Mediclinic International - Climate Change 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

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 UAE.

SWITZERLAND: Hirslanden, the leading private healthcare provider in Switzerland, is recognised for clinical excellence and outstanding patient experience (www.hirslanden.ch).

SOUTH AFRICA AND NAMIBIA: Mediclinic Southern Africa is one of the three major private healthcare providers in the region with a relentless focus on offering value to all its partners and clients (www.mediclinic.co.za).

THE UAE: Mediclinic Middle East has established a trusted brand and strong reputation in this developing region by offering clinical care of internationally recognised standards (www.mediclinic.ae).

THE UK: Mediclinic has a 29.9% stake in Spire (www.spirehealthcare.com).

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.

In 2019 Mediclinic International operated 76 hospitals, 8 sub-acute and specialised hospitals, 14 day clinics and 21 outpatient clinics with 11 612 inpatient beds in total, employing 33 140 permanent and fixed-term employees.

As an international healthcare services provider, Mediclinic not only strives to create value every day by providing cost effective, quality care and outstanding client experiences, the Company also takes a broader approach to value creation by taking responsibility for its operations beyond its facilities. It acknowledges that climate change poses a material risk to its operations and the environment, and that appropriate action is needed to reduce its impact.

In line with the CDP questionnaire being targeted at the top 100 companies in South Africa, this report only deals with Mediclinic Southern Africa (South Africa and Namibia). 76% of the operational beds of Mediclinic International are located in Mediclinic Southern Africa.

Given feedback received from stakeholders, Mediclinic will report on divisions where the company has operational control in the company's 2021 CDP climate change response. In addition to South Africa and Namibia, this will include Switzerland, the UAE and Mediclinic International. This will not include the UK where Mediclinic has a non-controlling 29.9% stake in Spire.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.
Namibia
South Africa

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.
ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.
Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The Chairperson of the Board's Clinical Performance and Sustainability Committee, which has oversight of environmental sustainability issues facing the organisation, reports to the main Board on all climate-related issues and, thus, ultimate responsibility for climate-related issues rests with the Chairperson of the Board. During the reporting year, the Board approved Mediclinic's commitments to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets. Further budget was allocated to achieve these targets including through the installation of solar PV plants at our hospitals. Additionally, given feedback received from stakeholders, the decision was made to report on divisions where the company has operational control in the company's 2021 CDP climate change response. In addition to South Africa and Namibia, this will include Switzerland, the UAE and Mediclinic International. This will not include the UK where Mediclinic has a non-controlling 29.9% stake in Spire.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Clinical Performance and Sustainability Committee (CPSC) sit every quarter and assists the Board in ensuring that the Group is, and remains, a good and responsible corporate citizen by monitoring the sustainable development performance of the Group, with oversight and management of the issues indicated. This includes, for example, overseeing major capital expenditures such as the installation of PV solar installations at a number of our hospitals, and borehole and water treatment plants at our Western Cape hospitals in response to the drought and potential water shortage conditions of 2017 and 2018. During the period under review, the Committee, among other matters, focused on: Reviewing the formal Group Sustainable Development Strategy developed by management to consolidate the Group's various ESG initiatives and implement a structured, consistent and systematic approach going forward. The Committee tested management on the proposed strategy, its goals and time scales, and recommended it for approval to the Board with minor modifications. The Board and, in particular, the Clinical Performance and Sustainability Committee will be monitoring closely the progress and outcomes of this strategy, albeit we recognise that the original timelines may need to be adjusted in the wake of the COVID-19 pandemic.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Corporate Services Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chief Corporate Services Officer (CCSO) sits on the Executive of Mediclinic International and reports directly to the Chief Executive Officer (CEO) who, in turn, sits on the Board's Clinical Performance Sustainability Committee and through this mechanism reports all climate-related issues to the Board.

The Board's Clinical Performance Sustainability Committee monitors the sustainable development performance of Mediclinic, inclusive of climate-related issues, while the CEO develops and oversees the implementation of Board-approved actions and the strategic direction of Mediclinic.

Hence, there is direct communication and direction between the CCSO, CEO and the Board. It is in the interests then of the CCSO to report directly to the CEO on climate-related issues in order for such issues to be escalated to Board level consideration. The CCSO is informed and engaged on all climate-related issues including carbon tax; greenhouse gas reporting regulations; energy and water scenarios; supply chain engagement; and, communication with customers.

During the period under review, the Clinical Performance Sustainability Committee (CPSC) has focused on: monitoring the results of the Company's participation in various sustainability indices and assessments, notably the Company's inclusion in the FTSE4Good Index, which recognises companies with strong ESG practices; confirming the key sustainability priorities, as recommended by management; and reviewing and approving the annual Sustainable development overview included in the Annual Report and the 2020 Sustainable Development Report.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	To neutralise the impact of the Group's activities on the environment and the impact of climate change on its business, Mediclinic committed to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets. The existing incentives linked to achieving our intensity target remain in place and are focused around reducing energy consumption and associated costs.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Management group	Monetary reward	Emissions reduction target	The Mediclinic Management Incentive Scheme depends on the level of achievement of the EBITDA targets, which in turn is achieved through costs savings. A reduction in fuel and electricity consumption and costs make a contribution to EBITDA as well as managing natural resources responsibly. Reducing carbon emissions from reduced electricity consumption is therefore a strong incentive for management. Electricity and water makes 2% of the operational cost of Mediclinic Southern Africa.
All employees	Monetary reward	Efficiency target	Employee bonuses depend on the level of achievement of the EBITDA targets which in turn is achieved through costs savings. A reduction in fuel and electricity consumption and costs make a substantial contribution to EBITDA as well as managing natural resources responsibly. Reducing carbon emissions from reduced electricity consumption is therefore a strong incentive for all employees. Electricity and water makes 2% of the operational cost of Mediclinic Southern Africa.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	
Medium-term	5	10	
Long-term	10	20	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

A significance rating is allocated to each risk based on the likelihood of occurrence, severity as well as the extent of exposure. Risks with a very high rating will be addressed first and then the others.

Each hospital completes an online Environmental Risk and Opportunities Aspect Survey on the CURA risk management software on an annual basis. Risk ratings are automatically calculated depending on the answer given in the CURA survey. For example, the aspect survey asks "Is your hospital located in an area where you experience drought/water shortages/water disruptions/water contamination/water infrastructure failure?" In relation to this, data is requested on water use with respect to boreholes, municipal water, grey water, rain-water, treated waste-water, from dams; as well as data on initiatives for minimising water usage, and on water recycling.

High risks will automatically be flagged by the CURA system when the exception report is drawn. All risks must be addressed in each hospital's environmental management plan with action plans on how to mitigate the risk.

High risks will also be those that are deemed to have a "substantive financial impact", being anything with a potential financial risk of over R250 000.

The Environmental Risk and Opportunities Aspect Survey is linked directly to the MCSA risk register. Survey feedback is collated after completion and incorporated in the risk register where high risks will be reported on and addressed at Corporate level.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
At the Group level, the objective of risk management is to establish an integrated and effective risk management framework within which important risks are identified, quantified, prioritised and managed in order to achieve an optimal risk/reward profile. This is inclusive of climate-related risks. An Enterprise-wide Risk Management ("ERM") policy defines the risk management objectives, risk appetite and tolerance, methodology, process and the responsibilities of the various risk management role players in the Group and is subject to annual review. With regards to climate-related risks, the ERM takes into consideration both the Sustainable Development Policy and the Safety, Health and Environmental Policy of the Group, and this is also reviewed annually. At asset or operational level (individual hospitals) the Group has a Safety, Health and Environmental Policy to identify aspects of the business that could have a significant impact on the environment. All divisions within the Group are required to implement the ISO 14001: 2015 environmental management system and have it certified by an internationally recognised body. The Group Safety, Health and Environmental Policy requires each operation to: - Identify and comply with relevant occupational health and safety, and environmental legislation and regulations. - Identify and manage all risks relating to occupational health and safety with regards to the organisation's work activities as documented in the Hazard Identification Risk Assessment. - Define environmental management programmes to achieve continual improvement in our Environmental Management System. - Create awareness with regards to safety, health and the environment among all employees. - Set objectives and targets to minimise our occupational health and safety incidents and the impact of our activities on the environment and to ensure continuous improvement of our occupational health and safety and environmental performance. - Encourage reduction, reuse and recycling of general waste. - Improve the management of hazardous waste including healthcare risk waste. - Influence our suppliers and service providers to adopt similar programmes, in order to limit our overall impact on the environment. - Nurse the use of resources. Each hospital completes an online Environmental Risk and Opportunities Aspect Survey on the CURA risk management software on an annual basis. Risk ratings are automatically calculated depending on the answer given in the CURA survey. High risks, identified as having the potential to lead to a "substantive financial impact" will be flagged when the exception report is drawn. All risks must be addressed in each hospital's environmental management plan with action plans on how to mitigate the risk. The Environmental Risk and Opportunities Aspect Survey is linked directly to the MCSA legal register. Survey feedback is collated after completion and incorporated in the legal register where high risks will be reported on and addressed at Corporate level. A condition status is also assigned to each risk, i.e. controlled condition: everyday occurrence or uncontrolled condition: sporadic or emergency situation. The risk or aspect identification is used for the setting of environmental objectives intended to result in meaningful improvements in the organisation's environmental performance. Where necessary, specific environmental risks are elevated to the Clinical Performance and Sustainability Sub-Committee of the Board for due consideration, response and guidance. The Clinical Performance and Sustainability Committee meet on a semi-annual basis. This process has identified physical and transition climate risks and identified relevant mitigation measures. For example, the process highlighted a carbon tax as a climate transition risk, at the point where National Treasury first announced the tax (in a discussion paper in 2010). Since then Mediclinic has been engaging in the process (through providing comments) and has tracked the evolution of the design of the tax, which has ultimately fed into mitigation efforts. The most notable is the decision to achieve carbon-neutrality by 2030. The drought we experienced in the Western Cape in 2018, changed Mediclinic's approach to water. Climate change and other drivers of water availability are now more explicitly tracked with the Mediclinic risk assessment process and ensuring security of water supplies at our hospitals has represented a significant area of capital investment over the last two years.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The Group Safety, Health and Environmental Policy requires each division to: - identify and comply with all existing and relevant climate legislation and regulations. In South Africa this is dominated by the National Environmental Management Act and its sub-acts, as well as various provincial and local government by-laws that might affect consumption of energy, water and the disposal of waste. It is the responsibility of each division to ensure it is meeting and in compliance with all current legislation, and to report this back to Mediclinic International Group Services. The carbon tax in South Africa, effective June 2019, is an example of current climate-related regulation that is considered in our risk assessments and has informed our strategy and our commitment to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets.
Emerging regulation	Relevant, always included	Emerging climate-related regulation such as the draft Climate Change Act (and associated mechanisms such as the carbon budgets and accompanying mitigation plan requirements); water regulation in response to physical drought or flooding situations; pollution and waste standards, etc. will have an impact on our business operations. It is the responsibility of the Board, executive and individual hospital management to be kept abreast of such emerging regulation in their risk assessment activities. These pieces of legislation are addressed at a Group level through Mediclinic International Group Services and are listed on the CURA enterprise risk management system as ongoing risks to be managed. An example of emerging regulation is the second phase of the carbon tax and the finalisation of the Climate Change Act. The extent to which the second phase of the carbon tax will affect Mediclinic (e.g. through the pass through of the tax in the electricity price) and the relationship between the tax and the measures included in the Act (e.g. carbon budgets) is being monitored and considered within Mediclinic's risk assessment processes.
Technology	Relevant, sometimes included	Evaluation of current technology and choice of new technology adopted by Mediclinic considers climate-related risks where relevant. This is particularly in the case of procuring new technologies that are evaluated from a climate-risk perspective. Recent examples include the assessments and then adoption and installation of boreholes and water treatment plants in hospitals in the Western Cape. These technologies will now be rolled out nationally as a preventative initiative in case of times of drought-enforced water restrictions, municipal water disruptions and/or municipal infrastructure failures due to poor maintenance. The Western Cape drought crisis prompted a group Water Resilience Committee to be implemented at Mediclinic to address all water-related risks, including technologies. This was mandated by the Clinical Performance and Sustainability Committee. While in operation during the reporting period, this Committee met on a monthly basis and reported into the group executive. Mediclinic also considered climate-related risks that may influence the technologies we use to deliver health care services. This informed our decision to close down four of our five operational incinerators.
Legal	Relevant, sometimes included	Compliance with existing and proposed climate-related legislation is always assessed through active industry participation across all operations; company secretarial and/or legal departments support to operational management, monitor regulatory developments and, where necessary, obtain expert legal advice for the effective implementation of compliance initiatives; compliance risks identified and assessed as part of compliance management processes. There is both an executive and board level (Audit and Risk Committee) oversight of these issues. Potential legal ramifications of non-compliance with the proposed carbon tax, national greenhouse gas reporting regulations and the draft bill on climate change include monetary fines and/or prison sentences for those responsible of such oversight at Mediclinic.
Market	Relevant, always included	Climate change can and will alter consumer behavior and choice of service provider, according to their determination of being a climate-responsible organisation. Mediclinic could lose market share if it does not respond appropriately to climate change. Similarly, market-share could be lost if any Mediclinic hospital is forced out of commission for a period of time due to climate-related events such as flooding or water shortages. This risk is assessed via the annual Environmental Risk and Opportunities Aspect Survey.
Reputation	Relevant, always included	Climate change can and will alter consumer behaviour and choice of service provider, according to their determination of being a climate-responsible organisation. Mediclinic could lose market share if it does not respond appropriately to climate change and be seen as an environmentally responsible organisation. This risk is assessed by the Clinical Performance and Sustainability Committee of the Board and when necessary, such as during the recent Western Cape water crisis, separate focused management committees are established.
Acute physical	Relevant, always included	In recent years our operations have experienced various acute physical events that make this a relevant risk. Examples include flood storms in Gauteng province during 2016, and severe drought in the Western Cape Province during 2017 and 2018. The risk is assessed by the Clinical Performance and Sustainability Committee of the Board and, where necessary, focussed management committees established to respond to such events. Each hospital is also required to report risk associated with any acute physical impact through its annual Environmental Risk and Opportunities Aspect Survey.
Chronic physical	Relevant, always included	Chronic physical climate risks are evaluated at a group level by the Clinical Performance and Sustainability Committee (and when necessary through the establishment of focused management committees) and also an operational level by each hospital's risk management processes. Both of these are supported and informed by the Mediclinic International Group Services. Part of this risk management is to assess the potential disease burden and change in geographical occurrences as a result of climate change, e.g. occurrences of malaria are expected to increase in the eastern and northern regions of South Africa as a result of increased rainfall and flooding events.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The Carbon Tax Act became effective on 1 June 2019. Carbon tax, at a rate of R120/tCO2e, must be levied in respect of the sum of the Scope 1 greenhouse gas (“GHG”) emissions of a taxpayer. The carbon tax rate will increase by the amount of the consumer price inflation (“CPI”) of the preceding tax period plus two percent until 31 December 2022, thereafter only by CPI of the preceding tax period. The GHG emissions resulting from fuel combustion, industrial processes and fugitive emissions expressed as a carbon dioxide equivalent (“CO2e”) will be taxable. A person conducting an activity in South Africa resulting in GHG emissions above the thresholds as provided for in Schedule 2 of the Carbon Tax Act will be subject to carbon tax. The carbon tax affects MCSA and is only relevant with respect to fuel combustion (MCSA does not produce process emissions or fugitive emissions as per the definitions in the Act). MCSA exceeds the cumulative thermal capacity of 10MW (in our case, the collective capacity of our diesel generators and incinerators). During the first phase, MCSA pays an indirect carbon tax on fuel purchases. The carbon tax forms part of the fuel levy system on petrol and diesel emissions. As of 5 June 2019, a rate of 7 cents per litre of petrol and 8 cents per litre of diesel is levied on these purchases. During the first phase of the Carbon Tax, National Treasury has indicated that electricity prices are intended to remain unaffected by the Carbon Tax. The position under the second phase (1 January 2023 – onwards) still remains unclear. Further, the carbon tax may prompt an increase in prices generally, leading to reductions in the disposable income

of consumers.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
10000000

Potential financial impact figure – maximum (currency)
25000000

Explanation of financial impact figure
The tax liability has been estimated based on the current and anticipated consumption of diesel and petrol by MCSA operations and assuming full or partial "allowances" which influence the effective tax rate (ranging from R48/tCO2e to R120/tCO2e). This value will increase in line with the proposed escalation schedule but Mediclinic's liability will decrease in line with to achieve carbon-neutral status and zero waste to landfill by 2030. The indirect passthrough costs associated with purchased goods and services (and particularly the possible pass through cost on electricity in the second phase) has not been assessed but would result in higher operating costs.

Cost of response to risk
32000000

Description of response and explanation of cost calculation
Mediclinic has, in the process of the development of the tax legislation, provided input to research and studies done by the South African National Treasury on the carbon tax. It provided its comments to the SA National Treasury Carbon Tax Policy Paper as well as gave input to the Carbon Offsets Paper. Mediclinic has been producing and consuming renewable energy onsite at three hospitals since before 2017, and at a further four hospitals in 2018. In 2019, Mediclinic produced and consumed solar energy at five new facilities. Mediclinic closed down four of its five operational incinerators due to environmental and financial reasons, hence significantly reducing its Scope 1 emissions. The Group's healthcare risk waste is now treated by means of electro thermal deactivation or autoclaving and only anatomical waste is treated by incineration. The remainder of waste to incinerate has been outsourced to Healthcare Risk Waste (HCRW) service providers resulting in an increase in kilometres travelled by third parties and Scope 3 emissions. R22 HCFC refrigerant gas is recovered through contractors or gas recovery plants thereby preventing the air-conditioning gas being released into the atmosphere. The cost of R 32 million is the amount budgeted for instalments of solar PV plants at our MCSA hospitals. There are additional costs incurred as part of MCSA taking steps to reduce electricity consumption intensity through the adoption of the ISO 14001:2015 environmental management system. This will lead to improved operational efficiency of technical installations, the introduction of various new energy efficient, as well as renewable, technologies and changes in employee behaviour regarding energy use. These costs are not individually tracked and form part of our operating budgets.

Comment
No direct costs are associated with government liaison other than staff salaries, travel and accommodation expenses.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Legal	Other, please specify (Enhanced emissions reporting obligations)

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
The Department of Environmental Affairs (now the Department of Environment, Forestry and Fisheries (DEFF)) on 3 April 2017 gazetted regulations for mandatory reporting of greenhouse gas emissions under the National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004). The purpose of the regulations is to introduce a single national system for annual greenhouse gas emissions reporting. The South African Revenue Service (SARS) will be the main implementing administrative authority on the tax liability assessment while the DEFF will lead the monitoring, reporting and verifying emissions process, which will form the tax base. DEFF will directly collect the process emissions information while the Department of Energy (DOE) will supply the energy combustion data. All information will be reported via the South African Greenhouse Gas Emissions Reporting System (SAGERS) which is a Greenhouse Gas Reporting Module of the National Emissions Inventory System (NAEIS). This will place a compliance burden on Mediclinic coupled with related additional costs for reporting and verification while non-compliance could be met with penalties. Further, emission reporting could lead to more stringent licence to operate criteria, e.g. for inclusion in the FTSE/JSE Responsible Investment Index. This affects MCSA only.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)

0

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
It is estimated that penalties for non-compliance to submit GHG inventories and data would be capped at R5 000 000 for a first offence. However, there is no potential financial impact for Mediclinic as current resources would be able to cope with the emissions reporting obligation.

Cost of response to risk
250000

Description of response and explanation of cost calculation
Mediclinic appointed external consultants to determine its organizational carbon footprint. This process is very time consuming and spreadsheets and processes to obtain the required data have been refined over the past few years. During CY2019 Mediclinic had its Carbon Footprint Inventory verified by an independent third party to ensure it is free of material misstatements. TravelIT software is used to record all flight bookings resulting in more accurate calculation of Scope 3 emissions. In future consideration will be given to acquire carbon management software to integrate carbon management reporting with current operating systems. These actions are not expected to affect the likelihood or magnitude of the risk.

Comment
Costs of about R250 000 per annum has been incurred relating to the appointment of external consultants to compile the carbon footprint and disclosure thereof as well as the external verification of the carbon inventory.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Any climate-related impact that affects water supply - such as extreme drought or disruption of water infrastructure due to flooding - is a risk to Mediclinic. Water plays a critical role in the effective functioning of any hospital - without continuous water supply, hospitals cannot ensure hygiene with an increase in infection control risk. Water shortages, no or limited supply, could cause the shutdown of strategic equipment resulting in limited services in the kitchen and laundry at hospitals in Southern Africa. Without water, there can be no hospital. Drought presents a direct climate-related risk to our operations but we also face bulk water infrastructure risks that can be indirectly impacted by climate change (e.g. extreme weather events can damage infrastructure). Some of our hospitals continue to experience municipal water cut-offs due to poor infrastructure maintenance.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
50000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
As the full implications of this climate-related risk are unknown, so the full potential financial impact is approximate. The cost is directly related to the quantity of water restrictions applied to the hospital.

Cost of response to risk
27000000

Description of response and explanation of cost calculation
The severe drought that resulted in extreme water restrictions in South Africa's Western Cape in 2018 is changing water use in Mediclinic as a whole. The water-efficiency initiatives introduced in this region's hospitals are in the process of being rolled out to the rest of the Group's facilities. At the time of the water shortage, leadership responded to the crisis by establishing a water resilience committee, implementing water-saving measures and changing behaviour through the ISO 14001:2015 environmental management system. Efforts to use and re-use water resources sustainably include: Continuous monitoring of water consumption through water meters and SCADA at certain facilities; Installation of bulk water storage facilities; Boreholes sunk; Water-saving instrument washers, washing machines and autoclaves; Recycling of autoclave water at certain facilities; Reuse of laundry last cycle water at certain facilities; Priority focus on detecting and fixing leaks. During 2019, 24 hospitals implemented water recycling projects, autoclaves installed at 10 hospitals during 2019 (at a cost of R 2 565 081) and additional water contingency and emergency preparedness measures were implemented. In addition, macerators and instrument washers were purchased (at a cost of R 4 808 993). Over R27m has been spent in the recent past to

implement various water resilient initiatives at our Western Cape hospitals in response to the drought and associated water crisis in this area, as well as measures implemented at hospitals in other parts of the country.

Comment
R24m has been spent in the recent past to implement various water resilient initiatives at our Western Cape hospitals in response to the drought and associated water crisis in this area.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Increased mean average temperature)

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Electricity consumption accounts for about 71% of Mediclinic Southern Africa's carbon emissions (Scopes 1, 2 and 3). About 55% of electricity is consumed by air conditioning units. A change in the mean average temperature will have an impact on the energy consumption and carbon emissions from air conditioning units of Mediclinic Southern Africa.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
2000000

Potential financial impact figure – maximum (currency)
3500000

Explanation of financial impact figure
Of the annual electricity bill of approximately R241 million air conditioning accounts for about R133 million. An increase in temperature resulting in a 2% energy consumption increase could cost Mediclinic approximately R2,7 million per year extra.

Cost of response to risk
0

Description of response and explanation of cost calculation
Energy is a key risk across the Group and various energy conservation and cost-efficient initiatives are implemented. To mitigate the risk of changing temperatures Mediclinic is looking to replace and upgrade inefficient air conditioning plants at the Group's largest electricity-consuming facilities. There are additional costs incurred as part of MCSA taking steps to reduce electricity consumption intensity through the adoption of the ISO 14001:2015 environmental management system. This will lead to improved operational efficiency of technical installations, the introduction of various new energy efficient, as well as renewable, technologies and changes in employee behaviour regarding energy use. These costs are not individually tracked and form part of our operating budgets.

Comment
Management costs are currently unknown.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Even though, as a hospital group, we are an essential service to society, if we are seen to be acting in an environmentally insensitive manner (such as needlessly wasting water), we will be viewed in a negative light by all our stakeholders including doctors, employees and customers. This could result in a decreased demand for our hospitals and associated services.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
100000000

Potential financial impact figure – maximum (currency)
150000000

Explanation of financial impact figure
The potential financial implication of reputational risk will depend on the environmental incident and the severity of the issue resulting in a loss of stakeholder confidence and support. Mediclinic's 2017 brand value is estimated at R11 663 million - according to Brand Finance South Africa. An estimated 1% loss in reputation could result in a loss of brand value of approx. R116.6 million together with actual revenue. http://brandfinance.com/images/upload/brandfinance_sa_2017.pdf

Cost of response to risk
2300000

Description of response and explanation of cost calculation
Mediclinic Southern Africa is committed to ensuring that its environmental management systems and practices are aligned with international best practices to safeguard its reputation and provide assurance about the environmental quality, safety and reliability of Mediclinic's processes and services. The ISO 14001:2015 international standard for Environmental Management Systems encourages good management practices that limit the impact of industry on the environment. The purpose of an environmental management system is to conserve resources, use them effectively and to minimise waste. Categories managed in the environmental management plan are the utilisation of resources and waste management, which include electricity, water, gases, paper, healthcare risk waste, hazardous waste and normal waste. 45 of Mediclinic's 52 hospitals are ISO 14001 certified by an external assurance provider (British Standards Institute), as accredited by the United Kingdom Accreditation Services. All MCSA's hospitals are ISO 14001 trained, follow the same environmental management practices and are subject to annual internal audits (of the 43 facilities where audits were conducted, an average score of 81% was achieved in the reporting year). Adhering to the system procedures and processes is expected to reduce the likelihood and magnitude of the risk. The ISO 14001:2015 Environmental Management System and certification costs Mediclinic Southern Africa approximately R2.3 million per annum.

Comment
The ISO 14001:2015 Environmental Management System and certification costs Mediclinic Southern Africa approximately R2.3 million per annum.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Anticipated increases in energy costs or levies are likely to substantially increase the operational costs in South Africa. However, with energy efficiency and GHG emissions savings, Mediclinic can unlock large operational cost savings and benefit from potential tax allowances for energy-efficient equipment and renewable energy technologies.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
1500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial implications will emanate from energy cost savings and tax allowances that can be claimed on the equipment. The renewable energy initiatives, once operational, will produce cost savings of approximately R1.5 million per annum and reduce carbon emissions by approximately 1 158 tCO2e per annum.

Cost to realize opportunity
32000000

Strategy to realize opportunity and explanation of cost calculation
In order to benefit from tax and regulatory opportunities while at the same time combat the above inflation increases experienced in energy tariffs, Mediclinic's National Resources and Standards Committee measures the energy use within the group to determine where savings can be achieved and evaluates various new energy-efficient and renewable technologies. During 2019 Mediclinic Southern Africa generated 3 240 322kWh in renewable energy. This is an increase of 307,58% from 2018's total of 795 015 kWh. This was due to the installation of five additional solar PV systems (at Mediclinic Hoogland, Mediclinic Welkom, Mediclinic Sandton, Mediclinic Constantiaberg, Mediclinic Panorama), resulting in a 2 543 tCO2e emission reduction in the reporting year. The cost of R 32 million is the amount budgeted for instalments of solar PV plants at our MCSA hospitals. There are additional costs incurred as part of MCSA taking steps to reduce electricity consumption intensity through the adoption of the ISO 14001:2015 environmental management system. This will lead to improved operational efficiency of technical installations, the introduction of various new energy efficient, as well as renewable, technologies and changes in employee behaviour regarding energy use. These costs are not individually tracked and form part of our operating budgets.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Please select

Company-specific description
Incentives or subsidies available for energy efficient equipment will reduce the capital costs of installing new energy efficient equipment to save energy consumption and add to Mediclinic's bottom line. The South African government has put in place an income tax incentive associated with qualifying energy efficiency initiatives. Mediclinic required independent M&V on the Medforum hospital in order to determine the impact of the various energy efficiency changes made to the facility and subsequently qualify for a 12L tax incentive.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3400000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial implication from registering as an Esco results from the Eskom subsidies receivable on the energy equipment to be installed for energy consumption savings. Based on an assessment undertaken, Mediclinic Medforum can claim about R3.4 million in tax deductions from the 12L tax incentive. Over the years Mediclinic has also received about R4.3 million in subsidies from Eskom (these are no longer available). This makes a substantial contribution to the capital cost of the new equipment and makes financial calculations viable.

Cost to realize opportunity
650000

Strategy to realize opportunity and explanation of cost calculation
The major energy efficiency projects implemented by Mediclinic Medforum consisted of the replacement of old chillers with new, more efficient Variable Refrigerant Volume (VRV) units. The hospital also constructed a new building section with more efficient lighting, HVAC systems and water heating systems. The 12L performance period spanned from 1 April 2018 – 31 March 2019. However, the building did not only have electricity as an energy source anymore. During the building of the new building, a solar water heating system was also installed. Thermal metering was not installed up front and could only be installed after the performance period has lapsed. The thermal energy absorbed by the water was correlated to irradiation data of the same characterisation period of 26 September 2019 – 20 October 2019. Using this characterisation and irradiation data during the 12L performance period, the thermal energy absorbed by the hot water system could be determined. The SWH system absorbed about 8 500kWh during the 12L performance period. This solar energy offset standard electrical water heating technology of Medforum; heat pumps. Assuming a coefficient of

performance for heating as 2, the electrical energy offset by the SWH is about 4 260kWh during the performance period. The impact of the energy management initiatives implemented within Medforum during the 12Lperformance period realised about 3 629 600kWh reduction in total and 3 625 300kWh reduction for the 12L-compliant portion without the SWH energy. Mediclinic paid a once off fee of R83 000 to register as an Esco with Eskom. Mediclinic paid R550 000 for the audit to be done by the PSEE. Costs associated with exploring the 12L opportunity have not been calculated.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Changes in the availability of waste landfill sites, a continued increase in the cost of such sites, and the associated greenhouse gas emissions of landfill sites (Scope 3 emission) has focused Mediclinic's operations on waste management and increased the amount of waste that is recycled or recyclable. This should affect Mediclinic's cost of operation and competitiveness in Southern Africa, as well as reduce our emissions associated with sending waste to landfill sites.

Time horizon
Short-term

Likelihood
About as likely as not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
200000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact will emanate from reducing the number of third party waste deliveries to landfill sites while service providers can use recycled materials in their production processes which is cheaper than using virgin materials. Incinerator gas and carbon emissions generated will also be reduced. During the year Mediclinic received income of about R200 000 from recycling activities based on the type of waste material recycled.

Cost to realize opportunity
2200000

Strategy to realize opportunity and explanation of cost calculation
To neutralise the impact of the Group's activities on the environment and the impact of climate change on its business, Mediclinic committed to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets. Mediclinic makes use of the ISO 14001:2015 environmental management system to manage and minimise waste that includes all waste streams. Each hospital also has a waste management plan. Mediclinic is also part of the Healthcare Waste Reduction Forum of the National Department of Environmental Affairs (now the Department of Environment, Forestry and Fisheries (DEFF)), and has also engaged with the Department's Hazardous Waste Management Support, Chemicals and Waste Branch. In order to achieve zero waste to landfill by 2030 the following has been undertaken: implementation of a ban on polystyrene and plastic straws at Corporate Office; recycling of paper, plastic, cardboard, glass, metal, tin, Tetrapak, fluorescent lights, e-waste, printer cartridges and batteries; redundant furniture and information technology equipment donated; food waste recovered and cooking oil recovered for biodiesel. Emissions associated with waste to landfill decreased from 5 097tCO2e to 4 961tCO2e year-on-year. Emissions associated with recycling remained relatively constant. We make use of three different waste management companies that are used at 18 of our hospitals and cost Mediclinic about R2.2 million per annum after taking the recycling income into account. This includes all transportation, employees on site to do the sorting and a management fee. Other hospitals in smaller areas make use of local recyclers, but the recycling is not always done on-site. The bins to recycle medical PVC (e.g. drip bags) are supplied for free by Adcock Ingram.

Comment

Identifier
Opp4

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Reduced water usage and consumption

Primary potential financial impact
Other, please specify (Greater resilience of resource)

Company-specific description
Mediclinic recognises water as a valuable resource where some 84% of South Africa's freshwater systems are threatened and more than 40% are in a critical condition. It is

envisaged that the amount of safe water at our disposal could drop by up to 40% in the next 15 years if we do not change the way we use water. The Western Cape region experienced its worst drought in recorded history during 2018. By managing water consumption as well as the recycling thereof the water supply and costs are managed. In addition, there is the potential for other weather events, such as a weak El Nino weather effect, prone to occurring in Southern Africa, resulting in drought conditions in parts of the region. Off-grid water collection and treatment plants have been put in place in our hospitals that have been, or are expected to be, affected by potential water shortages. This has resulted in greater resilience and independence of municipal water supplies, thereby ensuring we are not adversely affected by water shortages, cut-offs or tariff increases.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Potential financial impact is unknown, but will be directly related to increased water tariff costs.

Cost to realize opportunity
40500000

Strategy to realize opportunity and explanation of cost calculation
A Corporate Sustainable Water Management Strategy was adopted in 2016 and is reviewed annually. The strategy includes actions to mitigate and address various water risks, including water augmentation and water efficiency actions, including employee behaviour change. Mediclinic has introduced a group-wide water reduction target of 450 litres/bed-day sold. Mediclinic established a Water Resilience Committee to manage and monitor the impacts of the drought on our Western Cape Hospitals in 2018. This included representatives of all affected hospitals, MCSA Engineering and Group Safety, Health and Environment specialists. The MCSA also engaged with the City of Cape Town in addressing the crisis and the future needs should a "Day Zero" scenario materialise. Hospitals installed boreholes and water treatment plants (including reverse osmosis plants) to ensure operational continuity in the event of any disruption of water supplies to the hospitals. In the Western Cape, specific augmentation actions have been implemented including the drilling of boreholes at all hospitals, implementation of water treatment plants at hospitals and the implementation of reverse osmosis plants at those hospitals that require them. Mediclinic Bloemfontein drilled a new borehole to supplement its water availability should disruption to municipal water supplies occur. Mediclinic Hoogland has installed additional emergency water tanks - a 55 000 litre steel sectional tank. In Limpopo, R4m is going to be invested in installing additional storage for potable and fire water. During 2019, 19 331 kl of borehole water was produced by 16 different hospitals. Overall, there was a decrease of 1% in water consumption between 2018 and 2019 with borehole water being reported separately for the first time in 2019. The cost of borehole installation and water treatment plants in the Western Cape region, in response to the drought and water crisis, totalled R24.18 million. in response to the drought and water crisis in the that region. Cost of borehole at Mediclinic Bloemfontein = R188 217. Cost of additional emergency water tanks at Mediclinic Hoogland = R442 130.

Comment

Identifier
Opp5

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
The Group provides 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 it does, from the way it utilises natural resources and engages with employees to the type of investments it makes and how it conducts business. Mediclinic Southern Africa is committed to managing the resources consumed and the associated environmental impacts and would like to be seen as a leader in environmental issues in the healthcare industry. The reputational benefits of being a sustainable brand and responsible corporate citizen will result in market growth and opportunities for expansion in Southern Africa.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
72000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial implications from being a sustainable brand and responsible corporate citizen will be impacted by an influx of patients due to greater customer confidence and loyalty and reduced operational costs for electricity, water, waste and resources. An estimated 0.5% gain in reputational benefits could result in an increase of revenue of approximately R72 million per annum based on current revenue levels.

Cost to realize opportunity
225000

Strategy to realize opportunity and explanation of cost calculation
In order to enhance Mediclinic's reputation as a sustainable brand and responsible corporate citizen it is annually measuring, assessing and verifying its carbon footprint and is publicly disclosing its practices and performance through the Carbon Disclosure Project. To neutralise the impact of the Group's activities on the environment and the impact of climate change on its business, Mediclinic committed to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets. During CY2016 Mediclinic expanded the Energy Initiative Committee function to the Natural Resources Committee to include all natural resources. Mediclinic believes that by managing and containing operating costs and by managing its impact on the environment while providing quality of care and facilities it will be regarded as a respected and trusted provider of hospital services by patients, doctors, and funders of healthcare. Mediclinic has spent about R225 000 per annum to appoint external consultants to compile the carbon footprint and disclosure thereof as well as the external verification of the carbon inventory.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?
No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

Through our use of ISO 14001:2015 Environmental Management System, climate change is one of our aspects where we do a risk assessment based on scenarios and put action plans into place in our environmental management plan. These scenarios are based on financial impact, drought cycle impact, dam levels impact, local authority infrastructure impact, history impact and hospital infrastructure condition.

Mediclinic will consider undertaking a form of climate-scenario analysis as part of the revised ESG strategy (this process forms part of the next reporting period and progress will be reported on in our 2021 CDP climate change response).

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Mediclinic International is committed to being a good corporate citizen and believes that sustainability must be integrated in its business strategy, focusing not only on its financial output, but also on managing and utilising social and environmental resources efficiently to ensure a sustainable business in the long term. This requires strategic thinking on the impacts of climate change and Mediclinic's response to it. From a climate change perspective, the Group's business strategy is informed by the Group Sustainable Development Policy, Group Safety, Health and Environmental Policy and the Code of Business Conduct and Ethics that codify Mediclinic's long-standing commitment to conducting business responsibly. The policies are reviewed annually by management, with recommendations to the Board's Clinical Performance and Sustainability Committee as part of the annual policy review. The Group Safety, Health and Environmental Policy aims to minimise Mediclinic's environmental impacts and guides the identification and management of all risks and opportunities relating to water use and recycling, energy use and conservation, emissions and climate change, and waste management and recycling. Mediclinic believes that strategic advantage can be obtained through using resources responsibly, thereby managing and containing operating costs through reducing fuel and electricity consumption and associated carbon emissions. Further, it will ensure ongoing access to water and energy supplies. By managing Mediclinic's impact on the environment while providing quality of care and facilities it will be regarded as a respected and trusted provider of hospital services by patients, doctors, and funders of healthcare. A new ESG strategy has been approved recently (not within the reporting year) and the influence of climate change in the development of the new strategy will be reported on in Mediclinic's 2021 CDP climate change response. Climate transition risks have informed our commitment to achieving carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets, and this commitment forms an important part of the new strategy.
Supply chain and/or value chain	Evaluation in progress	There has been a lot more strategic discussion, within the reporting period and subsequently, regarding climate change risks and opportunities in our value chain. In 2019 four Exco meetings considered the impact of climate change on the business directly and via the value chain. There are some examples of where Mediclinic drives our climate objectives through engagements with our value chain. For example, suppliers are encouraged to reuse packaging and transporting containers.
Investment in R&D	No	As a hospital group, Mediclinic responds to its customers needs in a manner that does not require research and development. Hence, climate change has not impacted on any R&D activity of the Group. It is uncertain whether it will in the future or not. If such requirement is demanded of Mediclinic, then this will be factored into the financial planning of the Group. Time horizon is unknown.
Operations	Yes	During the year under review, we identified sustainable development as a critical transformation driver to the Mediclinic Group Strategy. A Sustainable Development Strategy which governs ESG activities has been developed to ensure the Group improves sustainability - manage resources responsibly and efficiently to the benefit of its stakeholders and environment. The most substantial strategic decision made in the reporting year was our decision to neutralise the impact of the Group's activities on the environment and the impact of climate change on its business, by committing to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets. Additionally, Mediclinic has continued to implement the Corporate Sustainable Water Management Strategy and water contingency plans to ensure hospitals can continue operating smoothly, without interruptions and to mediate the low quality of municipal water from ineffective processes at purification plants. Mediclinic also expanded its Energy Initiative Committee function to the Natural Resources Committee to include all natural resources, including energy consumption, waste to landfill, and recycling practices)(response to resource-affected realities of climate change). To achieve zero waste to landfill by 2030, the following has been undertaken: ban on polystyrene & plastic straws at Corporate Office; recycling - plastic, cardboard, glass, metal, tin, Tetrapak, fluorescent lights, e-waste, printer cartridges and batteries; redundant furniture and info technology equipment donated; food waste recovery and cooking oil recovered for biodiesel. Examples to reduce transition risks include: aircon systems being replaced with energy efficient VRV system at Medforum (3rd floor), Muelmed and Bloemfontein; other aircon efficiency measures installed at Brits, Constantiaberg, Durbanville, Stellenbosch and Paarl. Other elements of our short term strategy influenced by climate change relate to the setting of targets to reduce Mediclinic's energy consumption on bed days sold by 3.09% per year to meet the South African government's target of reducing carbon emissions by 34% by 2020.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Capital allocation	Increased costs in energy, water and waste disposal services have all impacted the operations costs of Mediclinic. It is anticipated that further costs relating to a carbon tax will affect energy costs going forward. as did increased water costs implemented in the Western Cape as a means to curb regional water consumption. Viewed as an opportunity, any energy, water or waste efficiency action will result in both total operating cost savings and operating costs per bed-day sold. Impact is currently low, but expected to increase to medium. Capital expenditures have been influenced, especially given the new target to achieve carbon neutrality by 2030. Mediclinic continues to invest significantly in solar PV to generate energy that offsets the carbon intensive electricity purchased via the grid. In 2019, Mediclinic produced and consumed solar energy at five new facilities, namely: • Mediclinic Hoogland – operation since February 2019 (11 months) • Mediclinic Welkom – operational since May 2019 (8 months) • Mediclinic Sandton – operational since March 2019 (10 months) • Mediclinic Constantiaberg – operational since March 2019 (10 months) • Mediclinic Panorama – operational since June 2019 (7 months). Some hospitals have hybrid solar water systems for heating water and heat pumps. During 2019 Mediclinic Southern Africa generated 3 240 322kWh in renewable energy. This is an increase of 307,58% from 2018's total of 795 015 kWh. Costs and capital expenditures and allocations consider the time horizon associated with the 2030 target

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2019

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2019

Covered emissions in base year (metric tons CO2e)
178497

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)

Covered emissions in target year (metric tons CO2e) [auto-calculated]
<Calculated field>

Covered emissions in reporting year (metric tons CO2e)
178497

% of target achieved [auto-calculated]
<Not Applicable>

Target status in reporting year
New

Is this a science-based target?
Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)
To neutralise the impact of the Group's activities on the environment and the impact of climate change on its business, Mediclinic committed to achieve carbon-neutral status and zero waste to landfill by 2030 with plans to support the achievement of these targets. This includes all Mediclinic International operations.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Intensity metric
Other, please specify (tCO2e per bed-day sold)

Base year
2018

Intensity figure in base year (metric tons CO2e per unit of activity)
0.0843117

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
100

Target year
2019

Targeted reduction from base year (%)
3.09

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.08170646847

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.089

% of target achieved [auto-calculated]
-179.957134174558

Target status in reporting year
Expired

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
The target is an ongoing (rolling) annual target and was completed during the reported period. The target was achieved due to various energy efficiency measures, installation of additional renewable energy and behaviour change within Mediclinic - resulting in approximately 2 543 tCO2e savings. As well as a 9% increase in emission factor for the South African electricity grid. The target to reduce Mediclinic's energy consumption on bed days sold by 3.09% per year is in place in order to meet the South African government's target of reducing carbon emissions by 34% by 2020.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	0
To be implemented*	0	0
Implementation commenced*	2	0
Implemented*	18	2543
Not to be implemented	13	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Electricity is the main contributor to the Group's carbon footprint. Facilities require significant energy as many are run on a 24/7 basis, with medical equipment and air filtration and conditioning units being a significant contributing factor All divisions are taking steps to reduce their electricity consumption intensity through the adoption of the ISO 14001:2015 environmental management system. This will lead to improved operational efficiency of technical installations, the introduction of various new energy efficient and renewable technologies, and changes in employee behaviour regarding energy use. Old lightbulbs have been replaced with new energy efficient lighting fixtures at Wits Donald Gordon, Swakopmund, Potchefstroom, Paarl, Muelmed, Lephalale, Legae, Kloof, Ermelo, Emfuleni, Cape Town, Brits (parking lights), and Bloemfontein. In progress at Mediclinic Worcestor, Otjiwarongo and Sandton. All "new-build" constructions will have to use LED lighting in future. These initiatives contribute directly to reducing emissions and achieving Mediclinic's Scope 1 and 2 emissions reduction target.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
2543

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
Mediclinic has been producing and consuming renewable energy onsite at three hospitals since before 2017, and at a further four hospitals in 2018. In 2019, Mediclinic produced and consumed solar energy at five new facilities, namely: • Mediclinic Hoogland – operation since February 2019 (11 months) • Mediclinic Welkom – operational since May 2019 (8 months) • Mediclinic Sandton – operational since March 2019 (10 months) • Mediclinic Constantiaberg – operational since March 2019 (10 months) • Mediclinic Panorama – operational since June 2019 (7 months). Some hospitals have hybrid solar water systems for heating water and heat pumps. These initiatives contribute directly to reducing emissions and achieving Mediclinic's Scope 1 and 2 emissions reduction target

Initiative category & Initiative type

Waste reduction and material circularity	Waste reduction

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 3

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in C0.4)
200000

Investment required (unit currency – as specified in C0.4)

0

Payback period
No payback

Estimated lifetime of the initiative
>30 years

Comment
Stringent protocols are followed to ensure that waste management within the Group complies with all legislation and regulations. The Group regards the handling of waste in an environmentally sound, legal and safe manner as its ethical, moral and professional duty. During the reporting period, there were no incidents at the Group's facilities or offices leading to significant spills. Recycling of paper, plastic, cardboard, glass, metal, tin, Tetrapak, fluorescent lights, e-waste, printer cartridges & batteries; Recovery of food waste; Plastic straws, polystyrene food containers banned Corporate Office; Suppliers encouraged to reuse packaging and transporting containers; Redundant furniture and info tech equipment donated; Cooking oil recovered for biodiesel. Notably, the recovery of food waste in the form of AgriProtein has been implemented in the WC. Consideration should be given to the organic waste for all facilities currently disposing to landfill. All facilities should be audited, and organic waste diverted to composting, Agriprotein or animal feed programmes. This will become important as new waste legislation is introduced. The estimated annual rebate on recycling of waste is ±R200 000 based on feedback from 12 hospitals who reported their waste rebate.

Initiative category & Initiative type

Company policy or behavioral change	Waste management

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
>30 years

Comment
Suppliers encouraged to reuse packaging and transporting containers.

Initiative category & Initiative type

Energy efficiency in production processes	Cooling technology

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
6-10 years

Comment
Air conditioning systems replaced with energy efficient VRV system at Medforum (3rd floor), Muelmed and Bloemfontein. Other aircon efficiency measures installed at Brits, Constantiaberg, Durbanville and Paarl. With the upgrade of air handling units in operating theatres, Mediclinic Brits in South Africa has been able to reduce its energy use on these by 30%. During afterhours (20:00–05:00), sleep mode relaxes the stringent temperature from 16°C to 23°C, which uses less energy but maintains infection control parameters. New Mediclinic Stellenbosch – includes Variable Refrigerant Flow technology and BMS (Building Management System) to manage time and temperature.

Initiative category & Initiative type

Company policy or behavioral change	Resource efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Please select

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
>30 years

Comment
Electricity is the main contributor to the Group's carbon footprint. Facilities require significant energy as many are run on a 24/7 basis, with medical equipment and air filtration and conditioning units being a significant contributing factor. All divisions are taking steps to reduce their electricity consumption intensity through the adoption of the ISO 14001:2015 environmental management system. This will lead to improved operational efficiency of technical installations, the introduction of various new energy efficient and renewable technologies, and changes in employee behaviour regarding energy use. The main sources of direct energy consumption are gas and diesel oil, motor gasoline, liquefied petroleum gas and natural gas. Indirect energy sources refer to electricity consumption.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	All new air-conditioning and refrigerant equipment purchased makes use of refrigerants other than Freon or R22, which is being phased out in South Africa and Namibia. Stringent protocols are followed to ensure that waste management within the Group complies with all legislation and regulations.
Dedicated budget for energy efficiency	The Natural Resources and Standards Committee measures the energy utilisation within the group to determine where savings can be achieved and it evaluates various new energy efficiency technologies. The Committee takes various steps to reduce greenhouse gases, such as the implementation of LED lighting and solar photovoltaic energy systems. All new equipment purchased makes use of refrigerants other than Freon or R22. The division invests in energy efficient equipment and renewable energy sources. Carbon neutral by 2030: Considerations include - Renewable energy through photovoltaic systems; Solar panels for water heating; Supervisory control and data acquisition ('SCADA') systems to monitor electricity consumption; Three verification methods for electricity data; Energy-efficient practices.
Dedicated budget for low-carbon product R&D	The Natural Resources and Standards Committee investigates and implements solar photovoltaic (PV) systems to generate renewable energy at hospitals.
Financial optimization calculations	Rising electricity costs have been an incentive to reduce electricity consumption and resultant carbon emissions through investments in energy efficient equipment and alternative renewable energy sources. Carbon tax liability calculations were undertaken, acting as another incentive to reduce carbon emissions through investment in emission reduction activities.
Partnering with governments on technology development	Mediclinic Southern Africa is a listed and registered Energy Services Company (Esco) to implement the Eskom Demand Side Management (DSM) and Energy efficiency programmes at Mediclinic while making use of the available subsidies and rebates to defray capital costs of equipment. It also partnered with the NBI's Private Sector Energy Efficiency Project (PSEE) to share knowledge and leverage off the skills of experts.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
April 1 2016

Base year end
March 31 2017

Base year emissions (metric tons CO2e)
23841

Comment
2016 is used by Mediclinic as the base year due to it being the first year in which complete and accurate data is verifiably available.

Scope 2 (location-based)

Base year start
April 1 2016

Base year end
March 31 2017

Base year emissions (metric tons CO2e)
159571

Comment

Scope 2 (market-based)

Base year start
April 1 2016

Base year end
March 31 2017

Base year emissions (metric tons CO2e)
159571

Comment
No low-carbon electricity, heat or steam purchased. Hence, market-based Scope 2 emissions the same as location-based.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
21127

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
In 2017, we changed our reporting year to a calendar year (January-December) in alignment with our new financial reporting year.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
No low carbon instruments purchased. Hence, location and market-based Scope 2 emission are the same.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
157370

Scope 2, market-based (if applicable)
157370

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
No low-carbon contractual electricity instruments purchased.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Welkom Medical Centre Day Hospital (Central Region) & Welkom Medical Centre Sub-Acute (Central Region).

Relevance of Scope 1 emissions from this source
Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source
Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are relevant but not yet calculated

Explain why this source is excluded
Emissions generated by the following facilities and/or entities are excluded in their entirety from the reporting boundary as the data was not available.

Source
Air conditioning and refrigeration emissions, & fire suppressant refills from non-hospital buildings (corporate office buildings).

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions excluded

Explain why this source is excluded
Air-conditioning and refrigeration gas refills – nineteen hospital facilities reported ‘no data’ or zero consumption for 2019. Fire suppressant refills – eight hospital facilities were reported as ‘no data’ or zero consumption in 2019.

Source
Diesel in generators (stationary fuel) for Medical Innovations and Northern Regional diesel consumption.

Relevance of Scope 1 emissions from this source
Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source
No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions excluded

Explain why this source is excluded
Diesel in generators (stationary fuel) for Medical Innovations was not recorded in 2019 and Northern Regional diesel consumption is included in the rental agreement.

Source
Medical CO2 for Ermelo, Secunda, Otjiwarongo and Strand.

Relevance of Scope 1 emissions from this source
Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source
No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions excluded

Explain why this source is excluded
Medical CO2 for Ermelo, Secunda, Otjiwarongo and Strand were reported as ‘data not available’ in 2019. Thabazimbi reported zero consumption of CO2 for 2019.

Source
Purchased electricity for Mediclinic Corporate Events office excluded

Relevance of Scope 1 emissions from this source
No emissions excluded

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
Excluded as electricity included in lease agreement.

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
539

Emissions calculation methodology
In order to calculate the metric tonnes of carbon emissions, we using latest environmental data provided by manufacturer of office paper (Mondi Rotatrim) for tonnes of CO2e emitted in the manufacturing process of one tonne of paper. We also used Eskom's 2019 emission factor to calculate emissions associated with electricity consumption in the manufacturing of one tonne of paper. Emission factors for water purchased is provided by Defra, Guideline to Defra's GHG Conversion Factors for Company Reporting; Annexes. Updated in July 2019.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
308,55 tonnes of office paper was purchased in the reporting year, and total water consumed by MCSA in 2019 was 1 093 002 kilolitres (water consumption data for Chardonnay and Tshwane Regional not available. Information on other "goods and services" not evaluated.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
A detailed evaluation of emissions associated with capital goods purchased still to be undertaken.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
15265

Emissions calculation methodology
Electricity Transmission and Distribution losses: 151 317 341,47 kWh electricity purchased from off-site electricity utilities. Defra (2019) emission factor for electricity transmission and distribution loss applied. All kWh used in calculation provided through invoices from Eskom and municipalities distributing Eskom electricity.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Emissions from electricity transmission and distribution losses that result from our consumption of electricity from the South African national grid.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1333

Emissions calculation methodology
Emissions of third party vehicle fleets used for pharmaceutical deliveries; gas deliveries; kitchen and laundry deliveries; and, waste collections are calculated using kilometres and type of vehicles used as provided by the suppliers. Defra (2019) freight emissions factors used accordingly.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
4988

Emissions calculation methodology
Waste to landfill and recycled tonnes of wet waste to landfill and tonnes of municipal waste recycled were used to calculate emissions according to the GHG Protocol using Defra's 2019 emission factors for municipal waste and Friedrich and Trois (2013), GHG emission factors developed for the collection, transport and landfilling of municipal waste in South African municipalities. Waste from operations was calculated using the available records from waste service suppliers.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2379

Emissions calculation methodology
Business travel in rental cars, commercial airlines, hotel accommodation and travel claims. Car rental - kilometres travelled, car engine size and type of fuel used provided by service provider. Car rental is split as follows: Hertz 99 024 km (18 tCO2e), Europcar 112 652 km (20 tCO2e) and Avis 205 183 km (36 tCO2e). Defra's 2019 emission factors for business travel - land used. Air travel - flight information provided by service provider, including class of travel, departure dates and destination of each leg. Carbon Calculated determined the distance travelled. Defra's 2019 emission factors for business travel - air used. Hotel accommodation bednights provided by service provider. Emissions factor sourced from Defra, 2019. Travel claims - kilometres travelled provided by employees. Defra's 2019 emission factors for business travel - land used. Emissions were calculated according to the GHG Protocol. Assumptions: It is assumed that there is one occupant per vehicle rented. All fights are booked through the company therefore there are no privately booked flights that are not accounted for. Hotel accommodation was based on number of nights away on business travel and calculations were based on 1 person occupying a room per night. Emissions from travel claims were calculated using the available records.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
14361

Emissions calculation methodology
Employee commuting: Kilometres travelled according to the mode of transport used to calculate emissions according to the GHG Protocol using Defra's 2019 emission factors and calculated as 0.92 tCO2e x 15 891 FTEs. Assumptions: A commuting survey was completed for the Mediclinic Group. A total of 5 129 surveys were used representing 32% of Mediclinic FTEs and 12 public holidays were included in the calculation, except for nursing staff who work shifts. The emissions per FTE according to the surveys were extrapolated to reflect the number of FTEs for CY2019 (15 865 employees). For transport by Uber an ‘average car unknown fuel’ emission factor was used, and it was assumed the employee was the only person being transported.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
1697

Emissions calculation methodology
ER24 aircraft: Litres of aviation fuel consumed provided by service provider was used to calculate emissions according to the GHG Protocol using Defra's 2019 emission factors for fuel. Assumptions: A total of four fixed-wing aircraft were used by ER24. One helicopter was operational since April 2017 but ceased operations during 2019, recording 667 191 litres of aviation fuel. No aircraft are owned by MCSA and are therefore included as Scope 3.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a hospital group, Mediclinic does not provide services or manufacture goods that need to be transported to clients.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a hospital group, Mediclinic is a service provider and does not manufacture or process products.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a hospital group, Mediclinic is a service provider and does not manufacture or process products consumed or used by customers.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As a hospital group, Mediclinic is a service provider and does not manufacture or process products consumed or used by customers that need to be disposed of in any way at end of life.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mediclinic does not lease out any assets to third parties whose emissions are not included under the operational control boundary of the Scope 1 and 2 emissions reported in this submission.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mediclinic does not own any franchise operations.

Investments

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Mediclinic has investments of different equity percentages in a number of subsidiary companies who are not listed on the Johannesburg Stock Exchange and, hence, are not required to calculate their carbon emissions under any company codes of corporate governance. Plans are being made to evaluate which, if any, of these investments should be evaluated and included in the Mediclinic carbon footprint.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no other upstream activities that need to be included in the Mediclinic carbon footprint.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There are no other downstream activities that need to be included in the Mediclinic carbon footprint.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.089

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
178497

Metric denominator
Other, please specify (bed-day sold)

Metric denominator: Unit total
1999537

Scope 2 figure used
Location-based

% change from previous year
7.23

Direction of change
Increased

Reason for change

Emissions from purchased electricity increased by 9% in the reporting year due to the 9% increase in the Eskom emission factor during 2019 (from 0.95 tCO2e per megawatt hour to 1.04). In addition, the bed-days sold increased from 1 988 923 in 2018 to 1 999 539 in 2019 – these changes explain a large majority of the overall metric increase by 7.23%. This emission factor increase was partially offset by various emission reduction measures such as the installation of additional renewable energy and behaviour change within Mediclinic – resulting in approximately 2 543 tCO2e savings.

Intensity figure
0.206

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
178497

Metric denominator
square meter

Metric denominator: Unit total
868418

Scope 2 figure used
Location-based

% change from previous year
2.91

Direction of change
Increased

Reason for change
Increase in square metres is due in part to the inclusion of the Medical Innovations (1 270 m²) facility and the Mediclinic Corporate Events office (2 655 m²) for the first time. Hospital floor area increased by 24 032 m² (notably 18 561 m² added with the new Mediclinic Stellenbosch facility) and Central regional office area increased to include the whole Quantum facility (9 700 m²) in 2019. Emissions from purchased electricity increased by 9% in the reporting year due to the 9% increase in the Eskom emission factor during 2019 (from 0.95 tCO2e per megawatt hour to 1.04). Together, these changes explain a large majority of the overall metric increase by 2.91%. The increase was partially offset by emission reduction initiatives and especially new investments in renewable energy installations that lead to a reduction in emissions. During 2019 Mediclinic Southern Africa generated 3 240 322kWh in renewable energy. This is an increase of 307,58% from 2018's total of 795 015 kWh. This was due to the installation of five additional solar PV systems, resulting in a 2 543 tCO2e emission reduction in the reporting year.

Intensity figure
11.251

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
178497

Metric denominator
full time equivalent (FTE) employee

Metric denominator: Unit total
15865

Scope 2 figure used
Location-based

% change from previous year
0.16

Direction of change
Increased

Reason for change
The number of FTE employees decreased from 15 891 in 2018 to 15 865 in 2019. Additionally, emissions from purchased electricity increased by 9% in the reporting year due to the 9% increase in the Eskom emission factor during 2019 (from 0.95 tCO2e per megawatt hour to 1.04). Together, these changes explain a large majority of the overall metric increase by 0.16%. The increase was partially offset by emission reduction initiatives and especially new investments in renewable energy installations that lead to a reduction in emissions. During 2019 Mediclinic Southern Africa generated 3 240 322kWh in renewable energy. This is an increase of 307,58% from 2018's total of 795 015 kWh. This was due to the installation of five additional solar PV systems, resulting in a 2 543 tCO2e emission reduction in the reporting year.

Intensity figure
9.005

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
178497

Metric denominator
Other, please specify (per employee (FTEQ))

Metric denominator: Unit total
19822

Scope 2 figure used
Location-based

% change from previous year
0

Direction of change
Please select

Reason for change
Includes 3 957 agency employees calculated based on the monthly average of hours worked by agency staff and converted to full-time employees based on 182 hours per month. This is included for first time in 2019.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
South Africa	21127

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Fuel	1102
Fugitive gases	2058
Gas consumption (N2O, CO2)	7470
Anaesthetic gases	4672
Mobile fuels	5826

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
South Africa	157370	157370	151317	151317

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Tshwane	36014	36014
Northern	37716	37716
Central	30982	30982
WCC	21564	21564
WCI	28168	28168
Corporate	2926	2926

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2543	Decreased	1.53	During 2019 Mediclinic Southern Africa generated 3 240 322kWh in renewable energy. This is an increase of 307.58% from 2018's total of 795 015 kWh. This was due to the installation of five additional solar PV systems, resulting in a 2 543 tCO2e emission reduction in the reporting year. Our total Scope 1 and Scope 2 emissions in the previous year was 165 760 tCO2e, therefore we arrived at -1.53% through (2543/165760) * 100= -1.53% (i.e. a 1.53% decrease in emissions). This contributes directly to achieving Mediclinic's ambitious GHG mitigation targets.
Other emissions reduction activities	0	No change	0	In the reporting year, other emissions reduction activities were put in place as hospitals have taken steps to reduce their electricity consumption intensity through the adoption of the ISO 14001:2015 environmental management system. This has led to the introduction of various new energy efficient and renewable technologies such as LED light installation, as well as changes in employee behaviour regarding energy use. These activities have not been quantified yet, hence the 'no change' in emissions reported. These activities are therefore captured.
Divestment	0	No change	0	There were no divestments by Mediclinic during the reporting period.
Acquisitions	0	No change	0	There were no acquisitions by Mediclinic during the reporting period.
Mergers	0	No change	0	There were no mergers by Mediclinic during the reporting period.
Change in output	0	No change	0	There were 10 615 more bed days sold in 2019, compared to 2018, (out of a total 1 999 538). This change did not make a tangible difference in emissions.
Change in methodology	14032	Increased	8.47	Emissions from purchased electricity increased by 9% from 143 338 to 157 370 tCO2e. This was to a large extent due to the 9% increase in the Eskom emission factor (from 0.95 tCO2e per megawatt hour to 1.04). Our total Scope 1 and Scope 2 emissions in the previous year was 165 760 tCO2e, therefore we arrived at 8.47% through (14 032/165760) * 100= 8.47% (i.e. an 8.47% increase in emissions).
Change in boundary	3482	Increased	2.1	The increases in area are for various hospitals as well as corporate facilities. Most of the increase is due to the addition of Mediclinic Stellenbosch at 18 561 m2, which moved to a new facility from what has since become Mediclinic Winelands Orthopaedic Hospital. Mediclinic Potchefstroom also added 11 310 m2 after undergoing construction work for an overall enlargement, adding capacity for a further 70 beds. MCSA's corporate office space has also increased with the inclusion of the Medical Innovations' office area (1 270 m2) for the first time, and the new Mediclinic Corporate Events office space (2 655 m2) in CDP2020. Central regional office has previously been reported based only on occupied space (345 m2), but since the Quantum facility in Bloemfontein is an MCSA-owned facility with other MCSA employees occupying space, the entire facility (9 700m2) has now been included. We attribute a 3282 tCO2e increase to this category. Our total Scope 1 and Scope 2 emissions in the previous year was 165 760 tCO2e, therefore we arrived at 2.10% through (3482/165760) * 100= 2.10% (i.e. a 2.10% increase in emissions).
Change in physical operating conditions	0	No change	0	There was no change in emissions by Mediclinic that can be attributed to a change in physical operating conditions.
Unidentified	0	No change	0	There was no change in emissions by Mediclinic that can be attributed to a change the category 'unidentified'.
Other	2234	Decreased	1.35	Increase of emissions from generator diesel by 126% (increased by 440 tCO2e from 349 tCO2e in 2018 and 789 tCO2e in 2019) is a result of increased load shedding during 2019 and more accurate data capturing. Consumption of N2O as a medical gas decreased by 26% (decreased by 2674 tCO2e from 10 136 tCO2e in 2018 to a value of 7462 tCO2e in 2019). The reason for this is unclear and requires further investigation within MCSA. Overall, this means a 2234 tCO2e decrease from the category "other". Our total Scope 1 and Scope 2 emissions in the previous year was 165 760 tCO2e, therefore we arrived at -1.35% through (-2234/165760) * 100= -1.35% (i.e. a 1.35% decrease in emissions).

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	34912	34912
Consumption of purchased or acquired electricity	<Not Applicable>	0	151317	151317
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	3240	<Not Applicable>	3240
Total energy consumption	<Not Applicable>	3240	186230	189470

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
17587

MWh fuel consumed for self-generation of electricity
3125

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.68697

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting; Dept. for Business, Energy and Industrial Strategy & Dept. for Environment Food and Rural Affairs; 2019 (version 1.01)

Comment

Diesel used in generators for electricity and in vehicles (heat).

Fuels (excluding feedstocks)
Petrol

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
9039

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.31495

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting; Dept. for Business, Energy and Industrial Strategy & Dept. for Environment Food and Rural Affairs; 2019 (version 1.01)

Comment
Petrol used in vehicles (heat).

Fuels (excluding feedstocks)
Aviation Gasoline

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
6848

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.54306

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting; Dept. for Business, Energy and Industrial Strategy & Dept. for Environment Food and Rural Affairs; 2019 (version 1.01)

Comment
ER24 helicopters, ER24 fixed wing aircraft - aviation fuel (heat).

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1339

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
1.5226

Unit
kg CO2e per liter

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting; Dept. for Business, Energy and Industrial Strategy & Dept. for Environment Food and Rural Affairs; 2019 (version 1.01)

Comment
LPG used in heating and cooking.

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
100

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.03053

Unit
kg CO2e per m3

Emissions factor source
UK Government GHG Conversion Factors for Company Reporting; Dept. for Business, Energy and Industrial Strategy & Dept. for Environment Food and Rural Affairs; 2019 (version 1.01)

Comment
Natural gas used in heating.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	6365	6365	3240	3240
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type
<Not Applicable>

Country/region of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed accounted for at a zero emission factor
<Not Applicable>

Comment
No low-carbon instruments purchased

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Energy usage

Metric value
0.34

Metric numerator
Gigajoule

Metric denominator (intensity metric only)
Bed-day sold

% change from previous year
3.96

Direction of change
Increased

Please explain
The increase of energy consumption was largely seen by an increase of diesel used for generators, which was as a result of increased load shedding during 2019 and more accurate data capturing.

Description
Other, please specify (Water consumption)

Metric value
0.55

Metric numerator
Kilolitre

Metric denominator (intensity metric only)
Bed-day sold

% change from previous year
1.88

Direction of change
Decreased

Please explain
Continued focus on water stewardship and savings, following drought in Western Cape during 2017/2018 (including installation of boreholes and reverse osmosis water treatment plants in Western Cape hospitals) and general awareness on water conservation across all our hospitals.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mediclinic Southern Africa CY2019 - Verification Statement.pdf

Page/ section reference
p.1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mediclinic Southern Africa CY2019 - Verification Statement.pdf

Page/ section reference
p.1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mediclinic Southern Africa CY2019 - Verification Statement.pdf

Page/ section reference
p.1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Waste generated in operations

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Mediclinic Southern Africa CY2019 - Verification Statement.pdf

Page/section reference
p.1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO140643	In the attached report, year-on-year changes in emissions verified. Mediclinic Southern Africa CY2019 GHG Verification Report - Final.pdf
C6. Emissions data	Year on year change in emissions (Scope 3)	ISO140643	In the attached report, year-on-year changes in emissions verified. Mediclinic Southern Africa CY2019 GHG Verification Report - Final.pdf
C8. Energy	Other, please specify (Energy-related data used for GHG Inventory)	ISO140643	In the attached report, year-on-year changes in emissions verified. Mediclinic Southern Africa CY2019 GHG Verification Report - Final.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

South Africa carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

Period start date

June 1 2019

Period end date

December 31 2019

% of total Scope 1 emissions covered by tax

31

Total cost of tax paid

198182

Comment

During the first phase, MCSA pays an indirect carbon tax on fuel purchases. The carbon tax forms part of the fuel levy system on petrol and diesel emissions. As at 5 June 2019, a rate of 7 cents per litre of petrol and 8 cents per litre of diesel is levied on these purchases.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Executive directors and senior executives at Mediclinic have met with Industry Bodies who lobby government regarding new legislation such as domestic carbon taxes. Mediclinic is managing the carbon tax risk by providing input and advice to research and studies done by the South African National Treasury on the carbon tax. It provided its comments to the SA National Treasury Carbon Tax Policy Paper as well as giving input to the Carbon Offsets Paper.

During the first phase of the carbon tax, MCSA is only required to pay tax on liquid fuels. This is done automatically given that the tax is included in the liquid fuel tariff regime. There is no risk of non-compliance.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations

GHG Scope
Scope 1
Scope 2

Application
Mediclinic South Africa

Actual price(s) used (Currency /metric ton)
120

Variance of price(s) used
None

Type of internal carbon price
Shadow price

Impact & implication
The carbon tax (R120/tCO2e) is considered given its impact on energy prices. This influences procurement decisions. For example, solar PV feasibility studies consider the carbon tax both with respect to payback but also as a potential additional revenue source should Mediclinic be in a position to generate offsets in the future.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Climate change is integrated into supplier evaluation processes

% of suppliers by number
2

% total procurement spend (direct and indirect)
65

% of supplier-related Scope 3 emissions as reported in C6.5
20

Rationale for the coverage of your engagement
We engage with the top 26 of our suppliers, by spend, out of a total of 380, through strategic quarterly reviews. Engagement includes issues of supplier environmental performance and climate change risks and responses.

Impact of engagement, including measures of success
Engagement is currently focused on direct impacts to our operations, such as water conservation by on-site service providers (doctors, caterers, laundry and cleaning suppliers). We require all our on-site suppliers such as laundry, cleaning services and doctors to comply with our target of 20 litre of water per staff member per day.

Comment
Waste management: Suppliers encouraged to reuse packaging and transporting containers.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Carbon tax	Support	Executive directors and senior executives at Mediclinic meet with the Industry Bodies who lobby the government regarding new legislation such as domestic carbon taxes. Mediclinic is managing the carbon tax risk as it gave input to research and studies done by the South African National Treasury on the carbon tax. It provided its comments to the SA National Treasury Carbon Tax Policy Paper as well as gave input to the Carbon Offsets Paper.	Mediclinic accepts that under South Africa's international commitment to reduced national greenhouse gas emissions, certain financial and legislative initiatives need to be introduced. As such, Mediclinic is in support of the Carbon Tax Act. Where possible, Mediclinic will work with policymakers to ensure that such a solution is relevant and appropriate.
Adaptation or resilience	Support	Mediclinic has directly engaged with provincial and metropolitan policy-makers and authorities with regard to the Western Cape water crisis of 2017 and 2018. In particular, Mediclinic has actively participated in Major Incident Medical Management and Support (MIMMS) program of the Western Cape government and, also, the Health Services Continuity Disaster plan of the Western Cape government.	Support for and continued engagement in all water saving and management programs devised by the Western Cape government to ensure supply of potable water to Cape Town and to the essential services identified by the Western Cape government, which includes healthcare services.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

South African Federation of Hospital Engineering

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

SAFHE aims to promote more efficient management, planning, operation, maintenance and safety of healthcare facilities. SAFHE also organise and promote conferences and discussions on climate change, carbon footprint computation, environmental management and its impact on the healthcare industry in South Africa. This is consistent with Mediclinic's view of integrating climate change into business strategy for sustainability. SAFHE formed an Infrastructure Unit Support System to provide benchmarks for the design and management of healthcare facilities, which include emissions, water, waste and energy consumption benchmarks. SAFHE is also actively involved in various committees of ECSA (Engineering Council of South Africa).

How have you influenced, or are you attempting to influence their position?

Mediclinic's General Manager: Technical Operations is currently the President of SAFHE and the Environmental Systems Manager also serve on the National Council as immediate Past President. Mediclinic also has representation on all the regional committees. Through this position of leadership, we are directly influencing the position of SAFHE.

Trade association

Infection Control Africa Network (ICAN)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

ICAN has an important role to play in identify and managing climate-related disease outbreaks in Africa. The association supports collective efforts to ensure the resilience of health care systems and ultimately of communities in the face of climate change. The strategy: 1. We are not only in Africa, but we are Africa. 2. All in healthcare, same desired end results, healthy communities. 3. Sharing of knowledge and experience in Africa. (e.g. Holding conferences together and forming workgroups.) 4. Collaboration in training abilities and facilities. 5. Sharing of resources. (e.g. PPE during the pandemic COVID-19) 6. Early warning system with the outbreak of diseases on the continent of Africa. Early warning system with the outbreak of diseases on the continent of Africa. By being part of ICAN, SAFHE and Mediclinic South Africa forms part of a vast communication structure inside ICAN. The communication structure has a wide sphere of information gathering ability (eg. via the ICAN communication structure, information was already available on the 13th of December 2019 about a possible SARS virus outbreak in Wuhan, China. The WHO (World Health Organisation) only officially announced the SARS virus outbreak on the 31th of December 2019). This is the strength of the ICAN communication structure.

How have you influenced, or are you attempting to influence their position?

Mediclinic's Environmental Systems Manager has been involved with ICAN for the past 4 years and has been a member for the past 3 years. The partnership with ICAN is via SAFHE (South African Federation of Healthcare Engineering) and also Mediclinic Southern Africa. Mediclinic shares information and resources and contributes to the collective efforts to manage climate-related disease impacts in Africa.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our strategic approach ensures our activities are consistent with our overall climate change strategy. During the reporting period, the Mediclinic Group Strategy was finalised by the Group Executive Committee, with oversight and approval by the Board. Sustainable development was identified as one of the transformational drivers to the new strategy and, as a result, a Sustainable Development Strategy was also developed. The Board participated in discussions regarding critical ESG focus areas and how aligning activities across the divisions would elevate existing initiatives and accelerate momentum. The Group Sustainable Development Strategy and revised material issues were subsequently considered by the Clinical Performance and Sustainability Committee, a committee of the Board. It approved the strategy and resultant action plans in light of feedback from communities, employees, investors and the media regarding the increasing importance of progress and transparency on ESG matters. The Board and, in particular, the Clinical Performance and Sustainability Committee will be monitoring closely the progress and outcomes of this strategy, albeit we recognise that the original timelines may need to be adjusted in the wake of the COVID-19 pandemic.

Mediclinic engages with Government, Regulators, Industry Bodies and Business Partners on policy issues impacting the business including climate change. They meet on a regular basis with their associations to debate and give recommendations on various topics to ensure sustainability in their business models. Feedback on issues is reported as per Mediclinic's risk management framework, and where necessary incorporated into our business strategy, risk and opportunity response frameworks.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2020 Sustainable Development Report.pdf

Page/Section reference
p.29

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer, Mediclinic Southern Africa	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms