INTRODUCTION

This statement is issued by Mediclinic International plc (the ‘Company’ or ‘Mediclinic’) in respect of the financial year ended 31 March 2020 (‘FY20’) and marks the fifth statement issued by the Company.

This statement confirms Mediclinic’s continued commitment to preventing modern slavery and human trafficking in the workplace, as well as its supply chain, and sets out the steps the Company has taken to prevent any form of such practices, in its business or indirectly through its supply chain. No material incidents of modern slavery, human trafficking or any violation of human rights were observed or reported on throughout Mediclinic or its subsidiaries (the ‘Group’).
Mediclinic is an international private healthcare services group, established in South Africa in 1983, with divisions in Switzerland, Southern Africa (South Africa and Namibia) and the United Arab Emirates. The Group’s core purpose is to enhance the quality of life.

Its vision is to be the partner of choice that people trust for all their healthcare needs.

Mediclinic is focused on providing specialist-orientated, multidisciplinary services across the continuum of care in such a way that the Group will be regarded as the most respected and trusted provider of healthcare services by all stakeholders in each of its markets.

The Company’s primary listing is on the London Stock Exchange (‘LSE’) in the United Kingdom, with secondary listings on the JSE Ltd in South Africa and the Namibian Stock Exchange in Namibia.

Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, a leading private healthcare group based in the United Kingdom (‘UK’) and listed on the LSE.

For further information on the Mediclinic business and its divisions, visit www.mediclinic.com.
TRAINING AND OVERVIEW OF KEY AREAS

The Mediclinic Board of Directors (the ‘Board’) as well as all relevant employees, particularly employees managing the supply chain across the Group, have been informed about the regulatory requirement to ensure an understanding of the risks and the Group’s position on slavery and human trafficking; to manage those risks accordingly; and to further stay abreast of global developments in this regard. This information forms part of the induction programme for all new Board members and relevant employees. Recognising that the greatest risk lies within the supply chain, awareness training is scheduled on an annual basis with all procurement business units within the Group as well as new recruits in order to ensure employees and suppliers are aware of the reality of modern slavery and to provide sufficient means to combat any such activities they may encounter.

RECRUITMENT

Human resource employees are cognisant of human trafficking and other forms of modern slavery and assist in the elimination thereof within human resource practices by sharing this information with their teams to create further awareness in the workplace and by reporting any practices in this regard. Awareness of the importance of this reality has been created among line managers, especially in the Group’s hiring practices.

SUPPLY CHAIN MANAGEMENT

For Mediclinic to deliver its services and continuously improve the experience of its clients, it is dependent on a range of diverse suppliers. The Group requires its suppliers to support the elimination of human trafficking and modern slavery and to exercise due diligence in their operations as well as in their supply chains. The Group relies on its suppliers to deliver superior products and services that conform to the Mediclinic standards and values. Suppliers are engaged to appreciate the Company’s expectations and expected to adhere to the Group’s applicable policies.

Several criteria play a role in selecting suppliers, inter alia, compliance with relevant labour legislation such as health and safety legislation, compliance with applicable local and international standards, the stability of the organisation and the reputation of the relevant equipment brand. Once selected, continuous reviews of global contracts are carried out to track performance.

Other factors considered when selecting new suppliers or reviewing the contractual relationship with existing suppliers include:

- their company values;
- ethical behaviour and compliance;
- transparency;
- mutual trust and respect; and
- a safe and legally compliant environment.

Due to the geographic diversity of the Group’s operations and the potential for cost saving and improved efficiency, Mediclinic drives international procurement initiatives with the aim of unlocking synergies and implementing standardisation for the greater benefit of the Group. Medical Innovations (Pty) Ltd (‘Medical Innovations’), a wholly owned South African subsidiary of the Company, was established to attend to the innovation, purchasing and distribution of medical supplies and related products. In 2016, it achieved the internationally accepted ISO 13485:2016 certification, which is audited annually by an external auditor from BSI, an organisation based in the UK, to maintain its certification. Formal agreements with critical suppliers as well as supplier selection evaluation are key focus areas in the ISO certification process. Medical Innovations complies with all local regulations and is registered with the South African Health Products Regulatory Authority to import and export medical devices and consumable products.

The Group selects reputable manufacturers, with factories predominantly situated in East Asia. Certain supplier premises located in geographic areas that are considered high-risk for instances of modern slavery and human trafficking are physically visited, inspected and audited by Mediclinic, prior to procurement contracts being concluded.

Currently the majority of the supply chain is required to conform to the following supply chain criteria:

- ISO 9000 and/or ISO 13485 quality management certification;
- relevant ISO certification of the products utilised;
- CE1 and/or FDA2 certification;
- compliance to all relevant local regulations, including applicable

Notes:

1 ISO 13485:2016 specifies requirements for a quality management system where an organisation needs to demonstrate its ability to provide medical devices and related services that consistently meet customer and applicable regulatory requirements. This certification process has a specific section relating to supplier selection and contracting.
2 CE marking is a certification mark that indicates conformity with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA). The CE marking is also found on products sold outside the EEA that are manufactured in, or designed to be sold in, the EEA. Manufacturing standards and labour practices are considered in this certification process.
3 Companies exporting products from the United States are often asked by foreign customers or foreign governments to supply a certificate for products regulated by the Food and Drug Administration (FDA). The certificate is prepared by the FDA containing information about the product’s regulatory or marketing status. All aspects of manufacturing are considered in this process, including labour practices.
labour legislation; and
• new technologies introduced to
the Group must be supported
by credible health technology
assessments.

The Group Supply Chain Risk
Management Policy has been
developed and is in the process
of being implemented across all
divisions. The purpose of this policy
is to ensure that the Group maintains
a reliable supply chain, and that
reputable service providers and
safe products are utilised in all of its
facilities. It provides the framework to
identify, assess and mitigate supply
chain risks, and to ensure compliance
with all applicable regulations and
legislation in all jurisdictions in which
the Group operates.

During global procurement meetings
where the senior procurement team
members from all divisions are
present, the supply chain is assessed
and training provided to increase
awareness and identify potential areas
of risk.

**DUE DILIGENCE AND RISK
ASSESSMENT**

Mediclinic has subscribed to Refinitiv
World Check Risk Intelligence
to perform screening in respect
of the top 25 global surgical and
top 15 global capital suppliers, which
represent approximately 65% of
the total Group procurement spend
in these categories. This database
screens suppliers and provides alerts
should any information regarding
undesirable business practices of
a supplier be recorded. To date, no
alerts were received through this
screening process.

A due diligence questionnaire forms
part of the onboarding process with
new suppliers and was also sent to
a selection of historical suppliers of
the Company during the reporting
period, to proactively assess risks
relating to, *inter alia*, human rights,
transparency and awareness, aimed
at establishing further insight into the
reality of modern slavery and human
trafficking. Positive responses were
received from multinational suppliers
indicating their initiatives to eliminate
all risks relating to violations of human
rights in their organisation as well as
their supply chain.

Representatives of the Group
procurement department visited the
factories of six manufacturers situated
in high-risk jurisdictions during the
reporting period in order to assess
the operations. These representatives
were equipped with the requisite
information pertaining to modern
slavery and related activities, the
identification of signs of worker
exploitation, and the manner in
which to report any such instances.
Modern slavery and sustainability are
standing agenda points in meetings
with all key suppliers. No steps
against suppliers were required as
they all met the requisite standards
to the representatives’ reasonable
knowledge and belief.

Should certain suppliers require
training on modern slavery and
human trafficking, assistance and
guidance will be provided in order
for the suppliers to improve related
practices. Mediclinic employees that
are involved in the purchasing of
equipment or consumables are also
bound to strict ethical principles
ensuring that a high standard of
integrity is maintained in the Group’s
supplier relationships.

**COVID-19**

Throughout the pandemic, the safety
of employees, doctors, allied
healthcare providers and patients is
of utmost importance. Continuous
education and training are being
provided to employees, doctors and
allied healthcare providers to ensure
they stay informed about how they
should protect themselves and
others.

Health and safety policies and
procedures govern the health, safety
and cleanliness of all Mediclinic
facilities. Additional infection
prevention and control measures and
protocols have been implemented to
ensure a safe working environment.
Social distancing is endorsed
throughout the Group, with work-
from-home arrangements enabled
for qualifying employees.

Working hours are determined by
operational requirements per division
and per facility. Management has
ensured continued support for all
frontline staff and recruitment
practices are maintained. Overtime
is managed collaboratively by the
Human Resources function, line
managers and employees in order
to actively reduce excessive working
hours, especially for nursing and
clinical personnel.

The demand for personal protective
equipment increased as a direct result
of COVID-19, resulting in, in very few
instances, new suppliers being
contracted. However, Mediclinic
maintained its supplier selection
criteria and onboarding processes
in this regard. Verification factory
visits were conducted in-person by
a local agent.

Refer to the **2020 Annual Report**
of the Company for more information
on the Group’s emergency
preparedness, available at
annualreport.mediclinic.com.
MOVING FORWARD
Mediclinic does not tolerate any form of human rights violations and is committed to continuously ensuring that no form of modern slavery or human trafficking or related exploitation occurs in any part of its operations. It recognises the responsibility to eliminate illegal practices that encroach and infringe upon human rights, as well as the need to respond to the reality of modern slavery.

The Group's anonymous toll-free ethics lines, which are managed by an independent service provider, are available to all employees, suppliers and third parties who wish to report a concern that requires further investigation. All reports are dealt with in a non-discriminatory and confidential manner. Any form of retaliation against an employee or other person making a report in good faith will not be tolerated.

Objectives for the next financial year:
• monitoring the implementation of all aspects of the Group Supply Chain Risk Management Policy across the Group by way of internal audits;
• continuing with the Group's annual due diligence questionnaire to suppliers to proactively assess risks relating to, inter alia, human rights violations, and to improve transparency, create awareness and provide further insight into the reality of modern slavery and human trafficking;
• promoting awareness within the divisions and providing the necessary training to key staff members on the reality of modern slavery and human trafficking as well as recognising and, most importantly, reporting such incidents; and
• considering trends, current practices and recommendations developed by governments on preventing modern slavery and human trafficking.

Approved by the Board on 1 June 2020.

Dr Edwin Hertzog
Non-executive Chair of the Board