



# SUPPLY CHAIN MANAGEMENT PHILOSOPHY

Mediclinic creates value every day by providing cost-effective, quality care while taking responsibility for the impact of our operations beyond our facilities. We are providing care in a world that is being reshaped by evolving client needs, regulatory frameworks and climate forces. This calls for a sustainable approach in everything we do.

## The integrity of Mediclinic’s supply chain function is paramount, and we commit to:



Conducting our business ethically, fairly, honestly and transparently



Selecting suppliers and products that complies with Mediclinic’s minimum standards



Sourcing and procuring quality products that support Mediclinic’s vision and brand



Ensuring that all stakeholders in the business and its business partners are aware of the principles and the rules established



Selecting appropriate technologies to ensure safe and cost-effective products and devices



Creating awareness of responsible sourcing continuously throughout our supply chain



Driving supply chain strategies to deliver process improvement and increased efficiencies throughout the organisation, including distribution and inventory management



Prioritising suppliers with clear action plans for reducing their overall impact on the environment, and developing and implementing systems and controls to support these commitments



## Our supply chain philosophy is based on the following principles and rules:



All interactions with suppliers and service providers are guided by Mediclinic's values



We embrace technological advancements and digitalisation to gain operational efficiencies and process automation



Best value is obtained by balancing the rewards negotiated against the inherent risks



We form strong partnerships with key suppliers



All products support a safe and legally compliant environment for clients and employees



Good corporate governance practices are applied through all source-to-pay processes



Centralised procurement promotes standardisation, quality control and economies of scale (standardisation is driven within each division, and extended internationally, where appropriate)



Selected equipment and technologies are appropriate for the respective business units and intended application



A total cost of ownership approach to include the costs to procure, operate and discard equipment, is applied



We implement procedures related to supplier and product selection that will ensure the safety of patients and employees and prevent risks for Mediclinic and its employees



We invest in technologies, products and procedures to reduce our carbon footprint and to limit the overall impact Mediclinic has on the environment



Procurement is undertaken by suitably skilled and experienced staff

# HOW DO WE SELECT OUR SUPPLIERS AND PRODUCTS?

The performance of our supply chain directly impacts on our ability to deliver quality care to our patients. Our supply chain teams select and engage with high-performing suppliers that can support our purpose to enhance the quality of life. Supplier and product selection is based on the following criteria:



Compliance of products with all local regulatory requirements and recognised international product certifications such as ISO 13485, CE MDR and FDA, including sufficient product liability coverage



Ethical behaviour from suppliers, at all times



Compliance by suppliers with all applicable laws in all jurisdictions in which suppliers operate, including health, safety, environment, community, modern slavery



Proven track record regarding after-sales service and support (we expect suppliers to maintain good relationships with the end-users of their products)



Stable brands and manufacturers that have long-term relationships with their local representation or agents



End-users must be sufficiently trained by suppliers to enable safe and effective utilisation of products and technologies, and to use available features optimally



Suppliers must have the required network and footprint to provide support on a national and / or international scale



In South Africa, the Broad-based Black Economic Empowerment ('B-BBEE') status of suppliers carries a strong weighting in the adjudication of tenders