

Chairman's Statement



The lessons learnt in the past 10 years are invaluable in propelling us towards creating a sustainable future – for our patients, our people, the public and our planet. Sustainability is how we put into action our philosophy of touching lives and transforming care.

Tan Sri Mohd Azlan Hashim

Non-Executive Chairman

Dear Stakeholders,

For better or worse, 2022 has been a year of inflection points.

Around the world, countries have adapted to living with COVID-19. Consequently, the biggest and most welcome change has been the reopening of borders and easing of pandemic-related restrictions.

The gradual return to a pre-pandemic way of life has made a direct impact on IHH. Our hospitals have seen an uptick in demand for elective procedures among both local and foreign patients. The recovery of our core business of hospital and healthcare services runs in tandem with the tapering off COVID-19-related services.

The second inflection point – one of concern to all – is global inflation and rising interest rates. This has driven up business costs, including salaries and energy costs, across our operations. The global economic slowdown is compounded by looming risks of economic recessions in the US and Europe, tightening financial conditions, further straining of US-China relations and the Russia-Ukraine conflict, among others.

Even in the face of volatility and lull of recent years, we have remained undeterred, building momentum and strengthening our core operations behind the scenes. IHH has a balanced focus on improving financial returns as well as driving sustainable growth led by a well-rounded strategy. Our vision is fortified by our strong financial position, robust cash flow, operational resilience – and most importantly, a motivated and dedicated workforce.

In short, we have every reason to strive forward with confidence.

Sustainability at The Heart of All We Do

Aligned with the IHH aspiration to ‘Care. For Good.’, we unveiled the Group’s 2025 Sustainability Goals in September 2022. Sustainability is integral to our business and our purpose of touching lives and transforming care.

We have laid out clear, measurable and time-bound goals to drive positive change for our Patients, our People, the Public and our Planet. These are aligned to the United Nations Sustainable Development Goals.

The setting of these goals reflects the evolution of the global sustainability landscape. Bursa Malaysia has also

enhanced sustainability reporting requirements, with emphasis on climate change.

To that point, one of our key goals is to cap carbon emissions by 2025 at the baseline levels of 2022 while continuing to grow our business. More ambitiously, we target to achieve Net-Zero by 2050. These aspirations are bold in our industry. However, we are determined to stay the course and set the standard for counterparts who share similar hopes. This is the right way forward.

To meet our 2025 goal, we are exploring decarbonisation initiatives such as reducing energy consumption, switching to renewable energy and reducing plastic use. We are also preparing our climate-related disclosures to meet recommendations set by the Task Force on Climate-Related Financial Disclosures, and working towards charting a science-based pathway towards Net-Zero by 2050.

Our sustainability goals were derived with the input of IHH’s stakeholders. We hold your needs and views in high regard in our decision-making process.

Across 2022, we conducted a group-wide materiality assessment exercise to identify top-of-mind issues for key stakeholders. In the process, we refined existing issues, uncovered new ones and highlighted our priorities. More detailed information is outlined in Our Material Matters page 42.

It is crucial to recognise that sustainability is a journey. We are taking progressive, measurable steps towards achieving long-term goals by identifying (and fulfilling) interim targets. We are thankful to have you along on this paramount endeavour.

We have laid out clear, measurable and time-bound goals to drive positive change for our Patients, our People, the Public and our Planet. These are aligned to the United Nations Sustainable Development Goals.

Chairman's Statement

We have intensified efforts to create the necessary support mechanisms to encourage total well-being, particularly for frontline clinical professionals. These mechanisms include 24/7 counselling across the group and programmes designed to improve employee health and wellness.



Putting People First

The integral role played by healthcare teams in the management of COVID-19 and in delivering other equally important core patient services can never be overstated. However, the last two years have taken a toll.

There is currently a global shortage of nurses. Pandemic burnout, compassion fatigue and early retirement are among the reasons behind high turnover rates.

More than ever, we need to ask, “How do we shape a culture that defines our purpose and core values? How do we create a corresponding environment that will be embraced by our people?” Only by putting our values into daily action can we ensure that IHH continues to groom and retain exceptional talent.

As a trusted healthcare provider, we have always put patients first. While this has not changed, the pandemic has unveiled the long unspoken. To reliably provide patients the best outcomes and experience, healthcare institutions must first ensure the safety and physical and mental well-being of its staff so they can in turn deliver their best at work.

At IHH, we have intensified efforts to create the necessary support mechanisms to encourage total well-being, particularly for frontline clinical professionals. These mechanisms include 24/7 counselling across the group and programmes designed to improve employee health and wellness.

Exceptional Governance Fosters Trust

Since its formation, the IHH Board has been committed to the highest standards of corporate governance. We recognise the fundamental role that our practices and processes play in ensuring the organisation creates sustainable growth and delivers value to stakeholders.

We have a comprehensive set of policies and systems – ranging from boardroom diversity and anti-corruption measures to code of conduct and investor relations policies – and continually look at ways to uphold the integrity of the organisation.

One such example is the Group's Whistleblowing Policy, which is designed to empower individuals to raise concerns and disclose information about malpractice or other wrongdoings. Now, whistleblowers can access a third-party portal or hotline to make their report anonymously and is fully

confidential. The use of an independent portal lends greater peace of mind and confidence in reporting.

Delivering Results

IHH will continue to follow the dividend policy, whereby not less than 20% of the Group's profit after tax and minority interests, excluding exceptional items, shall be distributed to shareholders.

Despite challenges in the past year, the board declared a first and final dividend of 7 sen per share for Bursa shareholders, a 17% increase compared to a year ago. The dividend payment will be made to shareholders on 28 April 2023. IHH payouts are in Malaysian Ringgit to shareholders trading on Bursa Malaysia and in Singapore dollars to shareholders trading on the Singapore Exchange.

Lending a Hand to the Türkiye Community

I would be remiss to neglect mentioning the recent earthquake that has devastated the southeastern part of Türkiye. The Group has since donated USD2.0 million towards rescue efforts. Our operations there, namely the Acibadem hospitals, are also extending medical care and support in the affected region.

As a Group, we are doing our best to support our Acibadem colleagues, ensuring their safety as they render humanitarian and healthcare assistance. We had a staff donation drive in our key markets that will go towards supporting the needs of those affected, including medical care, emergency shelter, first aid and food via Acibadem Healthcare.

Board and Management Changes

On the back of a successful year, I'd like to express gratitude to all members of the Board for their support and direction. As with every growing organisation, changes within the Board and senior management are inevitable.

This year, we bade farewell to Takeshi Saito, Dr Farid bin Mohamad Sani and Tunku Alizakri bin Raja Muhammad Alias who resigned as non-independent, non-executive Board members. We also welcomed Tomo Nagahiro, Bryan Lim and Mohd Shahazwan bin Mohd Harris to our Board of Directors.

After more than three years at the helm, Dr Kelvin Loh has resigned as IHH Healthcare's Managing Director and CEO, and relinquished his position on the Board. Kelvin has steered IHH through the massive challenges posed by COVID-19. We wish him all the best for his future endeavours.

In the interim, we established a Board Committee known as the Transition Committee (TC) on 30 March 2023. The TC shall serve as a temporary Board Committee until the new Group Chief Executive Officer is appointed.

The Next Decade

2022 was momentous for IHH. We rang in our 10th year as a listed company and took stock of the milestones we have achieved.

It is evident that our strong fundamentals and sound strategy have spurred the growth and evolution of IHH over the last decade. The lessons learnt provide the wisdom for us to chart our future.

The road ahead will undoubtedly bring forth new challenges along with opportunities. We are sowing the seeds every day to seize the growth to come, meet uncertainties with strength and confidence – and most importantly, deliver sustainable value to all our stakeholders.

Whether you are a patient, clinical partner, employee, shareholder, member of the management team or fellow Board member, I sincerely thank you for your invaluable contributions. Your unwavering support and trust keep all of us going.

Tan Sri Mohd Azlan Hashim

Non-Executive Chairman

It is evident that our strong fundamentals and sound strategy have spurred the growth and evolution of IHH over the last decade. The lessons learnt provide the wisdom for us to chart our future.