segregate our waste into three categories: clinical (biological hazards), sharps and general waste. ISEC Healthcare's 3 SOP's on Waste (Table 10) aims to reduce the harm to our environment and the risk to the people who handle our waste.

Table 10: 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. 	<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. 	<ul style="list-style-type: none"> • Only 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.

⁸ This information is based on Malaysia Energy Statistics Handbook 2018 which reports an average of consumption of 4,533 kWh per Malaysian in 2016.

Waste Handling	Waste Storage	Waste Disposal
<ul style="list-style-type: none"> • Only dedicated vehicles should be used for transportation of clinical waste. 	<ul style="list-style-type: none"> • 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"> • More trips to be arranged when more waste is generated

Paper is separated from general waste and collected for recycling in all 3 clinics. ISEC Healthcare continues to advocate reduce, reuse and recycle (“3Rs”) behaviour among its patients. All clinics have stopped providing plastic bags for patients and these are only provided when a large quantity of medication is purchased. All the three clinics also work with its suppliers to sponsor reusable cloth bags for our patients to use in addition to recyclable paper bags being provided for smaller items.



Left: Reusable cloth bags provided to patients

Right: Recyclable paper bags at ISEC SSEC & KL

Performance

In FY2022, ISEC KL generated 4.60 tonnes (FY2021: 3.20 tonnes) of clinical waste, all of which was incinerated by certified third-party contractors. The 44% increase in clinical waste can be attributed to increased clinical activities and surgeries in FY2022 amid the relaxation of COVID-19 restrictions. Nevertheless, we continued with our recycling initiatives where specific bins are provided in patient waiting areas to promote recycling efforts. In FY2022, ISEC KL has recycled more than 50kg of paper and boxes per week.

Case Study 6: Optimisation of medical equipment usage, disposal and re-purpose

As we strive to be a leading regional provider of medical eye care services, it is important for our clinics to be equipped with the latest medical equipment to deliver high quality services to our patients. For 2023, we have plans to refurbish some of ISEC KL’s existing medical equipment to be used at our newer clinics to help to relief the cost of start-up which promotes a circular economy and reduces our clinics waste.

9.3. Task Force on Climate-Related Financial Disclosures (TCFD)



The TCFD recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. As part of the phased approach recommended by SGX, ISEC Healthcare will be taking guidance from Practice Note 7.6 on its journey on TCFD requirements starting from this report. We are committed to transparent disclosures, addressing climate-related risks and opportunities, and, ultimately, building our resilience in the face of climate change. We strive to improve and refine our climate risk assessment approach and strategy, through conducting climate scenario analysis across various time horizons to better understand how these impacts may affect ISEC Healthcare’s operations and our value chain.

<i>TCFD Recommendation</i>	<i>ISEC Healthcare’s Response</i>	<i>Report Section</i>
Governance		
a. Describe the board’s oversight of climate-related risks and opportunities.	The Board of Directors (the “Board”) of ISEC Healthcare has delegated the responsibility of identifying, assessing and documenting material business risks including climate-related risks to the Sustainability Steering Committee (“SSC” or the “Committee”).	4. Board Statement
b. Describe management’s role in assessing and managing climate-related risks and opportunities.	Since FY2017, the SSC has assisted the Board on overseeing the implementation of sustainability initiatives across ISEC Healthcare’s operations. Beginning in FY2022, oversight on the identified climate-related risk will now be under the purview of the SSC	6.1. Sustainability Governance
Strategy		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	In FY2022, a desktop research was conducted to identify the potential climate-related risks faced by ISEC Healthcare’s operations. The scope considered the three existing clinics within the current reporting scope, located in Malaysia.	10.3. Task Force on Climate-Related Financial Disclosures (TCFD)

TCFD Recommendation	ISEC Healthcare's Response	Report Section				
	<p>The following risks have been identified:</p> <table border="1" data-bbox="741 339 1762 544"> <thead> <tr> <th data-bbox="741 339 1254 395">Physical⁹ risks</th> <th data-bbox="1254 339 1762 395">Transition¹⁰ risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="741 395 1254 544">Change in average temperature (increase in global temperatures), flooding and drought</td> <td data-bbox="1254 395 1762 544">Increased pricing of carbon emissions; costs associated with transition to low carbon economy; changes in stakeholder expectations</td> </tr> </tbody> </table> <p>The overall impact of climate-related risks on ISEC Healthcare can include increased costs required to repair assets in the event of flooding. This could result in ISEC Healthcare being subjected to higher insurance premiums or inability to insure against extreme weather events due to increased costs due to repair and damage. Floods are a common occurrence in Southeast Asia usually caused by a combination of heavy rainfall, high tides and drainage problems, especially in low-lying areas. In FY2022, a Special Report on the Impact of Floods in Malaysia published by the Department of Statistics Malaysia (DOSM) reported a total of RM622.4 million, with the east coast states of Terengganu and Kelantan recording up to 60% of the losses¹¹. Impact of flooding may be higher for SSEC and ISEC Penang as they are located on the ground level compared to ISEC KL which is within an office building. Other impacts could include disruptions to electricity and telecommunications services.</p>	Physical ⁹ risks	Transition ¹⁰ risks	Change in average temperature (increase in global temperatures), flooding and drought	Increased pricing of carbon emissions; costs associated with transition to low carbon economy; changes in stakeholder expectations	
Physical ⁹ risks	Transition ¹⁰ risks					
Change in average temperature (increase in global temperatures), flooding and drought	Increased pricing of carbon emissions; costs associated with transition to low carbon economy; changes in stakeholder expectations					

⁹ Physical risks arise from the impact of weather events and long-term or widespread environmental changes, which can include increased severity of extreme weather events such as floods, rising mean temperatures and sea levels, and weather patterns.

¹⁰ Transition risks arise from the process of shifts towards a low-carbon economy, which can include regulatory changes, disruptive technological developments, and shifts in consumer and investor preferences

¹¹ Special Report on Impact of Floods in Malaysia 2022, https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=496&bul_id=RDVmbnlKUK1rdzRaZmhpK1F6SEZCUT09&menu_id=WjJGK0Z5bTk1ZEIVT09yUW1tRG41Zz09

TCFD Recommendation	ISEC Healthcare's Response	Report Section
<p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>In addition, higher expenditure may also be associated with the installation and maintenance of energy efficient or smart technologies. Higher costs may also be associated with use of non-renewable energy (fuel) or through higher electricity tariffs should power generation companies pass down carbon tax to businesses.</p>	
Risk Management		
<p>a. Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organization's processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Based on the findings under Strategy pillar, we will work towards incorporating the identified climate-related risks and opportunities as part of our existing risk management framework, and to manage them as with the other existing risks identified.</p> <p>For more details, refer to Annual Report 2022, page 36.</p>	9.1 Enterprise Risk Management
Metrics and Targets		
<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p> <p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>ISEC Healthcare discloses climate-related and environmental metrics such as energy consumption since FY2017. We have begun reporting on fuel consumed as well as the associated Scope 1 and Scope 2 emissions starting this year.</p>	10.1 Energy and Carbon Footprint

10. GRI Content Index

Statement of use	ISEC Healthcare has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 in accordance the GRI Standards			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard (s)	No applicable Sector Standard(s) available as at date of publication			
GRI Standard	Disclosure	Location	Page Number	Omissions / Reason / Explanation (where applicable)
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	About ISEC Healthcare Ltd.	Page 2	
	2-2 Entities included in the organization's sustainability reporting	About the Report	Page 3	
	2-3 Reporting period, frequency and contact point	About the Report Annual Report 2022	Page 3 Corporate Information	The FY2022 Sustainability Report is published on 5 April 2023.
	2-4 Restatements of Information	Within GRI Content Index		No information was restated in the year.
	2-5 External Assurance	Within GRI Content Index		ISEC Healthcare has not sought external assurance for this report but will consider it for future reports.
	2-6 Activities, value chain and other business relationships	Supply Chains of ISEC KL, SSEC and ISEC Penang	Page 17	
	2-7 Employees	Employee Demographics	Page 18	
	2-8 Workers who are not employees	Employee Demographics	Page 18	
	2-9 Governance structure and composition	Sustainability Governance Board of Directors, Annual Report 2022	Page 5 Page 7	
	2-10 Nomination and selection of the highest governance body	Sustainability Governance Report on Corporate Governance, Annual Report 2022	Page 5 Page 27	
	2-11 Chair of the highest governance body	Sustainability Governance Board of Directors, Annual Report 2022	Page 5	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	Page 5	

2-13 Delegation of responsibility for managing impacts	Sustainability Governance	Page 5	
2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance	Page 5	
2-15 Conflicts of interest	Report on Corporate Governance, Annual Report 2022	Page 38	
2-16 Communication of critical concerns	Stakeholder Engagement Report on Corporate Governance, Annual Report 2022	Page 6 Page 41	
2-17 Collective knowledge of the highest governance body	Sustainability Governance Report on Corporate Governance, Annual Report 2022	Page 5 Page 22	
2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance, Annual Report 2022	Page 23	
2-19 Remuneration policies	Report on Corporate Governance, Annual Report 2022	Page 28	
2-20 Process to determine remuneration	Report on Corporate Governance, Annual Report 2022	Page 28	
2-21 Annual total compensation ratio	Report on Corporate Governance, Annual Report 2022	Page 29	Confidentiality constraints, Information is sensitive in nature and not representative of ISEC Healthcare given the reporting scope of this SR. Refer to Appendix for more information.
2-22 Statement on sustainable development strategy	Board Statement	Page 4	
2-23 Policy commitments	Board Statement, Occupational Health and Safety, Corporate Governance, Protection of Personal Data and Security of Information	Page 4, 21, 24, 25	
2-24 Embedding policy commitments	Board Statement, Occupational Health and Safety, Corporate Governance, Protection of Personal Data and Security of Information	Page 4, 21, 24, 25	
2-25 Processes to remediate negative impacts	Corporate Governance	Page 24	

		Report on Corporate Governance, Annual Report 2022	Page 39	
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	Page 6	
	2-27 Compliance with laws and regulations	Corporate Governance	Page 24	
	2-28 Membership associations	About ISEC Healthcare Ltd.	Page 3	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	Page 6	
	2-30 Collective bargaining agreements	Within GRI Content Index		Not applicable as none of ISEC Healthcare's employees are covered by collective bargaining agreements.
GRI 3: Material topics 2021	3-1 Process to determine material topics	Materiality Assessment	Page 9	
	3-2 List of material topics	Materiality Assessment	Page 9	
Material topics				
Excellent Service Quality				
GRI 3: Material topics 2021	3-3 Management of material topics	Excellent Service Quality	Page 15	
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 15	
Occupational Health and Safety				
GRI 3: Material topics 2021	3-3 Management of material topics	Occupational Health and Safety	Page 21	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	Page 21	
	403-2 Hazard identification, risk assessment, and incident investigation		Page 21	
	403-3 Occupational health services		Page 21	
	403-4 Worker participation, consultation, and communication on occupational health and safety		Page 22	
	403-5 Worker training on occupational health and safety		Page 22	
	403-6 Promotion of worker health		Page 22	

	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Page 22	
	403-9 Work-related injuries		Page 23	
Training and Development				
GRI 3: Material topics 2021	3-3 Management of material topics	Training and Development	Page 19	
GRI 404: Training and Development 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Training and Development	Page 19	
Security of Information and Patient Privacy				
GRI 3: Material topics 2021	3-3 Management of material topics	Protection of Personal Data and Security of Information	Page 25	
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 25	
Additional Matters				
Energy and Carbon Footprint				
GRI 3: Material topics 2021	3-3 Management of material topics	Energy and Carbon Footprint	Page 26	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Carbon Footprint	Page 26	
Waste Management				
GRI 3: Material topics 2021	3-3 Management of material topics	Waste Management	Page 27	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	Page 27	
	306-2 Management of significant waste-related impacts		Page 28	
	306-3 Waste generated		Page 28	

12. Appendix

List of all ISEC Healthcare's entities and their inclusion or exclusion from this Report

Included in Scope	Excluded from Scope
<ul style="list-style-type: none"> • ISEC Sdn. Bhd. ("ISEC KL") • Southern Specialist Eye Centre ("SSEC") • ISEC (Penang) Sdn. Bhd ("ISEC Penang") <p>Note: ISEC Healthcare's headquarters in Singapore is also part of the reporting scope</p>	<ul style="list-style-type: none"> • ISEC Eye Pte. Ltd. • International Specialist Eye Centre Pte. Ltd. • ISEC Global Pte. Ltd. • JL Medical (Bukit Batok) Pte. Ltd. • JL Medical (Sembawang) Pte. Ltd. • JL Medical (Woodlands) Pte. Ltd. • JL Medical (Yew Tee) Pte. Ltd • ISEC (Sibu) Sdn. Bhd. ("ISEC Sibu") • Indah Specialist Eye Centre Sdn. Bhd. ("Indah Specialist") • ISEC (Kuching) Sdn. Bhd. ("ISEC Kuching") • IE Centre Sdn. Bhd. • Kampar Eye Sdn. Bhd. • ME Centre Sdn. Bhd. • TE Centre Sdn. Bhd. • Taiping Eye Sdn. Bhd. • ISEC Specialist Eye Clinic (Melaka) Sdn. Bhd., previously known as ISEC (Melaka) Sdn. Bhd. • ISEC Myanmar Company Limited