



**2020  
SUSTAINABLE  
DEVELOPMENT  
REPORT**

## ABOUT THIS REPORT

Mediclinic International plc ('Mediclinic' or the 'Company') is proud to publish a Sustainable Development Report annually as part of a suite of reports in respect of both the 2019 calendar year and 2020 financial year.

The reporting suite listed below is available on the Group's [website](#).

- 2020 Annual Report and Financial Statements
- 2020 Clinical Services Report
- 2020 Sustainable Development Report
- 2020 Notice of Annual General Meeting

### SCOPE

The goal of this Report is to provide Mediclinic stakeholders with an overview of the most important sustainable development initiatives across its divisions in Switzerland, Southern Africa (South Africa and Namibia) and the United Arab Emirates (the 'UAE') (collectively, the 'Group') for the 2019 calendar year. Information is disclosed on a calendar year basis, unless stated otherwise.

### COVID-19

**It is important to note that the COVID-19 pandemic falls outside of this reporting period and will be discussed in the 2021 Sustainable Development Report.**



Mediclinic reports on its material issues at a Group level, but also discloses information on divisional initiatives and performance, as this is the level at which data is collected.

Although certain information is segmented per division, it should be noted that in certain instances data from other South African-based entities, which are either wholly owned by or a subsidiary of the Company, has been included in the disclosure allocated to Mediclinic Southern Africa.

The report does not include information on initiatives undertaken by Spire Healthcare Group plc, a leading private healthcare group based in the United Kingdom ('UK') and listed on the London Stock Exchange ('LSE'), in which Mediclinic holds a 29.9% interest.

### GUIDELINES

Mediclinic reports in accordance with the core option of the Sustainability Reporting Standards developed by the Global Reporting Initiative ('GRI Standards'). The GRI Standards Disclosure Index, which indicates the location of the standard disclosures, is published on the Group's [website](#).

### NON-FINANCIAL INFORMATION STATEMENT

The Company's *Non-financial Information Statement* is published on page 6 of the **Strategic Report** section of the **2020 Annual Report and Financial Statements**, in accordance with the Companies, Partnerships and Groups (Accounts and Non-financial Reporting) Regulations 2016. The regulations adopt the European Union ('EU') Non-financial Reporting Directive 2014/95/EU, which requires disclosure of information about policies, risks and outcomes regarding:

- environmental matters – refer to *Material issue 1: Neutralising environmental impact* on page 26;
- employee, social and human rights matters – refer to *Material issue 2: Building stakeholder trust* on page 36; and
- anti-corruption and anti-bribery matters – refer to *Material issue 3: Being an ethical and responsible corporate citizen* on page 66.

### APPROVAL

Mediclinic's Clinical Performance and Sustainability Committee approved this Report on 13 May 2020.

### GLOSSARY OF TERMS

Capitalised terms used in this Report are defined in the *Glossary of terms* on page 73.



## YOUR VIEW IS VALUABLE

Mediclinic welcomes the opinions of its stakeholders. Please contact Marlene de Beer on tel: +27 21 809 6500 or email: [marlene.debeer@mediclinic.com](mailto:marlene.debeer@mediclinic.com) with queries or suggestions.

**2020  
SUSTAINABLE  
DEVELOPMENT  
REPORT**

**26**

- 2 Awards and accolades
- 4 Foreword

**Introduction**

- 6 At a glance
- 8 Business model
- 10 About sustainable development at Mediclinic
- 12 Stakeholders
- 24 Materiality assessment

**Conserve**

- 26 MATERIAL ISSUE 1:  
Neutralising environmental impact

**Connect**

- 36 MATERIAL ISSUE 2:  
Building stakeholder trust

**Comply**

- 66 MATERIAL ISSUE 3:  
Being an ethical and responsible corporate citizen

- 71 Independent assurance
- 73 Glossary of terms
- 75 Contact details

**MEDICLINIC'S  
CORE PURPOSE  
IS TO ENHANCE  
THE QUALITY  
OF LIFE**



**CONSERVE**

Mediclinic takes responsibility for its operations beyond its facilities to mitigate the risks of climate change.



KLINIK IM PARK

**36**



**CONNECT**

The Group is dedicated to partnering with all its stakeholders and forging long-term relationships.



**66**



**COMPLY**

The Mediclinic corporate culture entrenches the values of ethical and responsible behaviour.



# AWARDS AND ACCOLADES

## GROUP

Constituent of FTSE4Good, an index that recognises companies for strong environmental, social and governance ('ESG') practices.



FTSE4Good

Signatory of the CDP (originally the Carbon Disclosure Project), an organisation based in the UK which supports investors, companies and cities to measure and disclose their environmental impact.

## HIRSLANDEN

16 out of its 17 hospitals are registered as CO<sub>2</sub>-reduced businesses by the Energy Agency of the Swiss Private Sector, and were awarded with CO<sub>2</sub>- & kWh-reduced certificates.

Ranked the fifth most attractive employer in the Swiss healthcare sector by healthcare professionals in an independent study by Universum Communications.

Supports Mercy Ships charity, a ship-based healthcare service, financially and with medical personnel by granting leave to employees who want to volunteer and continuing to pay a portion of their salary during their time on board.

## MEDICLINIC SOUTHERN AFRICA

Ranked 28<sup>th</sup> of all JSE Ltd-listed companies in the Top 50 Brand South Africa rankings for 2019, making it the top South African healthcare provider for more than five years in succession, according to Brand Finance and Brand Africa.

Achieved Global B List status from the CDP for water conservation and climate change actions.

320 *pro bono* surgeries performed on patients from public health waiting lists in collaboration with provincial health departments and doctors associated with Mediclinic.

Six hospitals included in Discovery Health's Top 20 Private Hospitals in South Africa 2019, based on the results of patient surveys.

## MEDICLINIC MIDDLE EAST

Awarded Superbrand status by the UAE Superbrands Council for 2019, the fourth time in five years.

Baby Friendly Hospital accreditation awarded to Mediclinic City Hospital as part of a global initiative by the World Health Organization ('WHO') and the United Nations ('UN') Children's Fund.

Awards at the Mother, Baby & Child Awards 2019 for Mediclinic City Hospital:

- Women's health services - gold
  - Maternity services - silver
  - Paediatrics - gold
- and Mediclinic Parkview Hospital:
- Hospital of the Year - silver



Sustainability is particularly important to me as it's a responsibility I've taken on in many of the organisations I've worked for. Mediclinic's coherent sustainability strategy brings together initiatives across the Group. It sheds light on our use of resources and how much we value them – not just natural resources, but financial capital and human assets. The targets we have set for 2030 – to be carbon neutral and send no waste to landfill – show just how seriously we take this.

**Dr Felicity Harvey**, Chair of the Clinical Performance and Sustainability Committee

# FOREWORD



**Dr Ronnie van der Merwe**  
Group Chief Executive Officer

As a healthcare provider, Mediclinic not only strives to create value every day by providing cost-effective, quality care and outstanding client experiences, we also take a broader approach to value creation by taking responsibility for our operations beyond just our facilities. We are providing care in a world that is being reshaped by evolving client needs, regulatory frameworks and climate forces. This calls for a sustainable approach in everything we do, from the way we utilise natural resources and engage with employees to the type of investments we make and how we conduct our business.

During the 2019 calendar year, we identified sustainable development as a critical transformation driver, which resulted in the review and approval of a formal Sustainable Development Strategy. The strategy and its resultant action plans revolve around our sustainable development mission to ensure that every day we improve sustainability by managing our resources responsibly and efficiently to the benefit of our stakeholders and the environment. Our goals, sub-goals and objectives in this regard can be divided into the three central categories of ESG:

- **Conserve (environmental)**  
**GOAL: To neutralise the Company's environmental impact**

We acknowledge that climate change poses a material risk to our operations and the environment, and that appropriate action is

needed to reduce our impact. To minimise the impact of our activities on the environment and the impact of climate change on our business, we are committed to achieving carbon-neutral status and zero waste to landfill by 2030.

- **Connect (social)**  
**GOAL: To be the partner of choice that all our stakeholders trust**

Trust takes years to build. It is fundamental to our purpose and our industry. Over a period of more than 30 years, we have connected with our stakeholders in such a way that they all trust in our expertise. Read more about our stakeholders and our continued engagement with them from page 12.

- **Comply (governance)**  
**GOAL: To strengthen our corporate culture to remain an ethical and responsible corporate citizen**

Mediclinic is accountable to its stakeholders to operate in a responsible and ethical manner. Our governance structures are intended to support an environment in which the organisational values of the Group are embraced and lived daily by encouraging a culture of transparency and vigilance.

## **ABOUT THE REPORT**

This Sustainable Development Report gives insight into the Mediclinic strategic goals that shaped our activities in the past year and reflects on both the



To minimise the impact of our activities on the environment and the impact of climate change on our business, we are committed to achieving carbon-neutral status and zero waste to landfill by 2030.



It is perhaps not so surprising that Mediclinic employees are invested in their work – they, like us, are motivated to provide the very best care.

achievements made and our goals for the future. It is in line with the revised UK Corporate Governance Code, which amplifies reporting on corporate culture, stakeholder engagement and sustainability. We welcome this opportunity to share more about Mediclinic’s way of doing things.

During the year, the Clinical Performance and Sustainability Committee, a Board committee, also reviewed and approved an update to the Group’s material sustainability issues.

This Report focuses on how we conserve our environment, connect with stakeholders and comply with ethical responsibilities. For more on our quality healthcare services, operational developments and how we create shareholder value, view the **2020 Annual Report**; our clinical performance is covered in the **2020 Clinical Services Report**.

### TOGETHER WE SUCCEED

In our mission to create value, we have undertaken to listen carefully to how stakeholders feel and what they want by reaching out in a variety of ways. One of these is *Your Voice*, our annual employee engagement survey, which in 2019 was completed by 83% of employees, an increase on the previous year.

It is perhaps not so surprising that Mediclinic employees are invested in their work – they, like us, are motivated to provide the very best care. But it is a sign that our efforts to make a difference in employees’ lives – through initiatives that focus on wellness, safety, diversity and inclusion – are paying off. As one of the Group’s strategic goals, being the employer of choice is key to attracting and retaining talent and securing our standing as a leading global healthcare provider.

In 2019, we also enhanced the quality of life in our communities by expanding our public-private partnerships (‘**PPPs**’) to collaborate with leading tertiary institutions across all three geographies to offer even more training opportunities to the workforce of tomorrow, especially medical and nursing students.

In our sustainability strategy, we have drawn together knowledge across the Group to ensure we have a holistic approach to addressing the challenges we face. We have a particular advantage operating in three different environments on three continents, which allows us to make the most of our collective divisional strengths. Whether that means drawing inspiration from Hirslanden’s war on waste, taking lessons from Mediclinic Southern Africa’s water- and electricity-saving successes or gaining know-how from the clinical clerkships offered and innovative approach at Mediclinic Middle East.

As a Group, we are well positioned to continue delivering quality care in a sustainable manner. I’d like to thank the Mediclinic employees whose dedication and efforts make it possible. Collectively we can bring real social, environmental and economic value to all whose lives we touch.

**Dr Ronnie van der Merwe**  
Group Chief Executive Officer



MEDICLINIC GARIEP

# INTRODUCTION

## AT A GLANCE<sup>1</sup>

### A UNIQUELY INTEGRATED INTERNATIONAL HEALTHCARE PARTNER

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](http://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](http://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](http://www.mediclinic.ae)

#### THE UK

Mediclinic has a 29.9% stake in Spire

[www.spirehealthcare.com](http://www.spirehealthcare.com)





**76**  
Hospitals<sup>2</sup>

**8**  
Sub-acute<sup>3</sup> and specialised hospitals<sup>4</sup>

**11 623**  
Beds

**453**  
Theatres

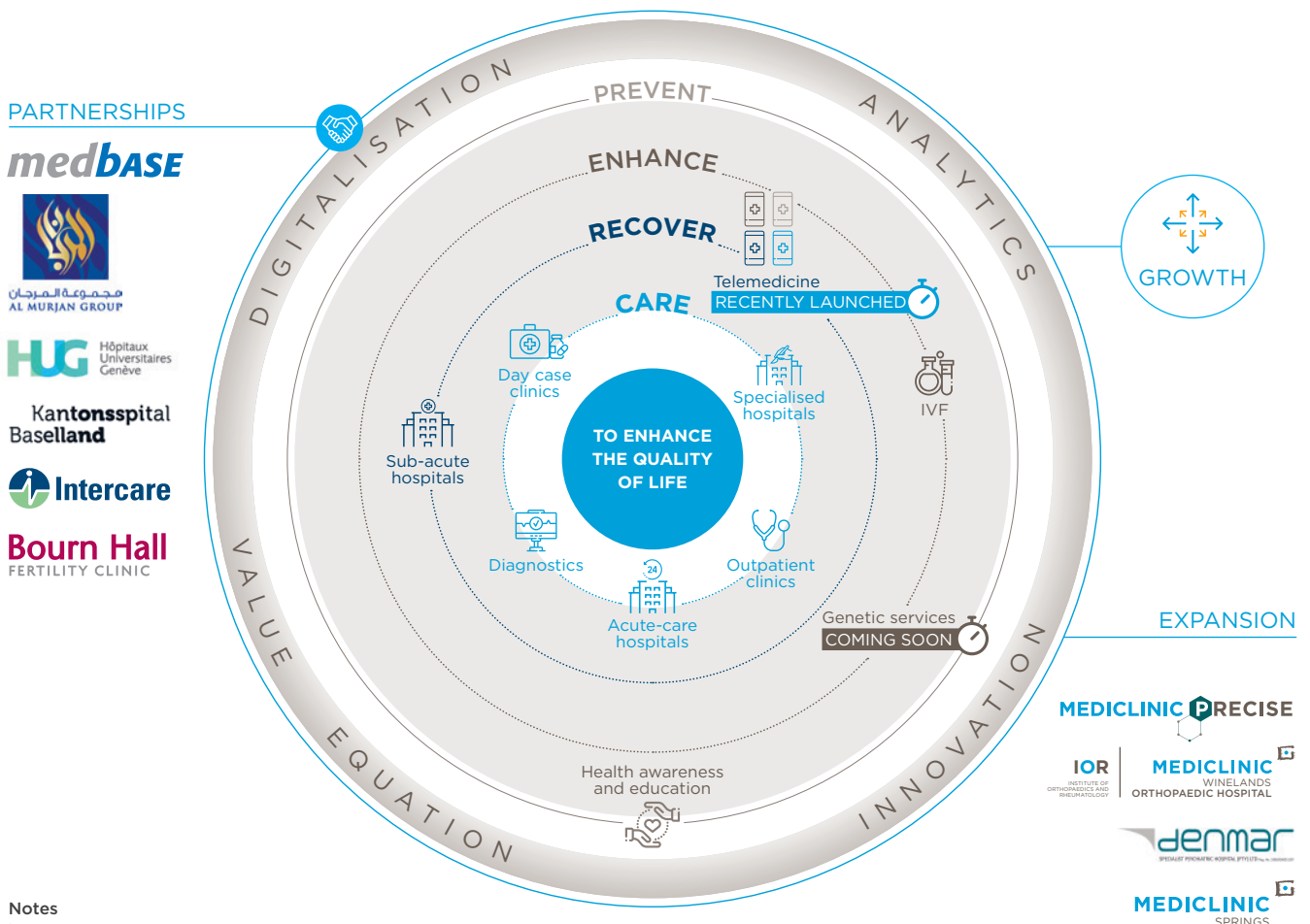
**14**  
Day case clinics<sup>5</sup>

**21**  
Outpatient clinics<sup>6</sup>

**33 140**  
Permanent and fixed-term employees

## BETTER WAYS TO CARE

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.



### Notes

<sup>1</sup> Figures disclosed at 31 March 2020.

<sup>2</sup> Provides patient treatment with specialised medical and nursing staff, and medical equipment.

<sup>3</sup> Provides comprehensive goal-orientated inpatient care designed for a patient who has had an acute illness, injury or exacerbation of a disease process.

<sup>4</sup> Provides specialised in-hospital care, catering for single specialities such as a cardiac hospital, paediatric hospital, etc.

<sup>5</sup> Provides elective procedures, surgical procedures and planned medical procedures, but admits and discharges patients on the same day.

<sup>6</sup> Provides consultations (by general practitioner, specialist or allied healthcare professional) with no theatre facilities.

# BUSINESS MODEL

Mediclinic’s business model enables it to quickly respond to opportunities and risks, while safeguarding clients, employees and the interests of stakeholders. The Group is expanding the horizon of what care can be.

## THE OUTCOME

**83.9%**

Group grand mean score for Press Ganey® patient experience survey<sup>1</sup>

**3**

Market-leading positions in three geographies

**2%**

compounded growth in admissions in the past five years

**83%**

Participation in Gallup® employee engagement survey

## THE CARE

### PUTTING PATIENTS FIRST

By taking a holistic view of clients’ needs, Mediclinic is focused on improving all aspects of the healthcare value equation – clinical outcomes, client experience and cost. The Group is ensuring that clients are able to receive quality care in the right care setting at a cost that is fair, predictable and transparent. It also maintains dialogue with clients and communities through public health awareness campaigns aimed at improving lifestyle choices and overall health.

### MAINTAINING CLINICAL EXCELLENCE

With more than 115 healthcare facilities across four countries, Mediclinic applies stringent quality standards regardless of location. The Group provides care and facilities of international standard with more than 10 different accreditations and certifications and various international benchmarking initiatives to meet local requirements.

➤ Learn more in the [2020 Clinical Services Report](#) available at [annualreport.mediclinic.com](http://annualreport.mediclinic.com).

## THE FOUNDATION

### EXPERTISE

With experience and insight gained over more than three decades of maintaining market-leading positions in diverse geographies, the Group has created expertise that spans across all aspects of the business – from client care, patient safety, nursing and specialised medicine to facility management, procurement and finance, and acquisitions.

### EMPLOYEES

Mediclinic’s employees play a pivotal part in achieving its strategic goals. To empower every employee, the Group continuously builds on a culture that is client centred; trusting and respectful; patient safety focused; performance driven; and team orientated. Through its strategies dedicated to diversity and inclusion, and attracting and retaining top talent, Mediclinic secures its future.



We exist to care for our clients when they are at their most vulnerable. Herein lies our true value: harnessing the exceptional talent, compassion and energy of Mediclinic employees and partners to ensure our clients receive cost-effective, quality care and outstanding client experiences. **Dr Ronnie van der Merwe**, Group Chief Executive Officer

## 8

Trusted by eight tertiary institutions across all three divisions to help train the healthcare workers of tomorrow



Constituent of FTSE4Good

±£114m

Economic contribution to monthly salaries



Signatory of the CDP

### FINDING BETTER WAYS TO CARE

In order to align its service offering with the needs of clients, Mediclinic is expanding its core operations to position itself as an integrated healthcare provider across the continuum of care. Through innovation, acquisition, partnerships and expansion, the Group is expanding to provide a seamless suite of healthcare services that prevent, treat and recover, all under the umbrella of a single, connected system.

### LEVERAGING KNOWLEDGE AND SCALE

The power of Mediclinic is that it operates as a Group, not three separate divisions. Close working relationships enable learning to be shared across geographies. Highly specialised medicine and cancer care, procurement synergies and enterprise resource management have been established as a direct result - all enhancing Mediclinic's services and efficiency.

### STAKEHOLDERS

Mediclinic listens carefully to how stakeholders feel and what they want. Strong relationships lie at the heart of its ability to enhance the quality of life. By engaging on key issues, it not only ensures close cooperation and coordination with government and regulatory role players, it's also able to PPPs and seize business opportunities which expand its services, help it achieve its strategic goals, and diversify revenue streams.

### FUTURE VISION (ESG)

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.

### FINANCE

Mediclinic has a strong financial profile, supported by an extensive property portfolio. The Group has good access to capital and a disciplined capital allocation approach.

### ENABLED BY THE MEDICLINIC GROUP STRATEGY:



#### PURPOSE

To enhance the quality of life



#### VISION

To be the partner of choice that people trust for all their healthcare needs

#### ORGANISATIONAL VALUES

- Client centred
- Trusting and respectful
- Patient safety focused
- Performance driven
- Team orientated

#### STRATEGIC GOALS

- Goal 1:** To become an integrated healthcare provider across the continuum of care;
- Goal 2:** To improve our value proposition significantly;
- Goal 3:** To transform our healthcare services and client engagement through digitalisation;
- Goal 4:** To evolve as an analytics-driven organisation;
- Goal 5:** To strengthen our position as the employer of choice;
- Goal 6:** To grow in existing markets and expand into new markets; and
- Goal 7:** To achieve superior long-term financial returns.

#### TRANSFORMATION DRIVERS

- Innovation
- Sustainable development

Read more in the [2020 Annual Report](https://annualreport.mediclinic.com) at [annualreport.mediclinic.com](https://annualreport.mediclinic.com).

#### EXPERTISE YOU CAN TRUST

**Note**  
<sup>1</sup> Score negatively impacted by Hirslanden experiencing an interruption in surveying.

# ABOUT SUSTAINABLE DEVELOPMENT AT MEDICLINIC



We are committed to ensure that every day we improve sustainability by managing our resources responsibly and efficiently to the benefit of our stakeholders and the environment. – Mediclinic sustainable development mission statement

## MANAGEMENT

Guided by its purpose of enhancing the quality of life and the Mediclinic Group Strategy, the Company has formalised a Sustainable Development Strategy that sets out its commitment to sustainable growth through the best use of its exceptional knowledge base and world-class infrastructure.

By following a holistic approach, the Group balances its financial returns with its ethical responsibility towards its stakeholders, as described from page 12 of this Report, and the planet.

### IN OUR BEHAVIOUR WE ARE:



**Client centered**



**Trusting and respectful**



**Patient safety focused**



**Performance driven**



**Team orientated**

The Group aims to embed high ethical standards and responsible business practices in the Company through its corporate values, principles and policies, which are available in the business languages observed by the divisions – German and French at Hirslanden, and English at Mediclinic Southern Africa and Mediclinic Middle East. The policies are reviewed annually by the Clinical Performance and Sustainability Committee, with recommendations to the Board as part of the Company’s annual policy review process.

➤ [View the Group’s Code of Business Conduct and Ethics \(\*\*‘Ethics Code’\*\*\), Sustainable Development Policy and Environmental Policy in the ‘Governance’ section of the Group’s website.](#)

The Group complies with all relevant legislation, regulations, accepted standards and codes. Regulatory compliance risk is a focus area of integral risk management across the Group. Satisfactory progress was made against the three-year compliance monitoring programme that was developed, with no major findings or weaknesses identified. There is an ongoing drive to increase the independent assurance of key compliance risks.

Comprehensive information on the Group’s risk management approach, principal risks and uncertainties, and compliance management is included in the report on **Risk management, principal risks and uncertainties** in the **2020 Annual Report**.

## GOVERNANCE STRUCTURES

In its pursuit of corporate responsibility, the Board of Directors is supported by various committees.

Focus area	Committee	Outcome
Monitoring the sustainable development performance of the Group.	Clinical Performance and Sustainability Committee	Committee’s role, composition and activities included in the <b>2020 Annual Report</b> .
Monitoring the Group’s clinical performance in order to promote a culture of excellence in patient safety, quality of care and client experience.	Clinical Performance and Sustainability Committee	Comprehensive information on the Group’s clinical performance included in the <b>2020 Clinical Services Report</b> . Committee’s role, composition and activities included in the <b>2020 Annual Report</b> .
Reviewing the principal risks of the Group, including those related to material sustainability issues	Audit and Risk Committee	Committee’s role, composition and activities included in the <b>2020 Annual Report</b> .

The Group Chief Corporate Services Officer, Gert Hattingh, is the most senior executive manager responsible for coordinating sustainable development throughout the Group.

## SUSTAINABILITY IN OBJECTS



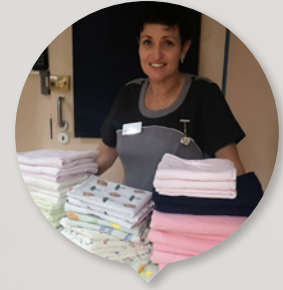
By sourcing **locally produced food**, such as this artichoke grown within 8km of the hospital, the kitchen of Hirslanden Clinique La Colline in Geneva, Switzerland, ensures that transport routes are as short as possible, local producers are supported and seasonal cuisine is served.



Through its partnership with **Une Chance, Un Coeur Foundation**, Switzerland's Hirslanden Clinique Cecil provides surgical expertise and medical care to transform the lives of young adults with heart disease from disadvantaged countries.



Klinik Hirslanden has entered into a three-year sponsorship commitment with **Pink Ribbon Switzerland**, an organisation that raises funds for breast cancer projects and research. With one in eight women facing the diagnosis in their lifetime, the sponsorship will have far-reaching impact.



The neonatal critical care unit at Mediclinic Hoogland in South Africa boasts this **bright and cheerful linen** thanks to the talents of Beulah Blignaut, a professional nurse in the unit. Her social commitment doesn't keep office hours - she made the bedding while on leave.



Every department at Mediclinic Middle East's Corporate Office has its own **office mug**, chosen in an intradepartmental design competition. As a result, the division could remove all single use plastic cups from coffee machines in the Corporate Office.



Synonymous with the surrounding countryside, **50 young poplar trees** grace the grounds of South Africa's Mediclinic Hoogland through the efforts of pharmacist assistant Charlene Jonck. Jonck and her husband raised the saplings to replace trees felled during the installation of solar panels.



Why hand out numerous business cards when there's an electronic solution? To **reduce paper waste**, Mediclinic Middle East is using QR codes to share electronic business cards. From April 2020 onwards, this initiative is being rolled out across the Group.



As a result of the expansion project, Mediclinic Airport Road in Abu Dhabi (UAE) has grown much bigger. The solution? **Electric golf carts** that transport patients and goods across campus, a convenient and eco-friendly option. In one month, 9 000 patients were transported.



With the upgrade of air handling units in operating theatres, Mediclinic Brits in South Africa can **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.

# STAKEHOLDERS



Strong relationships with stakeholders lie at the heart of the Group's ability to enhance the quality of life. By engaging on key issues, Mediclinic remains accountable to its stakeholders and actively realises its position as a leading international provider of private healthcare.

## CLIENTS

Mediclinic will be the partner of choice that people trust for all their healthcare needs.



## COMMUNITIES

Mediclinic will invest in and support the sustainable development of communities that surround its operations.



## GOVERNMENTS AND AUTHORITIES

Mediclinic will comply with all legislative and regulatory requirements, and constructively collaborate with the authorities on matters of regional and national importance.

## EMPLOYEES AND POTENTIAL APPLICANTS

Mediclinic will strengthen its position as the employer of choice.





## HEALTHCARE INSURERS

Mediclinic will partner with this stakeholder group to ensure it provides cost-effective, quality care and outstanding client experiences.



## INDUSTRY ASSOCIATIONS

Mediclinic will participate in national conversations about healthcare.



## INDUSTRY PARTNERS

Mediclinic will form partnerships to ensure it expands across the continuum of care.



## INVESTORS

Mediclinic will grow in existing markets and expand into new markets; and achieve long-term superior financial returns.

## MEDIA

Mediclinic will communicate openly and proactively, and report transparently.



## MEDICAL PRACTITIONERS

Mediclinic will provide the quality infrastructure and support needed to meet their clinical aims.



## SUPPLIERS

Mediclinic will responsibly obtain products and services of the highest quality.

The Board's engagement with stakeholders is reported on in the **Corporate Governance Statement** in the **2020 Annual Report**.



The wellbeing of the Group’s clients forms the foundation of the business with Mediclinic’s core purpose being to enhance the quality of life.

**WHAT MATTERS TO THEM**

They can trust Mediclinic to deliver quality, safe and cost-effective healthcare by means of world-class facilities and technology while ensuring the best possible client experience and protecting personal data.

**HOW MEDICLINIC ENGAGES**

- Press Ganey® patient experience index surveys
- Disclosure of clinical performance results
- Systematic patient rounds during hospital stay
- 24-hour helplines
- Health awareness days
- Brochures and magazines
- Websites and blogs offering health-related information
- Social media
- Client alliance programmes



**Patient or client?**

I carefully considered the nature of the relationship between Mediclinic and those who make use of our services within an evolving healthcare landscape. A patient is a person receiving medical care; a client is a person who receives advice. The latter implies a level of trust and a long-term relationship that extends beyond mere treatment. We want our patients to interact with Mediclinic beyond the conventional treatment process, rather as a client who turns to us to enhance their quality of life.

Dr Ronnie van der Merwe,  
Group Chief Executive Officer

**MEDICLINIC’S RESPONSE**

**The client is entrenched in three of Mediclinic’s organisational values:** being client centred, trusting and respectful, and patient safety focused.

**Putting *Patients First*** remains a key strategic objective for the Group. Mediclinic continues to invest in its people, clinical facilities and technology.

**Hirslanden Privé** and **Hirslanden Préférence** programmes offer premium patient experience offerings to insured and semi-insured clients.

**Private patient fixed fees** is one of the alternative reimbursement models established by Mediclinic Southern Africa to offer patients greater choice and access to its facilities and services.

**To continually improve access and affordability**, Mediclinic conducts tariff negotiations with insurers in a fair and transparent manner; expands facilities based on need; pursues joint initiatives with government; seeks partnerships with healthcare providers that complement its services; and actively participates in healthcare reform.

**Patient experience programmes** focus on improved caregiver empathy and communication, intentional rounding, food service processes that enhance patient experience and safety, and effective management of complaints.

**The Group Data Privacy project** continuously improves privacy and data protection measures and ensures compliance with applicable data privacy legislation.

**Spotlight on patient surveys**

No fewer than 68 000 patient surveys were collected in 2019. Mediclinic benchmarks and publicly reports on patient experience at divisional level through Press Ganey®, an internationally recognised provider of patient experience measurement. Patients are surveyed after discharge and this valuable feedback helps Mediclinic better understand patient needs and adapt care services accordingly. The survey includes focused priorities to ensure quality improvement initiatives in appropriate areas. A medical practice survey is currently conducted at Mediclinic Middle East outpatient clinics while ambulatory and emergency centre surveys will be added for all divisions in 2020. In addition, Hirslanden must comply with the survey of the Swiss National Association for Quality Development ANQ.

Find more information on patient experience in the [2020 Clinical Services Report](#).





Mediclinic is committed to growing its established relations with the communities in which it operates and follows an approach of mutual understanding, trust and reliability. Significant investments are made annually towards healthcare and education in these communities.

#### WHAT MATTERS TO THEM

Development and upliftment of communities within the Group's ambit and improved health outcomes through greater awareness, better public healthcare training and *pro bono* procedures.

#### HOW MEDICLINIC ENGAGES

- Corporate social responsibility ('CSR') initiatives
- Supporting employee volunteer initiatives
- Participation at national level in health training and education
- Public-private initiatives and joint ventures at Hirslanden, Mediclinic Southern Africa and Mediclinic Middle East
- Participation in the Public Health Enhancement Fund ('PHEF') in South Africa

#### MEDICLINIC'S RESPONSE

**Building stakeholder trust** (in particular relating to training and development) is Material issue 2 for the Group – refer to pages 36-65.

**Being an ethical and responsible corporate citizen** is Material issue 3 – read more on pages 66-70.

**Healthcare awareness campaigns** are hosted throughout the year.

**Alleviation of surgical backlogs** in South Africa through a Memorandum of Understanding with provincial Departments of Health. To date more than 400 life-changing surgical procedures have been performed.

**Long-standing partnership** with Mohammed Bin Rashid University for Health Sciences ('MBRU') in the UAE, which includes the training of medical students. During the period under review, 49 fourth-year students commenced their clinical clerkships at Mediclinic Middle East facilities in Dubai.





## EMPLOYEES AND POTENTIAL APPLICANTS

The Group's employees are a highly valued asset; their expertise, trust and respect are paramount to Mediclinic's success. The shortage of doctors, nurses and skilled employees means recruitment and retention are key issues.

### WHAT MATTERS TO THEM

Recognition, flexible work environment, competitive remuneration and employment in an ethical, safe and fair working environment, with opportunities for training and development.

### HOW MEDICLINIC ENGAGES

- Annual Gallup® employee engagement surveys
- Training and development
- Growth opportunities
- Intranet and social media
- Newsflashes and regular electronic updates
- Performance reviews and formal recognition
- Leadership video conferences and roadshows
- Employee wellness programmes
- Magazines and newsletters
- Non-executive director for workforce engagement

### MEDICLINIC'S RESPONSE

**Building stakeholder trust** is Material issue 2 for the Group. Refer to pages 42–50 for more on employee recruitment and retention, employee development and training, remuneration, and employee satisfaction and engagement.

**Market-related salaries and benefits** are offered to employees based on the principles of internal equity, external equity and affordability.

**Your Voice employee engagement surveys** are conducted annually across all divisions through Gallup®, an internationally recognised service provider. Through the surveys the Group measures levels of engagement, identifies gaps at a departmental level, and supports line managers to implement action plans to address concerns.

**Through training and development opportunities** Mediclinic enhances the skill-set of its employees, thereby empowering the entire organisation and unlocking individual potential.



### GLOBAL SHORTAGE

Unwavering demand for healthcare services creates a severe shortage of skilled industry professionals

### GLOBAL HEALTHCARE WORKFORCE

# 80 million

The WHO projected that global demand for healthcare workers will reach 80 million in 2030, with supply only reaching 65 million. The world will be short of 15 million healthcare workers by 2030<sup>1</sup>.

NURSES COMPRISE HALF THE GLOBAL HEALTHCARE WORKFORCE<sup>2</sup>.

Practising nurses per 1 000 population in 2017 or nearest year:

Switzerland <sup>3</sup>	South Africa <sup>4</sup>	UAE <sup>5</sup>
17.0:1 000	4.94:1 000	5.5:1 000

#### Notes

- <sup>1</sup> 'Global Health Workforce Labor Market Projections for 2030', 2017 Human Resources for Health.
- <sup>2</sup> '2018 update, Global Health Workforce Statistics', World Health Organization.
- <sup>3</sup> Eidgenössisches Departement des Innern, Bundesamt für Statistik, September 2019.
- <sup>4</sup> 'Geographical Distribution of Nursing Manpower vs Total Population 2018', South African Nursing Council.
- <sup>5</sup> 2017 Statistics, Federal Statistics and Competitive Authority of the UAE.



## GOVERNMENTS AND AUTHORITIES

Mediclinic's business model relies on total compliance with all legislative and regulatory requirements. The Group engages at all levels of government as part of normal business practices.

### WHAT MATTERS TO THEM

Compliance with healthcare legislation and regulations, participation in initiatives and collaboration on issues such as skills shortages and the cost of private healthcare. Affordable access to quality healthcare.

### HOW MEDICLINIC ENGAGES

- Regular meetings
- Participation in conferences and seminars
- Representation on industry bodies and government boards
- Participation in PPPs to enable healthcare, training and research



Information pertaining to the planned National Health Insurance in South Africa is monitored closely.

### MEDICLINIC'S RESPONSE

**Regulatory developments**, particularly regarding tariffs, have been a defining feature of the year under review. An overview of the regulatory environment of each division is provided in the *Divisional Reports* included in the [2020 Annual Report](#).

**No financial assistance** was received from the respective governments by any of the Group's divisions.

**Political donations are prohibited** in terms of the Ethics Code, unless pre-approved by the Board or Group Executive Committee. Hirslanden did, however, effect payments to a number of political bodies in Switzerland for campaigns that were of interest to the business. Contributing to political campaigns through third-party contributions is a standard practice in Switzerland. These contributions are not considered political payments as contemplated in Part 14 of the UK Companies Act, as they are not made to the political parties within the scope of such act. Refer to the *Corporate Governance Statement* in the [2020 Annual Report](#).

**Participation in various official initiatives** – Hirslanden: PPPs with *Kantonspital Baselland* and the University Hospitals of Geneva.

Mediclinic Southern Africa: Presidential Health Summit, Public-Private Growth Initiative, CSR commitments, working groups on health technology regulations and drafting of the revised 2030 Human Resources for Health Strategy.

Mediclinic Middle East: Department of Health's strategic advisory board in Abu Dhabi, electronic health record ('EHR') roll-out in Abu Dhabi, and strategic, clinical quality and price regulation committees.

### South African healthcare industry developments

The Health Market Inquiry ('HMI'), initiated by the Competition Commission of South Africa in 2013, published its final findings and recommendations in September 2019. During the inquiry, Mediclinic made numerous submissions and presentations on appropriate and accurate information that can be used to analyse the cost and competitive dynamics of private healthcare. The HMI's final report proposed several recom-

mendations with respect to hospitals, medical practitioners and healthcare insurers, including proposals to address the regulatory deficiencies affecting the medical scheme environment, to measure and report on health outcomes in a standardised and defined manner, and to encourage innovation in reimbursement models. Mediclinic will monitor and engage with any developments stemming from the HMI's final recommendations.

Similarly, information pertaining to the planned National Health Insurance in South Africa is monitored closely. Mediclinic has made written submissions to the National Assembly Portfolio Committee on Health in response to the National Insurance Bill published in August 2019. Mediclinic will continue to engage around developments as the Bill is discussed and debated during the parliamentary legislative process.



All role players in healthcare funding, such as the medical insurance companies and schemes, administrators and managed care companies, play a key role in Mediclinic’s business, with privately insured patients remaining the Group’s largest client base.

**WHAT MATTERS TO THEM**

A service that provides quality care while efficiently managing cost. Integrated clinical services are prized and hospital network arrangements actively pursued. Regulations governing healthcare provider price exist in Switzerland and the UAE, and pay-for-quality initiatives are planned for Dubai and Abu Dhabi.

**HOW MEDICLINIC ENGAGES**

- Regular meetings regarding possible cost savings, clinical quality and healthcare delivery improvements
- Annual tariff negotiations in a fair and transparent manner



Care Expert aims to align healthcare providers more closely and transform from a fee-for-service environment to a value-based model of care.

**MEDICLINIC’S RESPONSE**

The Group’s clinical governance and performance is covered in detail in the **2020 Clinical Services Report**. In terms of quality, patient safety and client experience, Mediclinic shares relevant studies and information to address healthcare funder concerns.

**Transforming from an infrastructure provider** to a healthcare systems provider is a key strategic goal for the Group. See **Strategy, goals and progress** included in the **2020 Annual Report**.

At Hirslanden, a chapter of the **operations committee** is tasked with ‘cradle-to-grave traceability’. It meets every second week to ensure compliance standardisation in hospitals. Due to potential for cost-savings, specialist groups in cardiology and orthopaedics meet twice annually to review standardisation of specific implants.

At Mediclinic Southern Africa, cost efficiency is proactively measured by benchmarking doctors against peers for similar procedures and diagnoses. Doctors receive feedback every three months; hospital management has access to a live dashboard and actively intervenes where outliers are identified.

The **Clinical Utilisation Committee** of Mediclinic Middle East monitors utilisation trends by medical practitioners against peer benchmarks, both proactively and in response to queries by insurers. The success of the committee’s work during the reporting period is evidenced by positive feedback from both the Abu Dhabi regulators and healthcare funder Daman.

**Criteria for Centres of Excellence** in Abu Dhabi are being established to ensure minimum case volumes per unit. Mediclinic Middle East is actively involved in the consultation process.

**Care Expert making a difference**

This integrated care product of Mediclinic Southern Africa drives value by further optimising overall hospital efficiency and clinical quality. Care Expert aims to align healthcare providers more closely and transform from a fee-for-service environment to a value-based model of care. Hip and knee replacement surgeries are the first of the Care Expert products that have been successfully contracted with an increased number of key stakeholders who have agreed to participate, and who saw an increased benefit in the coordination of care in the reporting period.



## INDUSTRY ASSOCIATIONS

Engagement with key stakeholders via an industry body could in certain instances be more effective than individual representation. Mediclinic leverages these associations to ensure its active participation in national conversations.

### WHAT MATTERS TO THEM

Staying abreast of legislation and regulations that affect the healthcare industry and keeping the public informed about challenges facing private healthcare.

Specific issues in Switzerland: day case surgery initiatives; regulations on medical equipment; minimum case numbers for physicians; minimum quotas for basic insured patients; decline of privately insured patients; involvement of authorities in supplementary insurance contracts; and stricter regulations as of 1 January 2020 on integrity and transparency in the therapeutic products sector.

### HOW MEDICLINIC ENGAGES

- Membership of industry associations and representation on governing bodies
- Participation in research commissioned by associations
- Participation in conferences

### MEDICLINIC'S RESPONSE

Hirslanden plays an active role in shaping the Swiss hospital industry as well as associated legislation and regulation through its industry association memberships. It is also represented in the Sciana Health Leaders Network in Europe.

Mediclinic Southern Africa keeps the public informed through its membership of the Hospital Association of South Africa, which ensures that public information is accurate and thoroughly investigated by credible independent specialists.



CLINIQUE DES GRANGETTES



## INDUSTRY PARTNERS

Partnerships, joint ventures and cooperations with other leading healthcare providers that complement Mediclinic's services will enable the Group to become an integrated healthcare provider across the continuum of care.

### WHAT MATTERS TO THEM

Cultural alignment and an understanding of respective strengths and weaknesses. A comprehensive and objective understanding of operations is crucial, as are well-defined and mutually beneficial operational and financial frameworks. These partnerships require collaboration in developing strategic plans to deliver long-term future growth opportunities.

### HOW MEDICLINIC ENGAGES

- Direct engagement based on industry knowledge and market reputations
- Cooperation and PPPs
- Introductions through advisors
- Industry conferences and events

### MEDICLINIC'S RESPONSE

Mediclinic has a philosophy of taking **long-term growth decisions** that support its core business and future positioning.

**Building innovative care delivery models** is an active focus for the Group to ensure that appropriate and affordable care settings are developed in line with industry trends and regulatory requirements.

While **property ownership** drives operational and financial benefits and is relevant for most of the Group's acute care hospitals, the approach to this remains flexible as Mediclinic looks at expanding across the continuum of care.

### Partnerships in practice

Established relationships and investments include: Medbase and Hirslanden collaborating in Switzerland to pool their expertise in outpatient and inpatient services; Mediclinic Southern Africa investing in the Intercare Group, consisting of day case clinics, sub-acute facilities and specialised hospitals; and Mediclinic Middle East partnering with Bourn Hall International MENA Ltd to offer specialist fertility services.



## INVESTORS

### WHAT MATTERS TO THEM

Profitable growth and financial sustainability, with diverse opportunities for long-term value creation. Investors need to understand the Group's strategic and ESG goals, as well as the regulatory environment, financial performance and operational drivers of each division.

### HOW MEDICLINIC ENGAGES

- Investor Relations department
- Shareholder annual general meetings
- Financial results reporting and presentations
- Investor meetings, roadshows and conferences
- Operational site visits
- Stock exchange announcements
- Sell-side analyst and salesforce meetings
- Corporate website

As the owners and providers of equity and debt capital to the Group, investors are an important stakeholder. The established investor relations programme involves regular and transparent communication with investors while ensuring the Board understands the views of investors on all relevant matters.

### MEDICLINIC'S RESPONSE

The Group's purpose, vision, values and strategy are detailed in the *Strategic Report* in the [2020 Annual Report](#).

The Company's long-term value creation is defined in the *Investment case* included in the [2020 Annual Report](#).

The Group's financial performance is summarised in the *Group Chief Financial Officer's Report* included in the [2020 Annual Report](#).

The divisions' financial and operational performance is detailed in the *Divisional Reports* included in the [2020 Annual Report](#).

The Group's ESG strategy is discussed in detail in this Report and summarised in the *Sustainable development overview* included in the [2020 Annual Report](#).

Representation on the Company's Board of Directors for Remgro Ltd, as a principal shareholder, in terms of a relationship agreement. Refer to the *Corporate Governance Statement* included in the [2020 Annual Report](#).

The Group's shareholder engagement strategy is referred to in the *Corporate Governance Statement* included in the [2020 Annual Report](#).

Directors' remuneration and the alignment of incentives with shareholder experience and long-term value creation are referenced in detail in the *Remuneration Committee Report* in the [2020 Annual Report](#).



## MEDIA

### WHAT MATTERS TO THEM

Engagement, transparency and access to accurate information.

### HOW MEDICLINIC ENGAGES

- Media releases
- Press conferences
- Financial results reporting and presentations
- Interviews and responses to media enquiries
- Paid advertisements
- Monitoring industry-related news and proactive response
- Social media
- The *Future of Healthcare* blog

The media acts as an intermediary between Mediclinic and its stakeholders on Company and industry developments, and assists to build and sustain a professional Company reputation.

### MEDICLINIC'S RESPONSE

Dedicated communication strategies have been developed for major industry affairs issues.

Media events were held during the reporting period by each division.

The *Future of Healthcare* blog is an integral part of Mediclinic Southern Africa's communication strategy. By way of media statements, it demonstrates this division's expertise and addresses topics such as the National Health Insurance and innovative treatments and procedures performed at the division's facilities.



## MEDICAL PRACTITIONERS

Any initiative to improve the quality of clinical care needs the support and engagement of the treating medical practitioners.

### WHAT MATTERS TO THEM

Quality facilities, equipment and nursing care to ensure patient safety and satisfaction. Involvement in strategic clinical issues and the implementation of EHRs as well as opportunities for continued professional development. Adaptability to meet the needs of an evolving healthcare industry.

### HOW MEDICLINIC ENGAGES

- Regular meetings
- Participation in hospital clinical committees
- Continuous professional education events
- Electronic newsletters
- Networking and know-how exchange events at Hirslanden
- Dedicated medical practitioner portals at Hirslanden and Mediclinic Southern Africa
- Medical practitioner participation in hospital boards
- Biannual engagement events at Mediclinic Middle East
- Annual Research Day at Mediclinic Middle East

### MEDICLINIC'S RESPONSE

**The referral network** enables Group representatives to regularly meet with medical practitioners and Mediclinic employees to discuss their needs and build the relationship between the hospital and the supporting specialists.

**Quality** is a key priority, with a continued focus on clinical quality, provision and maintenance of high-quality hospital infrastructure, and employee development and training.

**Building stakeholder trust** is Material issue 2 for the Group. Refer to pages 36-65 and the [2020 Clinical Services Report](#).

### Encoding commitments

Medical practitioner-specific compacts enable hospitals and practitioners to move towards a shared goal. It is an agreement between Mediclinic and a specific medical practitioner that illustrates the mutually beneficial expectations and commitments.





### SUPPLIERS

#### WHAT MATTERS TO THEM

Fair and transparent negotiations, and timeous payment for products and services rendered.

#### HOW MEDICLINIC ENGAGES

- Regular meetings and business reviews
- Contract negotiations and management post-signature
- Electronic product approval processes
- Product demonstrations and evaluations
- Training on product specifications
- Attendance at trade fairs
- Factory visits
- Annual Modern Slavery Act due diligence questionnaire

Mediclinic believes in building long-term relationships of mutual trust and respect with suitable suppliers. The Group relies on its suppliers to deliver products and services of the highest quality at the right time and price while complying with regulations, and providing the necessary training and support.

#### MEDICLINIC'S RESPONSE

**Effective procurement** involves centralising to improve efficiency and cost-effectiveness while formalising processes for tenders, contracting and preferred supplier agreements. At Mediclinic Southern Africa, discussions take place to improve supplier scorecards for broad-based black economic empowerment ('B-BBEE').

**A Group Purchasing Organisation ('GPO')** supports global sourcing and creation of more cost-effective supply chains through direct imports of selected surgical and consumable products and conducts a selection of site visits to audit suppliers' compliance to Mediclinic's ethical codes and business practices.

**The implementation of an e-procurement solution** to leverage benefits offered by digitalisation and automation.

**Rationalising the number of suppliers** to enable growth with selected key partners and thereby strengthen negotiations.

**Modern slavery reviews** with a selection of suppliers to confirm that the necessary measures are in place to prevent modern slavery and human rights violations in their organisations. Although the risk of modern slavery in the supply chain is minimal, key manufacturing facilities are visited regularly to verify compliance. View the Company's **Modern Slavery and Human Trafficking Statement** on the Group's website.

**Health technology assessments** are required for high-value investments or for implementation of new technologies – refer to the **2020 Clinical Services Report**.







Effective procurement involves centralising to improve efficiency and cost-effectiveness while formalising processes for tenders, contracting and preferred supplier agreements.

# MATERIALITY ASSESSMENT

Mediclinic is committed to being a reputable corporate citizen and believes that sustainable development must be integrated into its business strategy, focusing not only on financial output, but also on managing and utilising social and environmental resources efficiently to ensure a sustainable business in the long term.

As a diversified global healthcare services provider, Mediclinic's care extends beyond the borders of its hospitals. The Company not only looks after the wellbeing of its clients but also that of the communities and the natural world in which it operates. It is about finding better ways to care.

The Clinical Performance and Sustainability Committee annually reviews the Group's material sustainability issues. This is done to ensure that management initiatives are directed at the sustainable development matters that are most significant to the business, and which directly affect the Group's ability to create long-term value for its key stakeholders. The assessment is informed by the considerations alongside.



## RELEVANCE

Whether the Group's prior year sustainability focus areas are still relevant.



## RISK

Mediclinic's ESG impacts/risks, taking into account the views, concerns and legitimate expectations of stakeholders and those impacts which the Company can influence or control.

➤ See *Stakeholders* on pages 12-23.



## RESOURCES

Mediclinic's dependency on the six capitals (financial, manufactured, human, intellectual, social and relationship, and natural capital); as identified by the International Integrated Reporting Framework.



## REFERENCE

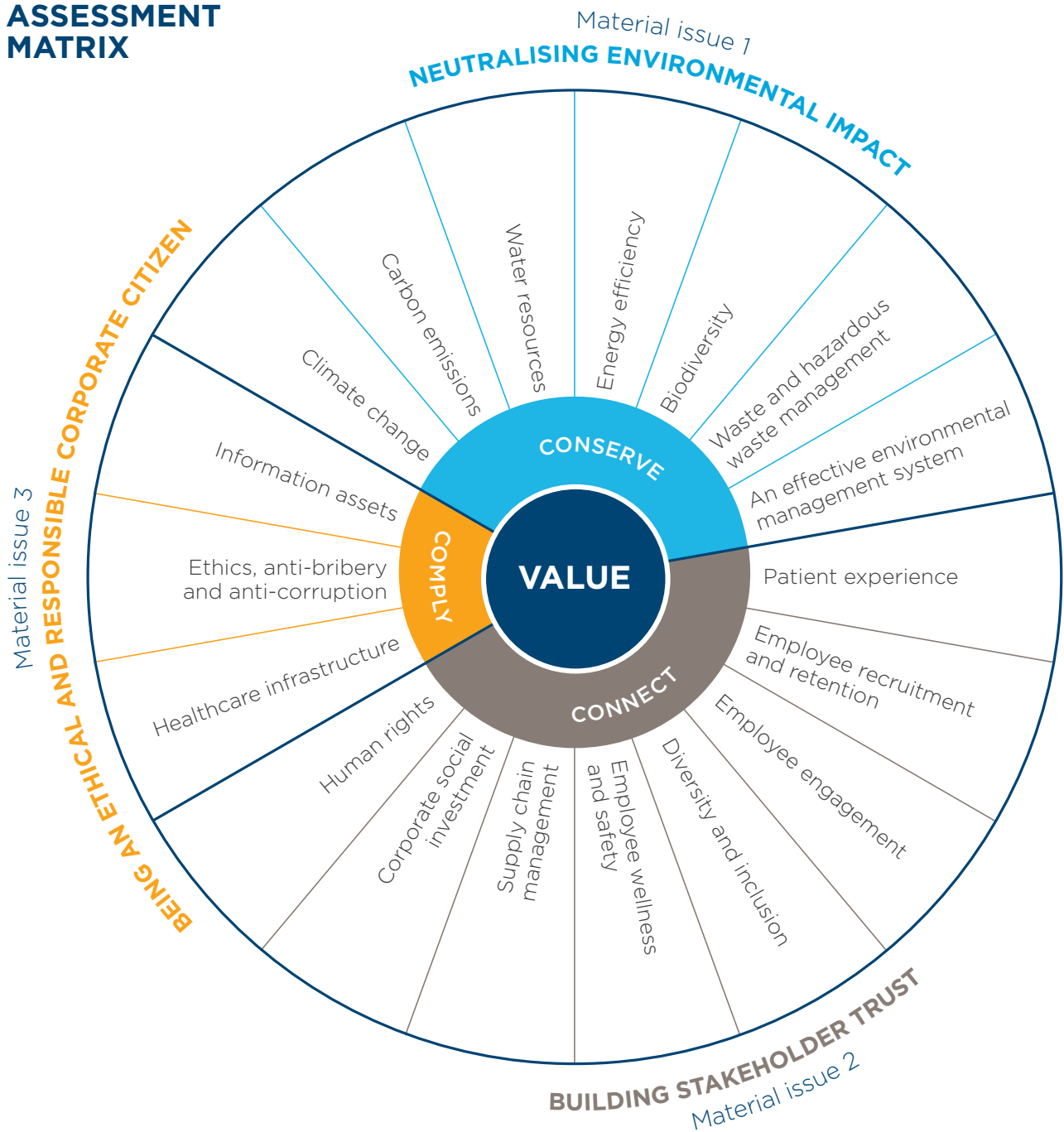
The guidance on determining materiality contained in the GRI Standards and the Sustainability Accounting Standards Board materiality map for healthcare.



## REQUIREMENTS

Regulatory requirements/developments relating to non-financial reporting; information needs of indices and sustainability assessments by investor groups; and sustainability megatrends (e.g. poverty and inequality; environmental degradation and climate change; technological innovation; demography) and global initiatives, such as the UN Global Compact Principles and the 17 UN Sustainable Development Goals.

**FIGURE 1  
MATERIALITY  
ASSESSMENT  
MATRIX**



**SUMMARY**

Mediclinic’s employees, clients and shareholders are key to its sustainability. Relationships with these stakeholders inform how the Group manages strategy, performance and risk. The link between the Group’s three material sustainability issues and the Group’s strategy is unpacked in this Report. The Group’s strategic goals and transformation drivers are further detailed in the **Strategy, goals and progress** section of the **2020 Annual Report**.

# MATERIAL ISSUE 1: NEUTRALISING ENVIRONMENTAL IMPACT

TO NEUTRALISE THE COMPANY'S ENVIRONMENTAL IMPACT

## SUMMARY

### IMPORTANCE

Mediclinic acknowledges that climate change poses a material risk to its operations, the environment and society, and that appropriate action is required to reduce its impact. In addition, responsible use of resources can be a source of strategic advantage for the Group, allowing it to manage and contain its operating costs and ensure ongoing access to water and energy supplies.

The Group's main environmental impacts are the consumption of resources (water and energy) and the disposal of healthcare risk waste and healthcare general waste.

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 the reporting period, there were no incidents of material non-compliance with any environmental legislation, regulations, accepted standards or codes applicable to the Group, with no significant fines imposed.

### LINK TO MEDICLINIC GROUP STRATEGY

GOAL	STAKEHOLDER GROUPS	SUB-GOALS
 <p><b>TRANSFORMATION DRIVER 2</b> To ensure that every day Mediclinic improves sustainability by managing its resources responsibly and efficiently to the benefit of its stakeholders and the environment</p>	<p>Clients, communities employees and potential applicants, governments and authorities, medical practitioners, industry associations, investors, media and suppliers</p>	<ul style="list-style-type: none"> <li>• Minimising the impact of climate change on the business</li> <li>• Achieving carbon neutrality by 2030</li> <li>• Using and re-using water resources sustainably</li> <li>• Achieving zero waste to landfill by 2030</li> <li>• Driving environmental sustainability by way of an effective environmental management system</li> </ul>

## RISKS TO BUSINESS

- Business interruptions due to water shortage or lack of electricity
- Increased operational costs due to cost of electricity, water and healthcare risk waste
- Reputational damage
- Impact of carbon tax and climate change legislation
- Potential fines and penalties

## RISK MITIGATION

- Group Sustainable Development Strategy with environmental objectives
- Risk management process and systems of internal control embedded in the Group
- Opportunities for minimising environmental impact identified in each division
- Annual review of the Group's Enterprise Risk Management Policy
- Group Environmental Policy (available on the Group's website) and environmental policies at operational level
- Group-wide implementation and international certification of environmental management systems

## MATERIAL ISSUE 1 IN NUMBERS<sup>1&2</sup>

### Average total CO<sub>2</sub> emissions (kg/bed day)

Group	163kg	2019: 162kg	▲
Hirlanden	11kg	2019: 12kg	▼
Mediclinic Southern Africa	112kg	2019: 106kg	▲
Mediclinic Middle East <sup>3</sup>	366kg	2019: 376kg	▼

### Average energy consumption (GJ/bed day)

Group	0.9GJ	2019: 0.7GJ	▲
Hirlanden	0.5GJ	2019: 0.5GJ	▶
Mediclinic Southern Africa	0.3GJ	2019: 0.3GJ	▶
Mediclinic Middle East <sup>3</sup>	1.8GJ	2019: 1.3GJ	▲

### Average water usage (kl/bed day)

Group	0.9kl	2019: 1.0kl	▼
Hirlanden	0.6kl	2019: 0.7kl	▼
Mediclinic Southern Africa	0.5kl	2019: 0.6kl	▼
Mediclinic Middle East <sup>3</sup>	1.6kl	2019: 1.6kl	▶

### Waste recycled (tonnes)

Group	1 968t	2019: 1 639t	▲
Hirlanden	494t	2019: 284t	▲
Mediclinic Southern Africa	1 223t	2019: 1 147t	▲
Mediclinic Middle East	251t	2019: 208t	▲

#### Notes

<sup>1</sup> Data reported in line with the 2019 CDP Report and succeeds the data as provided in the 2019 Sustainable Development Report.

<sup>2</sup> Mediclinic has no operations in the UK and only reports on the data of its divisions.

<sup>3</sup> The intensity measures of CO<sub>2</sub> emissions, water usage and energy consumption per bed day of Mediclinic Middle East are not comparable with Hirlanden and Mediclinic Southern Africa as this division has more outpatient clinics (i.e. no beds) than hospitals and the extreme weather conditions in the UAE negatively impact energy and water consumption.

## CLIMATE CHANGE

### MINIMISING THE IMPACT OF CLIMATE CHANGE ON THE BUSINESS

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.

Climate change further poses a major threat to human health through drought and its impact on food and water supply, extreme weather events and the risk of physical injury, and increases in allergens and disease carriers such as mosquitoes. As a healthcare company, mitigating these health risks is part of Mediclinic's purpose. Yet the Company directly and indirectly contributes to climate change through the release of greenhouse gases while delivering care and obtaining the products essential to its service. To honour the commitment of healthcare providers to 'first, do no harm', Mediclinic is focused on neutralising its carbon emissions by 2030.

## CARBON EMISSIONS

### ACHIEVING CARBON NEUTRALITY BY 2030

Mediclinic's commitment to carbon-neutral status is supported by a sound business case, as emission-reduction activities yield benefits such as cost saving and secured energy supply. Rising electricity costs are also an incentive to reduce consumption by investing in energy-efficient equipment and renewable energy sources. Beyond that, the Company acknowledges its responsibility to contribute to a healthy environment in line with its purpose to enhance the quality of life.

With the assistance of external consultants, the divisions measure their carbon footprint using the Greenhouse Gas Protocol. These measures include, in varying degrees:

- Direct emissions (scope 1 emissions) from Mediclinic-owned or -controlled equipment (stationary fuels); air-conditioning and refrigeration gas refills; anaesthetic and other gas consumption; emergency response vehicles; and fleet and pool vehicles (mobile fuels).
- Indirect emissions from the consumption of purchased electricity (scope 2 emissions).
- Indirect emissions in the supply chain (scope 3 emissions), and from Mediclinic's business travel activities; employee commuting; upstream and downstream third-party distribution; the consumption of office paper; electricity transmission; and distribution losses and waste.

- Non-Kyoto Protocol greenhouse gas emissions such as from Freon, which is used in air-conditioning and refrigerant equipment. Data of these emissions were converted into a carbon dioxide equivalent ('CO<sub>2</sub>e') using recognised calculation methods, emission factors and stating assumptions made, where relevant.

#### HIRSLANDEN

Strict Swiss legislation requires Hirslanden to conduct a regular external audit to measure the air emissions of its heating system. The division has seen positive results from its energy-efficiency measures such as decarbonisation of heating, modernisation of generators, use of waste heat and operational optimisation.

#### MEDICLINIC SOUTHERN AFRICA

The Natural Resources and Standards 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.

Mediclinic Southern Africa's carbon footprint is reported on by the CDP, a global initiative measuring companies' greenhouse gas emissions and climate change strategies. CDP reports can be obtained from [www.cdp.net](http://www.cdp.net) or viewed at [www.mediclinic.com](http://www.mediclinic.com).

**TABLE 1: HIRSLANDEN TOTAL CARBON EMISSIONS**

	2015	2016	2017	2018	2019
<b>Scope 1:</b> Direct emissions (tonnes)	6 743	7 349	6 317	6 376	<b>6 042</b>
<b>Scope 2:</b> Indirect emissions from purchased electricity (tonnes)	389	389	837 <sup>1</sup>	415	<b>455</b>
<b>Scope 3:</b> Indirect emissions from supply chain, business travel and waste removal (tonnes)	759	882	665	1 218 <sup>2</sup>	<b>n/a<sup>3</sup></b>
Non-Kyoto Protocol emissions (tonnes)	n/a	n/a	n/a	n/a	<b>0</b>
Total CO <sub>2</sub> e (tonnes)	7 891	8 620	7 819	8 009	<b>6 497</b>
CO <sub>2</sub> e/bed day (kg)	13	13	12	12	<b>11</b>
Intensity (CO <sub>2</sub> e/bed day [kg])		↗	↘	↗	↘

**Notes**

<sup>1</sup> The scope 2 indirect emissions increased due to the integration of Klinik Linde as well as a change in the source of purchased electricity.

<sup>2</sup> Increase in emissions due to a change in calculation methods.

<sup>3</sup> 2019 data not available at the time of publishing this Report.

**TABLE 2: MEDICLINIC SOUTHERN AFRICA TOTAL CARBON EMISSIONS**

	2016 <sup>1</sup>	2016	2017	2018	2019
<b>Scope 1:</b> Direct emissions (tonnes)	23 841	24 687	24 193	22 422	<b>20 790</b>
<b>Scope 2:</b> Indirect emissions from purchased electricity (tonnes)	159 571	156 781	149 109	143 338	<b>157 370<sup>2</sup></b>
<b>Scope 3:</b> Indirect emissions from supply chain, business travel and waste removal (tonnes)	36 037	49 488	47 270	42 981	<b>44 743</b>
Non-Kyoto Protocol emissions (tonnes)	3 966	5 236	2 841	2 200	<b>1 233</b>
Total CO <sub>2</sub> e (tonnes)	223 415	236 192	223 413	211 073	<b>224 136</b>
CO <sub>2</sub> e/full-time employee	13.3	↗ 14.0	↘ 13.7	↘ 13.3	↗ 14.0
CO <sub>2</sub> e/m <sup>2</sup>	0.31	↘ 0.30	↘ 0.27	↘ 0.25	↗ 0.26
CO <sub>2</sub> e/bed day (kg)	111	↗ 117	↘ 112	↘ 106	↗ 112

**Notes**

<sup>1</sup> Reported on financial year basis, thus 1 April 2015–31 March 2016.

<sup>2</sup> Increase in emissions from purchased electricity resulted from a 9% increase in Eskom emission factor during 2019.

**TABLE 3: MEDICLINIC MIDDLE EAST TOTAL CARBON EMISSIONS**

	2016 <sup>1</sup>	2017 <sup>1&amp;2</sup>	2018 <sup>3</sup>	2019
<b>Scope 1:</b> Direct emissions (tonnes)	1 731	5 594	4 191	<b>2 959<sup>4</sup></b>
<b>Scope 2:</b> Indirect emissions from purchased electricity (tonnes)	12 148	19 892	38 371	<b>52 789<sup>5</sup></b>
<b>Scope 3:</b> Indirect emissions from supply chain, business travel and waste removal (tonnes)	3 464	4 722	7 656	<b>14 603<sup>6</sup></b>
Non-Kyoto Protocol emissions (tonnes)	621	3 476	3 561	<b>2 056</b>
Total CO <sub>2</sub> e (tonnes)	17 964	33 684	53 779	<b>72 407</b>
CO <sub>2</sub> e/full-time employee	3.677	↗ 5.764	↗ 7.560	↗ 9.758
CO <sub>2</sub> e/m <sup>2</sup>	0.198	↘ 0.160	↗ 0.174	↗ 0.212
CO <sub>2</sub> e/bed day (kg)	226	↘ 220	↗ 376	↘ 366

**Notes**

<sup>1</sup> 2016 and 2017 data are reported per financial year basis.

<sup>2</sup> Data not directly comparable with previous year as prior to 2017 only Dubai-based facilities were reported on.

<sup>3</sup> Data not directly comparable with previous years as Mediclinic Parkview Hospital and new data points (i.e. air conditioning, additional business travel and third-party vehicle consumption) included for the first time.

<sup>4</sup> Deviation due to modification in methodologies used.

<sup>5</sup> Increase due to overall growth of the division.

<sup>6</sup> Increase in scope 3 emissions due to the inclusion of employee commute as well as an increase in the reporting scope.

# NATURAL RESOURCES

## WATER

### USING AND RE-USING WATER RESOURCES SUSTAINABLY

Access to fresh water is essential for all life on earth and a human right recognised by the UN, yet this precious resource is increasingly under pressure. For hospitals, good quality fresh water is essential for maintaining hygiene, quality patient care and infection control. Initiatives across the Group support sustainable water usage.

The Group benefits from the expertise gained across its divisions as they address water use challenges unique to their geographies. Whether that be in South Africa where droughts have at times left reservoirs at low levels, or in the UAE where extreme heat and desert conditions require innovative measures.



The Group benefits from the expertise gained across its divisions as they address water use challenges unique to their geographies.

#### WATER CHAMPION

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 International Organisation for Standardisation ('ISO') 14001:2015 environmental management system.

TABLE 4: WATER USAGE FROM WATER UTILITIES (kℓ)

		2016 <sup>1</sup>	2017 <sup>1</sup>	2018	2019	Intensity
Hirslanden	kℓ	357 456	375 429	395 898	<b>352 338</b>	▼
	kℓ/bed day	0.63	0.65	0.68	<b>0.60</b>	
Mediclinic Southern Africa	kℓ	1 327 556	1 185 271	1 107 916	<b>1 093 002</b>	▼
	kℓ/bed day	0.65	0.60	0.56	<b>0.54</b>	
Mediclinic Middle East <sup>2</sup>	kℓ	83 192	207 666	241 563	<b>244 086</b>	▲
	kℓ/bed day	0.65	1.52	1.64	<b>1.60</b>	

**Notes**

<sup>1</sup> Reported on financial year basis.

<sup>2</sup> The intensity measures of water consumption per bed day of Mediclinic Middle East are not comparable with Hirslanden and Mediclinic Southern Africa as this division has more outpatient clinics (i.e. no beds) than hospitals and the extreme weather conditions in the UAE negatively impact energy and water consumption; during the year, data measurement improved.

### DIVISIONAL CONSIDERATIONS

#### HIRSLANDEN

- Waste water treated directly by local municipalities and monitored locally by hospitals
- Water-flow limiters on taps, water-saving valves in toilets and replacement of kitchen dishwashers

#### MEDICLINIC SOUTHERN AFRICA

- Continuous monitoring of water consumption through water meters
- Installation of bulk water storage facilities
- Boreholes sunk
- Water-saving instrument washers, washing machines and autoclaves
- Recycling of autoclave water at certain facilities
- Priority focus on detecting and fixing leaks

#### MEDICLINIC MIDDLE EAST

- Water consumption monitored and water pressure reduced
- Reduction in cistern water and automatic flushing
- Condensation water from CSSD autoclaves used for irrigation
- Control sensors on taps in wards





## ENERGY

### ACHIEVING CARBON NEUTRALITY BY 2030

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. Furnaces are also required to dispose of infectious or hazardous material.

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,



Electricity is the main contributor to the Group's carbon footprint.

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.

**TABLE 5: DIRECT AND INDIRECT ENERGY CONSUMPTION (GJ)**

		Direct energy purchased	Direct energy produced	Indirect energy consumed	Energy consumption <sup>2</sup>		Intensity
					Total	Per bed day	
Hirslanden	2017	108 859	98 (solar collectors)	156 453	265 312	0.46	▼
	2018	108 957	n/a	149 650	258 608	0.45	▼
	<b>2019</b>	<b>105 670</b>	<b>n/a</b>	<b>163 650</b>	<b>269 320</b>	<b>0.46</b>	▲
Mediclinic Southern Africa	2017	98 634	1 576	534 999	635 209	0.32	▼
	2018	111 972	2 862	543 175	658 009	0.33	▲
	<b>2019</b>	<b>116 688</b>	<b>11 665</b>	<b>544 742</b>	<b>673 096</b>	<b>0.34</b>	▲
Mediclinic Middle East <sup>1</sup>	2017	22 154	0	141 730	163 884	1.20	▲
	2018	33 499	0	154 813	188 312	1.28	▲
	<b>2019</b>	<b>17 679</b>	<b>0</b>	<b>249 310</b>	<b>266 989</b>	<b>1.8</b>	▲

**Notes**

<sup>1</sup>The intensity measures of energy consumption per bed day of Mediclinic Middle East are not comparable with Hirslanden and Mediclinic Southern Africa as this division has more outpatient clinics (i.e. no beds) than hospitals and the extreme weather conditions in the UAE negatively impact energy and water consumption.

<sup>2</sup>Increase in consumption due to overall growth of the Group.

### DIVISIONAL CONSIDERATIONS

#### HIRSLANDEN

- Electricity purchased mainly from nuclear plants for all but one hospital, as well as the Corporate Office
- 16 of 17 hospitals registered as CO<sub>2</sub>-reduced businesses and monitored annually by EnAW
- Replacement of ventilation, heating and cooling systems with energy-efficient ones and adjustment of operating times
- LED light fittings
- Renewal of information and communications technology ('ICT') infrastructure

#### MEDICLINIC SOUTHERN AFRICA

- 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

#### MEDICLINIC MIDDLE EAST

- LED light fittings and movement sensors
- Regular servicing of air conditioners
- Solar panels for new buildings
- Shading devices to minimise direct heating
- Sustainable materials used wherever possible

## BIODIVERSITY

Mediclinic’s philosophy has always been to minimise its impact on the natural environment. Adoption of the ISO 14001:2015 environmental management system will provide a clear understanding of how activities impact biodiversity.

Environmental impact assessments are performed for all new building projects when required by legislation. This is a comprehensive and continuous process, but will enable the Group to compile an accurate database to manage its biodiversity impact. No new building projects in the financial year required an environmental impact assessment. None of the divisions’ owned, leased or managed facilities are in, or adjacent to,

protected areas or areas of high biodiversity value outside of protected areas.

- Reduce/recycle – managing the plastic waste management cycle
- Recover – recovering energy from waste materials

## WASTE

### ACHIEVING ZERO WASTE TO LANDFILL BY 2030

In line with this objective, Mediclinic evaluates waste materials with the view to:

- Refuse – avoiding generating waste at the source, including at supplier level
- Reuse – repurposing waste materials for own or third-party use

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.

DIVISIONAL CONSIDERATIONS		
<p><b>HIRSLANDEN</b></p> <ul style="list-style-type: none"> <li>• Healthcare risk waste transported by licensed companies and incinerated at waste stations</li> <li>• Recycling of paper, cardboard, glass, PET bottles</li> <li>• Weight and waste type monitored and archived by hospital, transport provider and incinerator</li> <li>• Food waste processed in biogas facility</li> </ul>	<p><b>MEDICLINIC SOUTHERN AFRICA</b></p> <ul style="list-style-type: none"> <li>• Healthcare risk waste transported and treated by licensed service providers by means of autoclave or electro-thermal deactivation technology</li> <li>• Anatomical waste treated by incineration</li> <li>• Recycling of paper, plastic, cardboard, glass, metal, tin, Tetrapak, fluorescent lights, food waste, e-waste, printer cartridges and batteries</li> <li>• Plastic straws and polystyrene food containers banned at Corporate Office</li> <li>• Suppliers encouraged to reuse packaging and transporting containers</li> <li>• Redundant furniture and information technology equipment donated</li> <li>• Cooking oil recovered for biodiesel</li> </ul>	<p><b>MEDICLINIC MIDDLE EAST</b></p> <ul style="list-style-type: none"> <li>• Healthcare risk waste handled by professional providers</li> <li>• Contracts for collection of recyclables such as paper, cardboard, plastics and cans</li> <li>• Waste recycling initiatives at Abu Dhabi and Dubai hospitals</li> </ul>

TABLE 6: WASTE MANAGEMENT

		Food waste processed/ re-utilised	Recycled waste	Total waste diverted from landfill
Hirslanden	2017	127 tonnes	586 tonnes	712 tonnes
	2018	111 tonnes	284 tonnes	395 tonnes
	<b>2019</b>	<b>119 tonnes</b>	<b>494 tonnes</b>	<b>613 tonnes</b>
Mediclinic Southern Africa	2017	0	1 202 tonnes	1 202 tonnes
	2018	199 tonnes	1 185 tonnes	1 385 tonnes
	<b>2019</b>	<b>248 tonnes</b>	<b>1 215 tonnes</b>	<b>1 491 tonnes</b>
Mediclinic Middle East <sup>1</sup>	2017	0	209 tonnes	0
	2018	0	194 tonnes	0
	<b>2019</b>	<b>0</b>	<b>251 tonnes</b>	<b>0</b>

**Note**

<sup>1</sup>Food waste is not processed or re-used. Medical waste is disposed of after treatment and hazardous chemical waste is shipped to Germany for incineration.



**> PUTTING PAID TO WASTE**

*When you treat waste not as something to discard, but to utilise, you open the way for creative problem solving, as Hirslanden has shown.*

The Swiss recycle almost everything from paper and plastic all the way through to electric and electronic devices. Even coffee capsules made of aluminium, CDs and DVDs, light bulbs and hazardous waste can be brought to dedicated collection points. At last measure, the Swiss recycled 3.1 million tonnes of urban waste, which translates into 368kg per person. With more than half of overall urban waste recycled, the one thing the Swiss have disposed with is a throwaway culture.

This approach is very much in evidence at Hirslanden’s hospitals, where rubbish is recycled and waste reduced wherever possible. Andy Stettler, responsible for sustainable energy management at Hirslanden, answers three questions around waste management.

**Q What does Hirslanden do in terms of recycling?**

Most of the total amount of waste generated by healthcare activities is general, non-hazardous waste – comparable to domestic waste. A small part, however, is considered hazardous material that may be infectious, chemical or radioactive. Hirslanden is engaged in the safe and environmentally sound management of healthcare waste in order to prevent health and environmental impact including the release of chemical or biological hazards into the environment. This means that we safely dispose of infectious waste (contaminated with blood and other bodily fluids), hazardous waste, chemical waste and pharmaceutical waste through incineration. Furnaces used are fitted with a filter system so that the process is safe for the environment.



The energy produced was enough to meet the annual energy consumption of close on 11 three-person households!

**Q Is there something else Hirslanden does to reduce waste?**

Many Hirslanden hospitals have launched initiatives to minimise food waste. Initially, they conducted an analysis of the food left over and implemented a series of measures aimed at reducing food waste. For example, portion sizes were reduced since the servings – especially of meat – were generally too large. Many of the hospitals also introduced the option of ordering half portions. Food that has not yet been cooked

or served is used to prepare other meals whenever possible and/or is sold to employees at reduced cost. Some hospitals have collaborations with institutions such as nurseries to deliver excess meals to them while in other cases leftover food is donated to aid organisations.

**Q What happens with leftover food that cannot be used for any of the above?**

Some Hirslanden hospitals have their food waste delivered to biogas

plants where it is stored for fermentation. This process results in biogas, which can be captured to produce green electricity and heat. In this way, waste can be used to produce new energy. As an example, in 2019, two Hirslanden hospitals and three clinics delivered 119 tonnes of leftover food to be processed into biogas. The energy produced was enough to meet the annual energy consumption of close on 11 three-person households!



Mediclinic is committed to ensuring that its environmental management systems and practices are aligned with international best practices.

**ENVIRONMENTAL MANAGEMENT SYSTEMS**

Mediclinic is committed to ensuring that its environmental management systems and practices are aligned with international best practices to safeguard its reputation and provide assurance regarding the environmental quality, safety and reliability of its processes and services.

Mediclinic engages with governments and authorities, industry associations and industry partners on environmental policy matters that affect the business, including climate change. Suppliers are encouraged to implement environmental programmes and obtain certifications. All divisions comply with national legislation concerning the environment.

DIVISIONAL CONSIDERATIONS		
<p><b>HIRSLANDEN</b></p> <ul style="list-style-type: none"> <li>• Programmes for improved environmental management</li> <li>• Food and beverage contracts concluded in 2019 are all with ISO 14001-certified companies</li> <li>• External efficiency statement</li> <li>• Targets to prevent pollution</li> <li>• Energy check-up and EnAW label 'CO<sub>2</sub>- &amp; kWh-reduced'</li> </ul>	<p><b>MEDICLINIC SOUTHERN AFRICA</b></p> <ul style="list-style-type: none"> <li>• 44 of 52 hospitals are ISO 14001-certified by British Standards Institute</li> <li>• ISO 14001 gap audits conducted at 43 facilities, with average score of 79.1%</li> </ul>	<p><b>MEDICLINIC MIDDLE EAST</b></p> <ul style="list-style-type: none"> <li>• Key performance indicators for environmental sustainability</li> <li>• Annual environmental, health and safety ('EHS') audits at all facilities</li> <li>• Initiatives to increase employee awareness</li> </ul>



# MATERIAL ISSUE 2: BUILDING STAKEHOLDER TRUST

TO BE THE PARTNER OF CHOICE THAT STAKEHOLDERS TRUST





## SUMMARY

### IMPORTANCE

Mediclinic employees and associated medical practitioners form the foundation from which the Group is able to offer its services to patients and communities, which in turn allows it to unlock value for all stakeholders and pursue its vision to be the partner of choice that people trust for all their healthcare needs.

In this, the Group is dedicated to partnering with all its stakeholders. As the partner, the Group is positioned to have long-term relationships that extend beyond isolated interactions and trusted to deliver measurable, quality outcomes and transparent reporting.

### LINKS TO MEDICLINIC GROUP STRATEGY

GOAL/S	STAKEHOLDER GROUP/S	SUB-GOAL/S
 <p><b>GOAL 2</b> To improve our value proposition significantly</p>	Clients, employees and potential applicants, governments and authorities, healthcare insurers, industry partners and medical practitioners	<ul style="list-style-type: none"> <li>• Significantly reduce the 'cost of us'</li> <li>• Significantly improve the patient experience</li> <li>• Improve clinical outcomes</li> </ul>
 <p><b>GOAL 5</b> To strengthen our position as the employer of choice</p>	Employees and potential applicants	<ul style="list-style-type: none"> <li>• Enhance market identity to attract talent</li> <li>• Drive employee engagement to enhance the quality of life</li> <li>• Improve diversity and promote a culture of inclusion</li> <li>• Gain further efficiency and effectiveness by transforming the human resources organisation and service delivery model</li> <li>• Advance employee wellness and safety</li> </ul>
 <p><b>GOAL 7</b> To achieve superior long-term financial returns</p>	Healthcare insurers, industry partners, investors and suppliers	<ul style="list-style-type: none"> <li>• Optimise Group supply chain performance</li> </ul>
 <p><b>TRANSFORMATION DRIVER 2</b> To ensure that every day Mediclinic improves sustainability by managing its resources responsibly and efficiently to the benefit of its stakeholders and the environment</p>	Clients, communities, employees and potential applicants, governments and authorities, and investors	<ul style="list-style-type: none"> <li>• Support external training institutions</li> <li>• Contribute effectively and in an aligned manner to corporate social investment ('CSI')</li> <li>• Respect human rights</li> </ul>



## RISKS TO BUSINESS

- Poor employee engagement and wellness
- Ageing nursing workforce with decreasing entrants to profession
- Delayed new nursing qualifications framework, causing a gap in the education pipeline in South Africa
- Inability to recruit healthcare practitioners to meet business demand
- Poor clinical outcomes and services
- Medical malpractice liability
- Reputational damage

## RISK MITIGATION

- Group Sustainable Development Strategy with social objectives
- Effective execution of employee engagement action plans
- Implementation of Mediclinic Diversity and Inclusion Strategy
- Development of a Global Employer Marketing Strategy
- Extensive training and skills development programmes
- Monitoring of medical practitioner satisfaction through continuous dialogue
- Establishment of a Global Leadership Development Framework
- Further entrenchment of the organisational purpose, values and behaviours

### STANDARDISED DEFINITIONS

During the period under review, human resources definitions were standardised across the Group and as such some discrepancies may occur when compared to prior year disclosures.

**Total workforce** is defined as all employees employed on a full-time or temporary basis.

**Full-time employees** are defined as employees appointed in approved roles without a pre-determined time limit. These employees are employed under contract which requires them to work a minimum number of hours, as defined.

**Controllable turnover** is defined as the number of employees leaving within a period due to preventable reasons. Controllable employment terminations for all permanent employees are determined by a subset of 26 criteria, but specifically excludes a subset of 20 criteria such as death, disability, dismissal due to operational requirements, family responsibility, poor health and retirement.

## MATERIAL ISSUE 2 IN NUMBERS

### Press Ganey® inpatient experience index grand mean score (out of 100)

Group	83.9	2019: 84.5	▼
Hirslanden <sup>1</sup>	88.3	2019: 87.4	▲
Mediclinic Southern Africa	82.7	2019: 82.0	▲
Mediclinic Middle East	86.0	2019: 85.6	▲

### Controllable employee turnover rate<sup>2</sup>

Hirslanden	10.0%	2019: 6.9%	▲
Mediclinic Southern Africa	7.6%	2019: 7.6%	▶
Mediclinic Middle East	7.2%	2019: 6.7%	▲

### Gallup® employee engagement grand mean score (out of five)

Group	3.99	2019: 3.98	▲
Hirslanden	4.00	2019: 4.01	▼
Mediclinic Southern Africa	3.97	2019: 3.94	▲
Mediclinic Middle East	4.00	2019: 4.02	▼

### Employees showing high levels of engagement<sup>3</sup> as a percentage of total workforce

Group	46%	2019: 45%	▲
Hirslanden	46%	2019: 45%	▲
Mediclinic Southern Africa	46%	2019: 44%	▲
Mediclinic Middle East	45%	2019: 47%	▼

### Training spend as approximate percentage of payroll

Hirslanden <sup>4</sup>	5.5%	2019: 4.6%	▲
Mediclinic Southern Africa	3.4%	2019: 3.7%	▼
Mediclinic Middle East	0.8%	2019: 0.5%	▲

### Total absenteeism rate<sup>5</sup>

Hirslanden	4.4%	2019: 4.4%	▶
Mediclinic Southern Africa	2.5%	2019: 2.9%	▼
Mediclinic Middle East	0.8%	2019: 0.7%	▲

### Contribution to CSI<sup>6</sup>

Hirslanden	CHF2.1m	2019: CHF2.1m	▶	Mediclinic Southern Africa	ZAR26.7m	2019: ZAR27.6m	▼	Mediclinic Middle East	AED2.3	2019: AED1.4m	▲
------------	---------	---------------	---	----------------------------	----------	----------------	---	------------------------	--------	---------------	---

#### Notes

<sup>1</sup> Current reporting period totals were impacted by an interruption in surveying at Hirslanden late in 2019. This negatively skewed the Group results as a result of a large portion of the normal sample size not being available.

<sup>2</sup> Increase in turnover rate attributable to the sale of Klinik Belair and a change in the term definition.

<sup>3</sup> Gallup® defines engaged employees as those who are involved in, enthusiastic about and committed to their work and workplace.

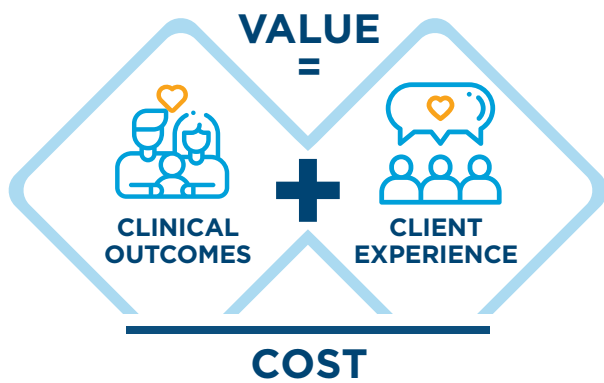
<sup>4</sup> Excludes on-the-job training.

<sup>5</sup> Actual days lost expressed as a percentage of total days scheduled to be worked by the workforce during the reporting period.

<sup>6</sup> 2019 figures provided are per 2019 financial year. Mediclinic Southern Africa's contributions exclude contributions made by Corporate.



# VALUE PROPOSITION



## IMPORTANCE

Three critical areas define the value equation in healthcare – clinical outcomes, client experience and cost.

At the heart of Mediclinic lies its *Patients First* philosophy, supported by the organisational values of being client centred; trusting and respectful; and patient safety focused.

Mediclinic’s value proposition is a key factor in pursuit of its purpose and realisation of its vision. It directly addresses a key industry challenge: the affordability of healthcare. In this regard Mediclinic sees itself very much as part of the solution.

The Group’s unique approach to the value equation is reported on in the [2020 Clinical Services Report](#).

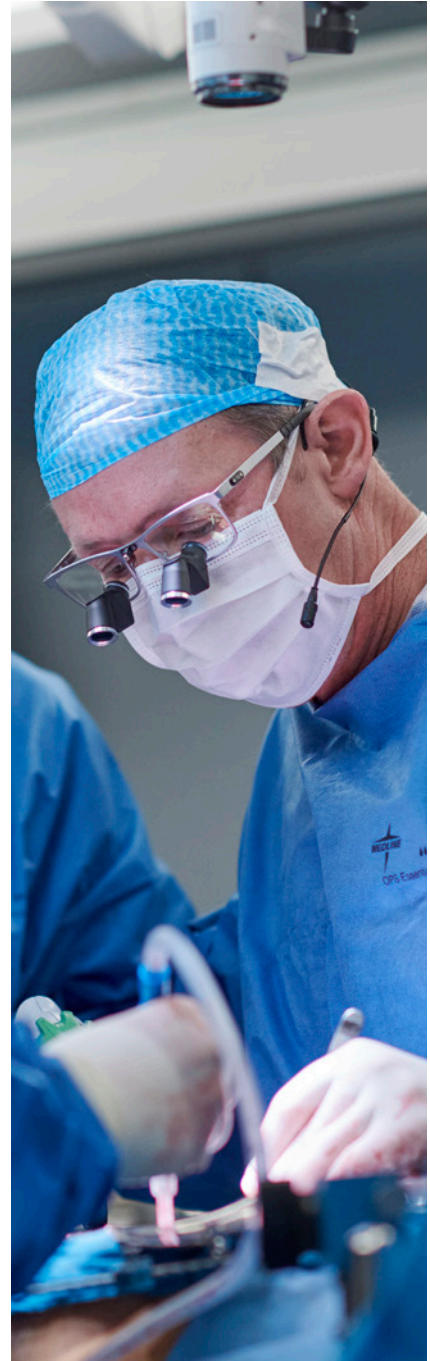
Value is only possible if all three aspects of the equation are driven and supported by Mediclinic employees.

➤ Refer to pages 40 and 49.

## COST

Various Group initiatives focus on managing the affordability of healthcare, including fair and transparent tariff negotiations, need-based expansion, healthcare reform, and efficient and cost-effective operations. The latter is achieved through streamlining and centralising its procurement processes

➤ Refer to pages 59–60.



## DIVISIONAL CONSIDERATIONS

### HIRSLANDEN

- Product standardisation and specialist buyers to reduce cost
- Partnership with German Sana Hospital buying group
- Automated storage system to reduce warehouse footprint
- Logistics guidelines for improved performance
- Outsourcing of maintenance and service for medical equipment

### MEDICLINIC SOUTHERN AFRICA

- Dashboards to track utilisation trends and prevent over-servicing
- Improved data analytics for targeted cost reduction
- Engagement with Council of Medical Schemes on Prescribed Minimum Benefits
- Monitoring and engagement of HMI recommendations

### MEDICLINIC MIDDLE EAST

- Dashboards to track utilisation trends and prevent over-servicing
- Alternative reimbursement models
- Diagnosis-related group reimbursement in Abu Dhabi, with Dubai implementation slated for 1 April 2020

# EMPLOYER OF CHOICE

## IMPORTANCE

### FIRST CHOICE FOR EMPLOYEES

Magnus Oetiker, Group Chief Human Resources and Corporate Development Officer, shares how strengthening Mediclinic's reputation as preferred employer pays off.



**Magnus Oetiker**  
Group Chief Human Resources and  
Corporate Development Officer

#### **Q What does being an employer of choice mean for Mediclinic?**

We want people to want to work for us. We want them to see Mediclinic as the most exciting employer in the healthcare industry. We strive to expose our people to new and interesting challenges so that they can experience growth in their working environment and have the opportunity to excel in what they do best every day.

We are a values-driven organisation. Our people live these values in a practical manner and reap the benefits of diversity in our daily work. We want our people to not only enjoy what they do, but understand that they are contributing to something bigger: Mediclinic's pursuit of its purpose to enhance the quality of life. It's not just about being an employee, it's about making a meaningful, sustainable contribution to the communities in which we operate.

#### **Q Why are engaged employees important?**

Employees are absolutely key to the success of our Company. Besides our medical expertise, it is the way in which we interact with clients that distinguishes us from competitors. We operate in an industry where clients assess our services based on how they feel about and perceive their interaction with our people. Based on these experiences, they recommend us to loved ones and

acquaintances. We therefore believe in the simplified formula of 'Engaged Employees = Satisfied Clients = Success'.

#### **Q How does Mediclinic's purpose of enhancing the quality of life resonate with employees?**

Most of our frontline employees choose their profession as a result of intrinsic motivation rather than for financial gain. In this sense, the purpose of our Company – simply put, the reason why we exist – is aligned to our employees' motivation: to enhance the quality of life of our clients. To be the employer of choice, we must focus on this intrinsic motivation and constantly ensure high employee engagement levels.

#### **Q What is the biggest challenge to realising this goal?**

As a listed company, we have to manage meeting the expectations of various stakeholders and supporting the intrinsic motivation of our employees – many perceive this as a trade-off. The global healthcare industry is under pressure to offer affordable, quality service to communities and healthcare insurers. We must thus operate in an effective and efficient manner throughout. It is important to include our employees in reconciling these ambitions and to ensure they understand how affordable healthcare services contribute to our clients' quality of life.

#### **Q What has been your own experience of management and how does it inform your thinking?**

Early in my career, I experienced a fear-driven manager who wasn't transparent about business developments and eroded the team culture. I've also experienced the most inspiring work environment with a manager trusting me and giving me huge opportunities to grow, which included the chance to make mistakes!

As I strongly believe and trust in the value of skills, what we seek to do at Mediclinic is have the right people at the right place in the right position, and then trust them to succeed and excel.

#### **Q What are the hallmarks of Mediclinic's company culture that make it attractive to top talent?**

Our purpose and core values speak to the heart of most of our employees, as confirmed in our most recent *Your Voice* employee engagement survey (refer to page 49). Mediclinic's dynamic expansion along the continuum of care provides great opportunities for personal growth. We take special care to provide an inclusive environment where employees feel that they belong, where they are valued and where they are empowered.

### A GROUP APPROACH

The recently finalised Group Human Resources Strategy focuses on harmonising and embedding enhanced human resources processes and practices throughout the Group. This is achieved by standardising processes where possible, sharing best practice and integrating systems. In this way, this function is positioned as an enabling business partner that can deliver visible, credible and value-adding services.

## GROUP WORKFORCE<sup>1</sup>

Group total

# 33 090

2019: 32 399 2018: 31 505

Switzerland

## 10 307

2019: 10 442  
2018: 9 635

South Africa & Namibia

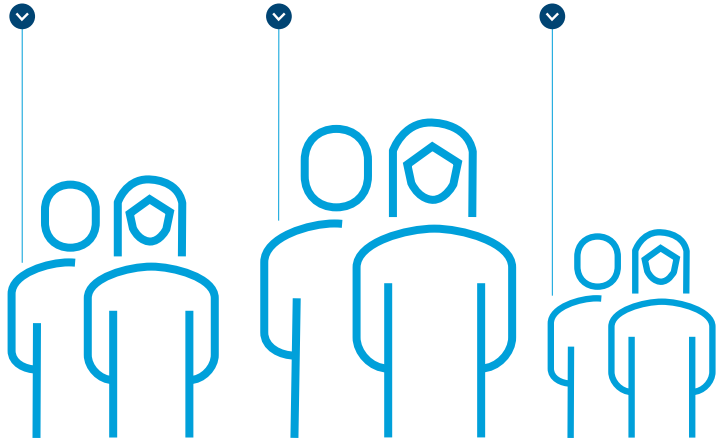
## 16 063

2019: 15 804  
2018: 16 068

UAE

## 6 719

2019: 6 152  
2018: 5 801



#### Note

<sup>1</sup> Total workforce refers to permanent and fixed-term employees.

Mediclinic International plc has one employee based in the UK.

Increase in Hirslanden workforce from 2018 to 2019 largely attributable to acquisition of Clinique des Grangettes in October 2018.

Increase in Mediclinic Southern Africa workforce from 2019 to 2020 largely attributable to the opening of new day case clinics.

Increase in Mediclinic Middle East workforce from 2018 to 2020 largely attributable to overall business growth.



We are a values-driven organisation. Our people live these values in a practical manner and reap the benefits of diversity in our daily work.

Magnus Oetiker, Group Chief Human Resources and Corporate Development Officer

### DEMOGRAPHICS OF FULL-TIME EMPLOYEES



# 28 469

full-time employees



# 126

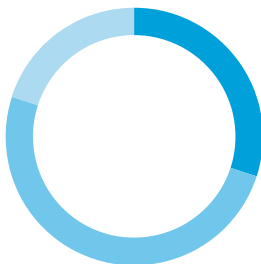
nationalities



# ±£114m

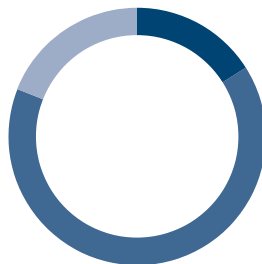
monthly payroll

#### Geography



- Switzerland: 29.6%
- South Africa & Namibia: 49.7%
- UAE: 20.7%

#### Age



- < 30 years: 16.2%
- 30-50 years: 65.1%
- > 50 years: 18.7%

#### Gender



- Female: 74.8%
- Male: 25.2%

#### Average tenure



- < 5 years: 46%
- 5-14 years: 41%
- > 15 years: 13%

EMPLOYEE JOURNEY

**ATTRACT** >

Proactive recruitment programme focuses on creating awareness and interest, addresses medium-term skills gaps

**SELECT**

Competency-based selection with skills assessments, employment reference and credential checks

**ONBOARDING**



The Group is committed to providing employment and development opportunities to citizens in each of the countries in which it operates.

Attractive benefits and fair remuneration practices

**RETAIN** >

Tailored retention strategies and talent management

**DEVELOP**

- Extensive training and skills development programmes
- Targeted internships, on-the-job training, student placements
- Succession planning and/or career management for scarce skills
- Proactive development of high-performing employees with leadership potential

**ENGAGE**

Standardised employee engagement monitoring and structured action planning

**OFFBOARDING**

AVERAGE GROUP TENURE: **SIX YEARS**  
**4 261 TERMINATIONS IN 2019**

**TRANSITION**

**4 480+**

appointments during 2019 in more than 170 different roles

MORE THAN 40 DEPARTMENTS AND 246 BUSINESS UNITS ACROSS THE GROUP

## IN THEIR BEHAVIOUR, MEDICLINIC EMPLOYEES ARE:



**CLIENT  
CENTRED**



**TRUSTING AND  
RESPECTFUL**



**PATIENT SAFETY  
FOCUSED**



**PERFORMANCE  
DRIVEN**



**TEAM  
ORIENTATED**

### IN THEIR BEHAVIOUR, MEDICLINIC EMPLOYEES COMMIT TO:

- |   |   |   |  |  |
|---|---|---|--|--|
| <ul style="list-style-type: none"> <li>• Determining client needs;</li> <li>• Involving clients in decisions that affect them;</li> <li>• Actively managing client experiences; and</li> <li>• Delivering on promises.</li> </ul> | <ul style="list-style-type: none"> <li>• Treating others with courtesy and kindness;</li> <li>• Embracing diversity;</li> <li>• Providing and welcoming feedback; and</li> <li>• Respecting privacy.</li> </ul> | <ul style="list-style-type: none"> <li>• Prioritising patient safety;</li> <li>• Identifying and managing patient safety risks;</li> <li>• Involving patients in improving their safety; and</li> <li>• Accurately recording and securely storing patient information.</li> </ul> | <ul style="list-style-type: none"> <li>• Setting objectives and measuring progress;</li> <li>• Honouring decisions;</li> <li>• Addressing challenges, complaints and inefficiencies; and</li> <li>• Being accountable and decisive.</li> </ul> | <ul style="list-style-type: none"> <li>• Supporting colleagues;</li> <li>• Collaborating to enable problem-solving and decision-making;</li> <li>• Encouraging team spirit; and</li> <li>• Creating opportunities for all colleagues to express opinions and share ideas.</li> </ul> |
|---|---|---|--|--|

## RECRUITMENT

As an international healthcare services provider, Mediclinic competes in a very competitive employer market. Its recruitment approach is reviewed regularly to ensure it anticipates the industry challenges and changes, as well as mitigates the global shortage of healthcare professionals, specifically specialist nurses and clinicians. In support thereof, Mediclinic also proactively monitors global and regional industry and recruitment trends.

In the year under review, a Group Careers Website was launched in support of the Mediclinic strategic goal of strengthening its position as the employer of choice. This is the first step towards offering candidates a seamless engagement experience with interaction across the entire recruitment, selection and onboarding process. It will also enable the Group to host and grow a central,

global talent community with which it can regularly engage regarding opportunities.

This system will now serve as a central touch point to attract best talent; manage internal recruitment processes; and enhance candidates' experiences and perceptions. This supports the move to an integrated and digitalised human resources landscape, with an emphasis on data analytics to inform key decisions. Mediclinic Middle East is the first division to fully make use of this site. Implementation at Hirslanden and Mediclinic Southern Africa will follow.

### EMPLOYEE VALUE PROPOSITION AND RECRUITMENT MARKETING

The annual *Your Voice* employee engagement survey is administered in partnership with the global analytics and advisory leader, Gallup®. Every year the results are scrutinised for

generic themes that affect employee engagement and retention.

In 2020, these results will be used to review the Group's employee value proposition from an internal employee perspective, and will be combined with external research findings, which will form the basis of an enhanced and targeted Group Recruitment Marketing Strategy.

### LOCAL HIRING AND GLOBAL SOURCING

The Group is committed to providing employment and development opportunities to citizens in each of the countries in which it operates. Employment of foreign nationals is only considered where no suitable local candidates with permanent residence can be found. International sourcing becomes a viable option only once all alternatives have been exhausted.

DIVISIONAL CONSIDERATIONS		
<p><b>HIRSLANDEN</b></p> <ul style="list-style-type: none"> <li>• Focuses mainly on Germany, Austria and Switzerland, as well as the Netherlands, Spain and France (especially for Lausanne and Geneva facilities)</li> <li>• Swiss government restricts international recruitment and employment for candidates outside of the EU</li> </ul>	<p><b>MEDICLINIC SOUTHERN AFRICA</b></p> <ul style="list-style-type: none"> <li>• Provides local nurse training, leading to employment on qualification</li> <li>• Employment Equity (Affirmative Action) Plan submitted to the Department of Labour annually</li> <li>• Established international recruitment programme to mitigate medium- to long-term skills shortage risk (currently supplements local resources with 244 specialist nurses from India)</li> <li>• Strategy for targeted methods of attracting and engaging scarce skills</li> <li>• Employment of non-South African permanent residents only considered if critical skills candidate cannot be sourced locally following external advertising</li> <li>• Process to identify and eliminate talent practices across the employment lifecycle which mitigate against the promotion of diversity and inclusion</li> </ul>	<p><b>MEDICLINIC MIDDLE EAST</b></p> <ul style="list-style-type: none"> <li>• Majority of employees are expatriates, representing 93 nationalities</li> <li>• Supports government's Emiratisation programme which seeks meaningful and efficient employment for Emirati citizens by setting specific goals per business unit based on percentage of workforce</li> </ul> <p> <a href="#">Refer to page 56.</a></p>

**RETENTION**

**TABLE 7: NEW APPOINTMENTS VS TERMINATIONS BASED ON CONTROLLABLE EMPLOYEE TURNOVER**

		2018	2019	2020
Hirslanden	Appointments	1 254	1 767	1 653
	Terminations	1 479	1 670	1 733
Mediclinic Southern Africa	Appointments	1 909	2 073	1 971
	Terminations	1 278	1 143	1 736
Mediclinic Middle East	Appointments	525	1 164	865
	Terminations	597	791	792

**TABLE 8: CONTROLLABLE EMPLOYEE TURNOVER RATE BY GENDER**

		2018	2019	2020
Hirslanden	Male	9.2%	7.4%	10.2%
	Female	8.6%	6.7%	10.0%
Mediclinic Southern Africa	Male	10.2%	10.3%	10.6%
	Female	7.1%	7.1%	6.9%
Mediclinic Middle East	Male	8.5%	7.2%	6.5%
	Female	11.7%	6.3%	7.8%

**TABLE 9: CONTROLLABLE EMPLOYEE TURNOVER RATE BY GEOGRAPHY**

	2018	2019	2020
Switzerland	8.7%	6.9%	10.0%
South Africa & Namibia	7.7%	7.6%	7.6%
UAE	10.3%	6.7%	7.2%

TABLE 10: CONTROLLABLE EMPLOYEE TURNOVER RATE BY AGE

		2018	2019	2020
Hirslanden	< 30 years	12.3%	10.0%	15.6%
	30-50 years	8.4%	6.1%	9.0%
	> 50 years	6.7%	6.5%	8.3%
Mediclinic Southern Africa	< 30 years	13.2%	9.7%	9.2%
	30-50 years	6.9%	7.9%	8.0%
	> 50 years	5.9%	5.6%	5.1%
Mediclinic Middle East	< 30 years	11.9%	7.8%	11.1%
	30-50 years	10.2%	6.6%	7.1%
	> 50 years	8.7%	6.6%	4.6%

Retention strategies are aimed at understanding patterns of turnover that exceed healthy turnover benchmarks. An important tool in creating insight in these patterns is by conducting exit interviews in a safe, non-threatening manner.

Two of the most impactful ways to

optimise retention is by providing opportunities for a diverse workforce to thrive and by creating an inclusive environment. Every year, employees are invited to share their perception of the workplace through the *Your Voice* survey (refer to page 49), which provides the opportunity to proactively assess employees'

sense of belonging, whether they feel valued and whether they feel empowered to do their best every day. These results are analysed and trends are explored through focus groups to understand perceptions and provide input to enhance workforce perception and ultimately optimise engagement and retention.



Sr Rina du Toit

In many ways, Sr Rina du Toit of Mediclinic Potchefstroom is a typical Mediclinic Southern Africa employee. She is thoroughly committed to the job and to making a difference in people's lives. What makes Sr Du Toit remarkable, though, is that she's been with one hospital for more than 30 years.

In fact, she was appointed as Theatre Manager at Medicity Potchefstroom (as it was then known) even before the hospital was commissioned. 'My first day was one to remember. I arrived with the idea that I was manager of the universe and discovered what was still a

## > THREE DECADES OF CARE

*Why do employees choose to stay? The value of rewarding work, opportunities to develop and inspiring leadership cannot be underestimated.*

building site. What a wakeup call! I quickly learned to understand the world of building contractors.'

That wasn't the only challenge. Other employees still had to be appointed, so Sr Du Toit conducted interviews from her home. She even had to take receipt of equipment and uniforms there before the hospital's opening. Since then, the 60-bed, two-theatre facility has more than doubled in size and today she manages the entire nursing service at Mediclinic Potchefstroom.

Along the way her profession has been transformed. 'The impact of technology has reshaped the way we do our jobs today. At its core, nursing has always been about caring for patients, but over the years it has evolved to become highly specialised. Nursing education is much more comprehensive and carries much more responsibility.'

What has enabled her to adapt and excel is her commitment to her patients and the support of her employer. 'I love what I do. Nursing is a calling to me and I am privileged to live my passion in a company that supports my values. Over the years they have empowered me through training, mentoring and support, giving me the opportunity to do what I do best.'

That is exactly what Sr Du Toit does with the team she leads. 'Attitude plays an important role in change. It is not what you do or say but how you make people feel that matters. Support your staff, believe in them and acknowledge their efforts. Teamwork is important. You are only as good as your team.'

What keeps her going after three decades of nursing? 'I haven't seen it all, every day brings a new challenge and I love that!'

THE  
POWER  
OF  
**3**

*At Mediclinic Victoria in South Africa, three members have been part of the facility for 30 years. They reveal what has made them stay the course.*

---



Mediclinic Victoria is a good place to work because the service levels of both nursing and administrative employees are exceptional. In addition to the good patient outcomes, being a mentor to young and upcoming specialists is the most rewarding aspect of my job.

**Dr Ponnusamy Rajaruthnam**  
Hospital director/vascular and general surgeon

---



Our employees are performance driven and our management ensures all employees are safe and their skills and knowledge upgraded continuously. I embrace everyday challenges with the expertise that I have gained from mentors, dedicated surgeons and peers.

**Sr Kuntie Devi Naicker**  
Scrub sister

---



The ambience and friendly, caring staff make this hospital a home away from home. Since I first started in 1987, the physical structure has transformed from a basic building to a high-tech hospital.

**Dr Ishwarlall Parsoo**  
Specialist physician and former director

---



## MATERNITY AND PATERNITY LEAVE

New parents are supported in the workplace through various means. Proactive consultations prepare them for the financial implication of their absence, and continuous engagement during their leave is encouraged to optimise post-leave retention. Benefits are tailored according to local best practice and labour legislation.



### DIVISIONAL CONSIDERATIONS

#### HIRSLANDEN

- Four months' maternity leave, two weeks more than legally required, commencing at date of birth or earliest two weeks before the date of birth
- Childcare facilities run by the division at Klinik Hirslanden in Zurich and close to the Salem-Spital in Bern
- Partnerships with private childcare services at other facilities with cost subsidised by the division – benefit not widely utilised as Swiss state subsidises all childcare

#### MEDICLINIC SOUTHERN AFRICA

- Four months' maternity leave, paid at 33% of monthly salary for those with service of 12 months or more, commencing two weeks before date of birth with no impact on annual bonus (legally only unpaid maternity leave is required)
- 10 days' paternity leave of which five are paid in full (legally only unpaid paternity leave is required)
- 10 weeks' parental leave for employees having a baby through surrogacy or adoption
- Childcare facility run by the division at Mediclinic Panorama

#### MEDICLINIC MIDDLE EAST

- Three months' maternity leave, half of which paid at full salary and half at 50% of salary for those with service of 12 months or more
- Female employees with less than 12 months' service qualify for three months' unpaid leave
- Paternity leave viewed as annual leave (not regulated in the UAE)

TABLE 11: RETURN RATE AFTER MATERNITY LEAVE<sup>1</sup>

		2018	2019	2020
Hirslanden <sup>2</sup>	Employees on maternity leave	372	342	343
	Employees returned to work	n/a	n/a	n/a
	Retention rate	n/a	n/a	n/a
Mediclinic Southern Africa	Employees on maternity leave	706	613	748
	Employees returned to work	671	593	719
	Retention rate	95%	97%	96%
Mediclinic Middle East	Employees on maternity leave	198	232	265
	Employees returned to work	189	229	250
	Retention rate	96%	99%	94%

#### Notes

<sup>1</sup> Data supplied for permanent employees.

<sup>2</sup> Approximately 34% of Hirslanden employees are not captured on the central human resources system and will be onboarded during the course of 2020; as such, some data is currently not available.

## MATERIAL ISSUE 2 CONTINUED

### REMUNERATION, BENEFITS AND REWARDS

The Group remunerates employees in a manner that supports its purpose, vision, culture and strategic goals, while attracting, retaining and motivating scarce skills. In this, fair, reasonable and market-related remuneration practices are maintained.

In line with the organisational value

of high-performance behaviour, employees are rewarded for achieving strategic objectives which comprise financial and operational objectives, including measures of clinical performance. Eligible managers receive short-term incentives and senior management receive a combination of short- and long-term incentives.

Various additional benefits are offered to employees throughout the Group with regional differences due to local market practices and regulatory compliance. Employees are kept informed on benefit matters on a continuous basis via various interactive media platforms.

**TABLE 12: BENEFITS OFFERED TO PERMANENT EMPLOYEES**

	HIRSLANDEN	MEDICLINIC SOUTHERN AFRICA	MEDICLINIC MIDDLE EAST
Retirement fund <sup>1</sup>	✓	✓	n/a <sup>2</sup>
Medical scheme, insurance	✓	✓	✓
Performance-related incentives and bonuses	✓	✓	✓
Nursing bonus for nursing staff and retention bonus for pharmacists <sup>3</sup>	n/a	✓	n/a
Indemnity cover/liability insurance for nursing/medical employees <sup>4</sup>	✓	✓	✓
Flexi-time for qualifying employees	✓	✓	✓

#### Notes

<sup>1</sup> Retirement fund includes life and disability insurance, funeral cover and pension-backed mortgage loans.

<sup>2</sup> Benefits governed by legislation; death and disability cover offered.

<sup>3</sup> Benefit only applicable in Southern Africa due to local skills shortage.

<sup>4</sup> And other employees where required.

### RETIREMENT FUND MEMBERSHIP

#### DIVISIONAL CONSIDERATIONS

##### HIRSLANDEN

- Membership to contribution fund with defined benefits at pension
- Variable employee contribution: 8.5-13.75%
- Corresponding variable Company contribution: 10-16.25%

##### MEDICLINIC SOUTHERN AFRICA

- Membership to defined contribution fund
- Variable employee contribution: 5-7.5%
- Corresponding variable Company contribution: 6-9%

##### MEDICLINIC MIDDLE EAST

- Benefits are regulated and limited by federal legislation to the provision of severance pay calculated according to a specified formula
- Emiratis may enrol in the national pension scheme
- Total contribution of 20% of the pensionable salary is required for every Emirati employed (5% by employee, 12.5% by employer and 2.5% by government)

The assets of these funds are held in separate trustee-administered funds in terms whereof the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does

not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. If the assets of the pension funds of Hirslanden are below 100% of what is needed to cover all obligations, mitigating actions are

taken. The measures are borne by the staff who belong to the plan and the employer. The actions are defined by the severity of under coverage. The Group's contribution to these plans is charged to the income statement in the year to which they relate.



During the last five years, the Group has increased the number of engaged employees while also significantly reducing the number of actively disengaged employees within the Company.

## EMPLOYEE ENGAGEMENT

Dialogue between management, employees and stakeholders is crucial for the effective operation of any organisation. Engagement is essential to protect two of Mediclinic's most important assets: its reputation and its culture; it also enhances common understanding and shapes positive behaviour.

Mediclinic encourages and enables engagement across employee levels and divisions via various channels, including:

- the annual *Your Voice* employee engagement survey and resultant action plans;
- training and performance management;
- electronic and personal communication;
- access to various supporting resources such as interactive call centres;
- occupational health clinics and programmes; and
- an ethics line etc.

In this regard, an Employee Engagement Report is submitted to the Board of Directors twice a year. For more information on how the Board engages with the workforce, refer to page 157 of the **Corporate Governance Statement** of the **2020 Annual Report**.

### YOUR VOICE

Since 2015, Mediclinic, in partnership with Gallup®, has annually administered the *Your Voice* employee engagement survey across all divisions to measure the levels of employee engagement; identify gaps at a departmental level; and support line managers in developing action

plans to address engagement concerns.

The *Your Voice* employee engagement survey gauges workforce perceptions on the basic needs of employees; the perceived level of management support; the perception of teamwork; opportunities for growth; and diversity and inclusion. The survey consists of no more than 30 questions that test:

- the standard Q<sup>12</sup> Gallup® dimensions;
- the accountability of line managers to provide feedback around engagement items;
- the understanding of the patient experience; and
- the perception of workplace culture, including diversity and inclusion.

In the year under review, more than 83% of employees completed the survey, placing Mediclinic well above the 78% healthcare industry benchmark. All surveys were completed via email or the Gallup® survey website, removing more than 8 000 hardcopy surveys. Electronic surveying allows for survey data to



be available much quicker, enabling quick responses to issues identified. The survey was furthermore enhanced with four additional questions to determine the perception of diversity and inclusion in the workplace, specifically pertaining to the key themes of 'I belong', 'I am valued' and 'I am empowered'.

➤ [Refer to page 53.](#)

In order to drive employee engagement towards enhancing the quality of life, a Group Centre of Excellence provides guidance, with consistent messages around the Group's purpose, vision, values and strategic goals. As such, all the divisions have the same focus areas:

- ensuring effective *Your Voice* action planning;
- utilising the existing performance management process and other workforce engagement mechanisms to optimise levers for change;
- implementing divisional objectives to ensure meaningful change in focus areas; and
- entrenching the organisational culture.

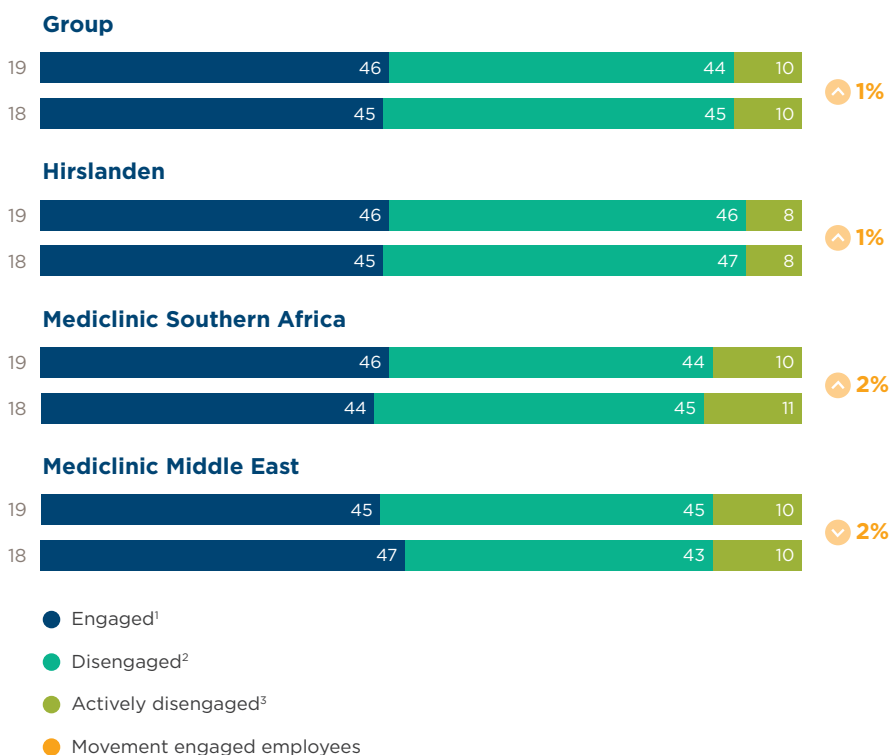
During the last five years, the Group has increased the number of engaged employees while also significantly reducing the number of actively disengaged employees within the Company. The number of actively disengaged employees has fallen below the Gallup® Healthcare benchmark and the Group currently employs 4.6 engaged employees for every actively disengaged employee.



TABLE 13: YOUR VOICE EMPLOYEE ENGAGEMENT PARTICIPATION RATE

	2017	2018	2019
Group	77%	82%	83%
Hirslanden	79%	78%	71%
Mediclinic Southern Africa	73%	80%	87%
Mediclinic Middle East	88%	92%	94%

FIGURE 2: YOUR VOICE EMPLOYEE ENGAGEMENT INDEX



**Notes**  
<sup>1</sup> Engaged employees enjoy work and perform at a high level, going above and beyond to maximise patient experience.  
<sup>2</sup> Disengaged employees do what they need to do, but are not emotionally connected to their work.  
<sup>3</sup> Actively disengaged employees are emotionally disconnected from their work.

For the immediate future, Mediclinic will continue to focus on integrating employee engagement principles into the day-to-day operations of the Group. Encouraging engagement

among all employees remains a priority, while promoting line manager accountability to ensure employee engagement is actively managed within their teams.

## TRAINING AND DEVELOPMENT

The Group is dedicated to building a culture of continuous development. By enhancing the skill-set of its employees, Mediclinic empowers the entire organisation and unlocks individual potential.



Leadership dialogue is influenced at all divisions, creating a shared language on managerial level.

## TRAINING

DIVISIONAL CONSIDERATIONS			
	HIRSLANDEN	MEDICLINIC SOUTHERN AFRICA	MEDICLINIC MIDDLE EAST
<b>Investment</b>	<ul style="list-style-type: none"> <li>5.5% of payroll (2019: 4.6%)</li> </ul>	<ul style="list-style-type: none"> <li>3.4% of payroll (2019: 3.7%)</li> <li>295 100 hours<sup>1</sup>, equating to 18.4 hours/employee</li> </ul>	<ul style="list-style-type: none"> <li>0.8% of payroll (2019: 0.5%)</li> <li>27 477 hours<sup>1</sup>, equating to 2 hours/employee</li> </ul>
<b>Leadership training</b>	<ul style="list-style-type: none"> <li>23 leadership training interventions hosted (2019: 25)</li> <li>Completed by 235 management employees (2019: 258)</li> </ul>	<ul style="list-style-type: none"> <li>27 leadership training interventions (2019 Leadership Academies [2], leadership onboarding sessions [3], Advanced Diploma in Health Services Management [1], Management &amp; Leadership Fundamentals [1] and multiple Leadership Development Workshops)</li> <li>Completed by 1 831 management employees (2019: 258)</li> </ul>	<ul style="list-style-type: none"> <li>Six leadership training interventions hosted (2019: 12)</li> <li>Completed by 145 management employees (2019: 258)</li> </ul>

### Note

<sup>1</sup> Reflects Company time spent on employee development training, including knowledge, behaviour and skills.

A global leadership development methodology framework is established to ensure alignment of leadership development objectives and sharing of best practice, materials and tools to the benefit of the entire organisation. Leadership dialogue is influenced at all divisions, creating a shared language on managerial level that, despite divisional differences, focuses on key business areas.

Leadership development opportunities, such as Group and divisional leadership conferences, are used for learning, collaboration and leadership development to ensure insight into the future of Mediclinic and the healthcare industry, and

leadership's contribution thereto. Leadership networks are also explored and encouraged.

During the reporting period, the Group invested in e-learning technology that provides managers across the Group with access to a digital campus which contains material on management development subjects. Implementation has commenced, but will be phased and continue during the coming year.

### PERFORMANCE MANAGEMENT

Each division has a well-entrenched performance management system that is based on best practice principles, even though the process

is not standardised through the Group. The Group's strategic goals serve as the basis for planning of objectives, activities and deliverables on a functional, departmental and individual level.

Continuous performance conversations are encouraged, with formal annual/six-monthly performance tracking conversations between managers and employees. Managers are held accountable for *Your Voice* employee engagement action planning. This enables career development discussions, as well as the identification and management of training needs.

## MATERIAL ISSUE 2

### PHYSICIAN PERFORMANCE APPRAISAL

In 2019, Mediclinic Middle East introduced a standardised performance appraisal tool for physicians utilising multiple sources of qualitative and quantitative measures (clinical indicators, peer reviews and patient experience feedback).

This process supports clinical quality, positive patient experience and personal development, which ultimately leads to physician engagement. Amendments were made to account for the new EHR which affected data collection. A similar process has been implemented for nursing employees.



### SUCCESSION PLANNING

Talent reviews, which assess the pipeline to key Group and divisional positions, are conducted annually and are strengthened by the oversight of the Nomination Committee, a committee of the Board of Directors, as well as divisional talent review committees. An annual Group Talent Review provides a holistic overview to ensure a healthy pipeline to key roles.

A standardised process is followed, with divisional considerations. The standardised Group-wide human resources system assists with talent management by empowering the relevant committees and line managers with accurate and current information to identify high-potential talent who can be assessed and develop towards key roles. The talent management tools will increasingly provide employees with greater access to review and pursue career opportunities.

Successors are supported with tailored development plans and progress is monitored. The plans are based on a newly developed Group Competency Framework which was approved and implemented during the reporting period to ensure bespoke development goals are aligned to the competency requirements of each role and the Mediclinic Group Strategy.

### LABOUR RELATIONS

Constructive relationships with employee representatives are crucial to strengthening the Group's position as the employer of choice.

All policies and procedures are in accordance with applicable local labour legislation and are evaluated regularly to ensure they remain as such. Policies which deal with employee matters (i.e. misconduct, incapacity, and disciplinary and grievance procedures) are shared during onboarding of new employees and are made available to all employees via internal channels.

The minimum notice period for significant operational changes, as

provided for in the employment contracts, is –

- Switzerland: three months;
- Southern Africa: one month; and
- the UAE: two months for administrative employees and three months for medical practitioners, nurses and other clinical employees and managers.

Policy and guidelines govern action during workplace disruption (i.e. industrial action) to minimise the impact on healthcare services. Union representation is rare and in most cases an elected workplace forum regularly meets with facility management to ensure sound labour relations.

### TRADE UNIONS

#### DIVISIONAL CONSIDERATIONS

##### HIRSLANDEN

- Switzerland is not strongly unionised, except in Geneva where employees at two clinics – Clinique La Colline and Clinique des Grangettes – form part of a collective bargaining agreement.

##### MEDICLINIC SOUTHERN AFRICA

- Decreasing trade union membership in South Africa at 8.7% of permanent employees (2019: 9.7%)
- Namibia at 16.6% of employees (2019: 13.4%)

##### MEDICLINIC MIDDLE EAST

- Not applicable in the UAE

## DIVERSITY AND INCLUSION

Mediclinic strives to be truly diverse across all levels of the organisation. In May 2019, the Board of Directors approved a long-term Diversity and Inclusion Strategy for meeting the Group's strategic goals by way of a diverse and inclusive Board of Directors and workforce.

### AT BOARD AND EXECUTIVE LEVEL

1. The Board will not impose diversity quotas, although it will pursue diversity in the composition of Board and executive management.
2. The Nomination Committee will consider and make annual recommendations, if applicable, regarding diversity objectives for the Board and executive management.
3. In reviewing the composition of the Board and executive management, the Nomination Committee will consider diversity in addition to the balance of skills, experience, independence and knowledge.
4. In identifying suitable candidates for appointment to the Board,

the Nomination Committee will assess candidates on merit against objective criteria and with due regard for the benefits of diversity.

The Board aligns and complies with the Hampton-Alexander benchmark of at least 33.3% female representation. The Board discussed and approved the implementation of a strategic diversity and inclusion framework with a target of at least 40% female representation across all occupational levels in the organisation.

Refer to the **Corporate Governance Statement** and to the **Nomination Committee Report** included in the **2020 Annual Report** for more detail and information on representation at Board and executive level.

### AT ORGANISATIONAL LEVEL

The diversity and inclusion initiative was launched to leadership at the Mediclinic Group Conference in October 2019, and subsequently

introduced in the annual *Your Voice* employee engagement survey. The survey was enhanced with additional questions and provides valuable insight into the three key themes of the Mediclinic Diversity and Inclusion Culture Model: 'I belong', 'I am valued' and 'I am empowered'. The results are being analysed for insight into the perceptions of various stakeholder groups, and to identify areas of concern and appropriate actions.

The Group's focus is on entrenching an inclusive environment where employees feel they belong, are valued and are empowered to do their best every day. Gender and generational focus areas are shared across the Group, but specific divisional diversity priorities (as indicated in the figure below) are strongly supported and regarded as essential to the Group's success.

**FIGURE 3:  
DIVISIONAL  
DIVERSITY  
AND INCLUSION  
FOCUS AREAS**

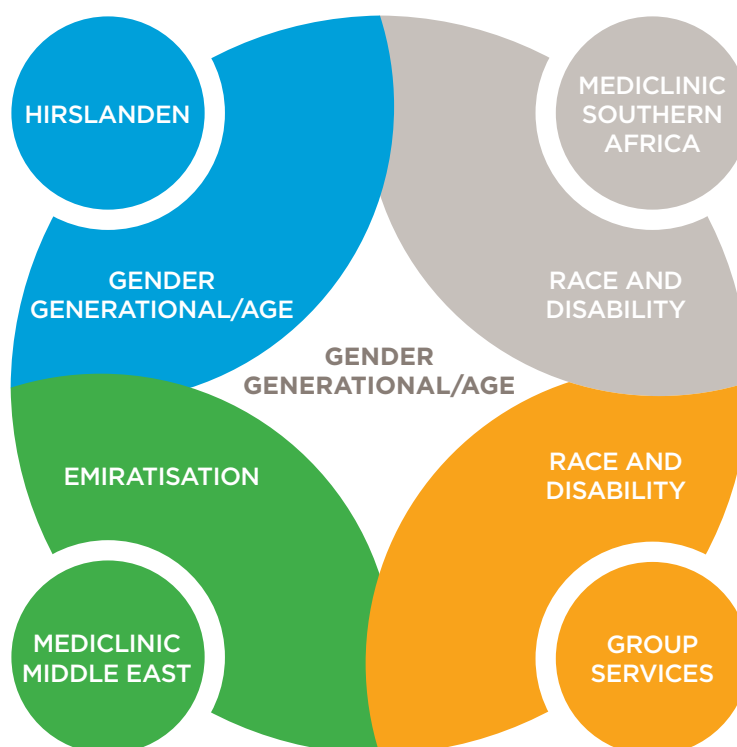


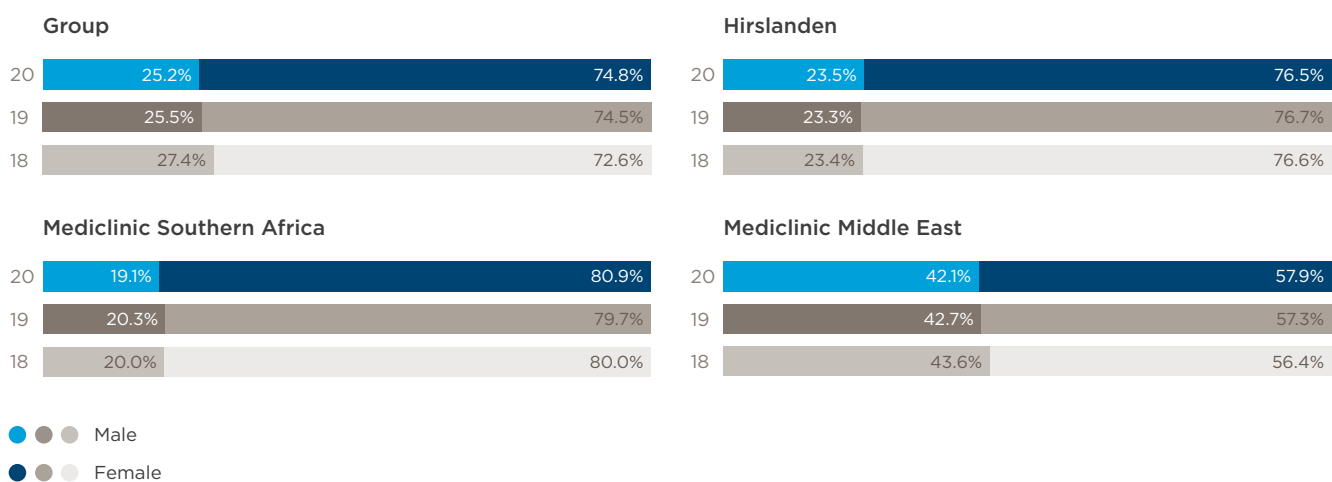
TABLE 14: PERMANENT EMPLOYEES BY AGE

		< 30 years	30-50 years	> 50 years
Group	2018	19.3%	61.8%	18.9%
	2019	18.3%	62.7%	19.0%
	2020	16.2%	65.1%	18.7%
Hirslanden	2018	26.5%	50.2%	23.3%
	2019	26.4%	50.2%	23.4%
	2020	19.1%	55.1%	25.8%
Mediclinic Southern Africa	2018	16.7%	64.5%	18.7%
	2019	15.1%	65.9%	19.0%
	2020	16.6%	65.5%	17.9%
Mediclinic Middle East	2018	14.7%	73.6%	11.7%
	2019	12.9%	75.9%	11.2%
	2020	11.3%	78.4%	10.3%

TABLE 15: PERMANENT EMPLOYEES BY GENERATION

	Traditionalists	Baby boomers	Generation X	Millennials	Generation Z
Group	0.02%	11.2%	34.9%	52.6%	1.3%
Hirslanden	0.1%	16.1%	35.8%	44.6%	3.4%
Mediclinic Southern Africa	-	10.5%	35.6%	53.4%	0.4%
Mediclinic Middle East	-	5.9%	31.8%	62.0%	0.3%

FIGURE 4: PERMANENT EMPLOYEES BY GENDER

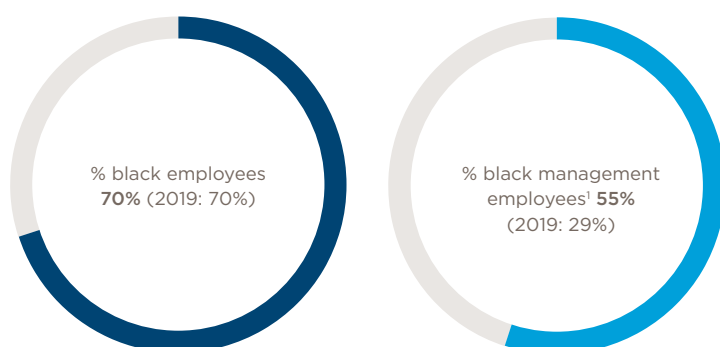


Approximately 75% of the total workforce is female. There is, however, room to improve female representation in managerial positions. The Group has, therefore, set a target of at least 40% female representation in executive, senior and middle management positions, where these targets haven't been met. Various initiatives across all talent practices have been identified to support the achievement of these targets.



## TRANSFORMATION (SOUTH AFRICA)

FIGURE 5: PERCENTAGE BLACK EMPLOYEES



### Note

<sup>1</sup> Increase in percentage mainly attributable to a change in definition to align to the definition of the Department of Labour.

Mediclinic Southern Africa has assigned priority resources and time to implement a transformation strategy that encompasses diversity and inclusion and is dedicated to delivering transformational benefits to the organisation beyond compliance requirements. It has therefore aligned its efforts to the Group values and to the national priority for transformation in a transparent and deliberate manner. Practical contributions are led by the divisional executive committee, with transformation champions across the business.

Diversity and inclusion fuel the division's performance in other areas of B-BBEE, such as ownership

and CSI. This focus also drives its approach to enhance access to quality healthcare and to collaborate with other stakeholders to achieve this goal.

The division is dedicated to improving its Level 4 B-BBEE compliance. In the last year, it has seen improvements across all elements, most notably in ownership, skills development, preferential procurement, and enterprise and supplier development.

Mediclinic Southern Africa's five-year (2018-2022) Employment Equity Plan was approved by the Department of Labour in November 2018.

## TOGETHER THE POSSIBILITIES ARE ENDLESS

Each year, Mediclinic Southern Africa has an annual disability awareness drive to support employees with disabilities. In the year under review, it took the theme of the Group's wider Diversity and Inclusion Strategy: *Together the possibilities are endless.*

Individuals with disabilities represent 1.2% of the Mediclinic Southern Africa workforce. This programme demonstrates the division's commitment to an inclusive workforce and enhances collaboration with employees with disabilities.

Adequate procedures exist so disabled applicants can receive training to perform safely and effectively and development opportunities to ensure they reach their full potential. Where an individual becomes disabled during the course of employment, Mediclinic will provide, wherever possible, continued employment on normal terms and conditions. Adjustments will be made to the environment and duties or suitable new roles will be secured in the division with additional training where necessary.

TABLE 16: SUMMARISED EMPLOYMENT EQUITY REPORT TOTALS<sup>1</sup>

Occupational level	Male				Female				Foreign nationals		Total
	A <sup>2</sup>	C <sup>2</sup>	I <sup>2</sup>	W <sup>2</sup>	A <sup>2</sup>	C <sup>2</sup>	I <sup>2</sup>	W <sup>2</sup>	Male	Female	
Top management	0	1	1	10	0	0	0	2	1	0	15
Senior management	1	2	2	35	0	0	0	11	0	0	51
Professionally qualified and experienced specialists and mid-management	21	50	8	169	35	58	27	279	4	1	652
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	322	144	52	292	1824	893	224	2259	204	206	6420
Semi-skilled and discretionary decision-making	945	387	58	253	3846	1438	167	933	6	12	8045
Unskilled and defined decision-making	102	78	5	16	74	73	12	5	1	0	366
<b>Total permanent employees</b>	<b>1391</b>	<b>662</b>	<b>126</b>	<b>775</b>	<b>5779</b>	<b>2462</b>	<b>430</b>	<b>3489</b>	<b>216</b>	<b>219</b>	<b>15549</b>

### Notes

<sup>1</sup> In respect of all Southern Africa employees, which includes Mediclinic Group Services, Medical Innovations and Mediclinic Southern Africa (incl. the wholly owned subsidiary ER24 and Welkom Medical Centre).

<sup>2</sup> A = African, C = Coloured, I = Indian, W = White.



The division focuses on training and education through its participation in career events.

**EMIRATISATION (THE UAE)**

Mediclinic Middle East’s Emiratisation campaign, defining hiring and development of Emirati citizens, commenced in 2007, but salary expectations, especially in administrative positions, prove challenging. The division therefore focuses on training and education through its participation in various career events which are arranged by the UAE Ministry of Human Resources and Emiratisation and which are aimed at assisting Emiratis to find suitable employment in the private sector.

Mediclinic Middle East demonstrates its commitment to developing Emirati talent by collaborating with Emirati universities and by sponsoring Emirati students who

study life sciences and business-focused disciplines, after which Mediclinic Middle East guarantees their employment.

Emirati employees currently represent only 0.6% of the workforce and the aim is to increase this to 1.5% by the end of 2020. As part of their team of nine, the Mediclinic Middle East executive committee has one Emirati who guides and leads the division in their goals in this regard.

**WELLNESS AND SAFETY**

To build a culture of wellness, Mediclinic takes a holistic approach which includes physical, social, emotional, occupational, environmental and financial support,

by offering a variety of onsite and offsite services and activities across the Group. Health and safety policies and procedures govern the health, safety and cleanliness of all Mediclinic facilities.

Services, activities and policies are managed at a divisional level and tailored according to local considerations. Working hours are determined by operational requirements per division and per facility. Overtime is managed collaboratively by the human resources function, line managers and employees in order to actively reduce excessive working hours, especially for nursing and clinical personnel.

DIVISIONAL CONSIDERATIONS		
Wellness		
<p><b>HIRSLANDEN</b></p> <ul style="list-style-type: none"> <li>• Part-time work offered</li> <li>• Work-from-home offered to permitted positions</li> <li>• Sick leave monitoring to identify if additional support is needed</li> <li>• Free fitness facilities at some locations</li> <li>• Affordable onsite catering</li> <li>• Purchase of additional leave possible</li> <li>• Subsidised childcare at several facilities</li> </ul>	<p><b>MEDICLINIC SOUTHERN AFRICA</b></p> <ul style="list-style-type: none"> <li>• Work-from-home offered to permitted positions</li> <li>• Corporate wellness committee</li> <li>• Employee Assistance Programme with free helpline and confidential counselling</li> <li>• Occupational health clinic at Corporate Office and all large facilities</li> <li>• Weekly offering of occupational health services, primary care and family planning at smaller facilities</li> <li>• Corporate dashboard for overview of occupational injuries and disease, fitness-to-work certification and disability management</li> <li>• Introduction of occupational health audits</li> <li>• Wellness drives (events, campaigns, surveys)</li> <li>• Twelve-week wellness programmes</li> <li>• Executive Health Resilience Care Programme focuses on health risk stratification and health enhancement</li> <li>• Affordable onsite catering</li> <li>• Purchase of additional leave possible</li> </ul>	<p><b>MEDICLINIC MIDDLE EAST</b></p> <ul style="list-style-type: none"> <li>• Employee wellness committee</li> <li>• Wellness drives (events, campaigns)</li> <li>• Mental health ongoing focus</li> <li>• Affordable onsite catering</li> <li>• Purchase of additional leave possible</li> </ul>

DIVISIONAL CONSIDERATIONS		
Safety		
<b>HIRSLANDEN</b> <ul style="list-style-type: none"> <li>Managed at facility- and Corporate Office-level by human resources function</li> <li>Compliance with EKAS, the Swiss coordination agency for workplace safety</li> <li>Hepatitis B vaccinations</li> <li>Compliance with Swiss Labour Law standards for air composition, temperature and humidity at the workplace</li> </ul>	<b>MEDICLINIC SOUTHERN AFRICA</b> <ul style="list-style-type: none"> <li>Facility-level health and safety committees with management-worker representation</li> </ul>	<b>MEDICLINIC MIDDLE EAST</b> <ul style="list-style-type: none"> <li>All hospitals accredited by Joint Commission International ('JCI')</li> <li>Annual licensing by authorities subject to inspection with safety aspect</li> <li>Corporate EHS function manages implementation of occupational safety and health management systems ('OSHMS') standards, and ensures compliance with local legislation</li> <li>EHS information mandatory consideration for contractor and vendor selection and evaluation</li> </ul>

### TUBERCULOSIS AND HIV/AIDS

Proper management of sharps injuries and safety procedures are applied at all three divisions. Depending on the geography, HIV/Aids diagnosis and support are offered to affected employees in accordance with local regulations. Mediclinic Southern Africa has high prevalence and risk relating to tuberculosis and HIV/Aids, which warrants additional initiatives.

Workplace policies cover aspects ranging from infection prevention and control measures to diagnosis and support.

The division's HIV/Aids programme consists of:



Access to antiretroviral drugs is managed as a PPP with the Department of Health and certain medical insurance companies and schemes.

Mediclinic's recruitment policies are in accordance with the local legislation of its divisions. At Hirslanden and Mediclinic Southern Africa, the HIV/Aids status of new recruits is not considered during appointment, whereas at Mediclinic Middle East, foreigners planning to work in the UAE must be tested for HIV upon arrival (and thereafter every two years).

TABLE 17: INJURIES AND ABSENTEEISM

	Hirslanden			Mediclinic Southern Africa			Mediclinic Middle East		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total workforce at year-end	9 635	10 442	<b>10 307</b>	16 068	15 804	<b>16 063</b>	5 801	6 152	<b>6 719</b>
Total work-related injuries	634	555	<b>564</b>	919	n/a	<b>915</b>	18	0	<b>3</b>
Absenteeism due to injuries (business days and including the day of the injury) <sup>1</sup>	n/a	n/a	<b>10 676</b>	n/a	4 570	<b>5 473</b>	14	0	<b>31</b>
Occupational diseases	0	0	<b>0</b>	n/a	n/a	<b>24</b>	0	0	<b>0</b>
Work-related fatalities	0	0	<b>0</b>	n/a	n/a	<b>0</b>	0	0	<b>0</b>
Total absenteeism due to injuries and sickness (hours) <sup>1&amp;2</sup>	580 175	744 374	<b>629 236</b>	154 970	148 163	<b>129 704</b>	15 091	16 283	<b>16 196</b>
Total absenteeism rate (actual days lost, expressed as a percentage of total days scheduled to be worked by the workforce during the reporting period)	3.9%	4.3%	<b>4.4%</b>	2.9%	2.9%	<b>2.5%</b>	1.0%	0.7%	<b>0.8%</b>

#### Notes

<sup>1</sup> Hirslanden does not measure absenteeism due to work-related injuries only.

<sup>2</sup> Total absenteeism due to injuries and sickness as reported for Mediclinic Middle East is measured and reported on in days.



**TAKING ON THE BOSS**

Who would pass up the chance to outshine their superior? That was the appeal of Mediclinic Middle East’s Corporate Office fitness challenge.

David Hadley, CEO of Mediclinic Middle East, leads by example. So as part of the drive for employee wellness, he challenged members of the Corporate Office to best him in a trial of fitness.

The ‘Get fit with the boss’ challenge saw employees building their fitness levels over the course of a month. The Corporate Office shared a 30-day exercise programme, sent motivating messages and hosted regular workout sessions. It culminated in a showdown on 28 February 2019 in the corporate wellness room. The winner? Health and wellbeing, as

everyone who took part was left in better shape than before.

The CEO’s fitness challenge wasn’t the only initiative implemented. Employees could participate in yoga sessions twice a week, thanks to Helen Lowe, part-time yoga instructor and executive secretary to the CEO. To encourage weight loss in a healthy manner, Mission Slimpossible was instituted.

The efforts have yielded positive results. Employee Sam Browning in recruitment lost 38kg in 2019 and completed his first-ever 10km run. He has since helped numerous others in the division kickstart their own weight-loss journey and has spoken to patients about his successful experience.

Mediclinic Middle East CEO David Hadley (fourth from left) pictured with participants in the ‘Get fit with the boss’ challenge.

“ Everyone who took part was left in better shape than before.”

# OPTIMISED SUPPLY CHAIN

During the reporting period, the Group Executive Committee approved a five-year group procurement vision to optimise end-to-end supply chain performance. This will increase spend visibility and streamline internal procedures, governance and controls by embracing digital technologies and analytics.

Refer to **Strategy, goals and progress** in the **2020 Annual Report** for initiatives to improve cost-effectiveness.

Mediclinic's Supply Chain Risk Management Policy, as well as the Ethics Code, which is available on the Group's website, confirms that suppliers who, *inter alia*, support the Group's vision and brand are eligible and that the Company relies on suppliers to deliver products and services of the highest quality.

Mediclinic refrains from doing business with third parties who do not conduct their business in an

environmentally responsible manner and influences its suppliers and service providers to limit their overall impact on the environment.

Suppliers are reviewed during onboarding and regularly thereafter to ensure they comply with the ISO 9000 and/or ISO 13485 quality management certification, relevant ISO certification of the products utilised, CE<sup>1</sup> certification and/or certification by the Food and Drug Administration of the United States of America.

Mediclinic has international procurement initiatives to unlock synergies and implement standardisation for the greater benefit of the Group. These involve:

- pooling capital equipment purchases across the three divisions for better prices;
- global contracts with key suppliers of surgical products and implants;
- price comparisons to ensure similar value is achieved by all divisions;

- direct importing of a selected range of capital equipment; and
- direct importing and distribution of more cost-effective surgical and consumable products.

The GPO delivers products at reduced prices through the following:

- dedicated resources with the right expertise to source new products and uncover cost reduction opportunities;
- the arm's length principle where the divisions procure from the GPO only when it offers better value than their existing supply chains;
- improved governance to ensure cost-reduction strategies do not create risks to the business or patients;
- due diligence investigations of manufacturers to ensure product quality and safety; and
- positive response to competition by suppliers ensuring they deliver best value to maintain their business with the Group.

## Note

<sup>1</sup> CE marking is a certification mark that indicates conformity with health, safety and environmental protection standards for products sold within the European Economic Area ('EEA'); also found on products sold outside the EEA that are manufactured in, or designed to be sold in, the EEA.

The Group is making good progress with its strategy to rationalise the number of suppliers to enable growth with selected key partners, thereby strengthening negotiations.

Any form of incentive is prohibited and the Group's ethics lines are available to suppliers to report any such

conduct within the Group. Centralised procurement decisions prevent employees and medical practitioners at hospital level from influencing procurement choices. Employees involved in purchasing are bound to strict ethical principles and corporate policies related to gifts and invitations ensure an impeccable standard of

integrity is maintained throughout the Group's supplier relationships.

During the year additional measures were put in place to monitor supplier conduct. Find more information in the **Mediclinic Modern Slavery and Human Trafficking Statement** on the Group's website.

## DIVISIONAL CONSIDERATIONS

### HIRSLANDEN

- Central logistics platform for daily distribution
- Product Group Manager for product standardisation and contract negotiation
- Cooperation with Sana buying organisation
- Material compliance report
- Outsourcing of maintenance and service of medical devices
- Improved data quality of maintenance system

### MEDICLINIC SOUTHERN AFRICA

- Centralised procurement department
- Preferential Procurement Strategy for supplier B-BBEE status
- Increased resources of the Tender Officer for pharmacy procurement
- Successful centralised warehousing and logistics pilot project

### MEDICLINIC MIDDLE EAST

- Central logistics platform for daily distribution
- Improved inventory management and controls
- Opportunity for suppliers to co-host continuous medical education events
- Construction of central pharmaceutical and medical warehouses

# BETTER VALUE THROUGH OPTIMAL SOURCING

TO DELIVER ON MEDICLINIC'S ASPIRATION OF BEST VALUE HEALTHCARE, PROCUREMENT IS MANAGED STRATEGICALLY AND SUSTAINABLY.

145 EMPLOYEES

ACROSS THE GROUP IN PROCUREMENT AND LOGISTICS

70 MILLION

EXAMINATION GLOVES SOURCED ACROSS THE GROUP IN A YEAR

PROCUREMENT FROM LOCAL SUPPLIERS OR LOCAL AGENTS

99% Hirslanden

96% Mediclinic Southern Africa

97% Mediclinic Middle East



### PROCUREMENT CALENDAR

- **Monthly** review of global contracts
- **Quarterly** review with top 30 suppliers (Mediclinic Southern Africa)
- **Annual** Modern Slavery questionnaire to suppliers



### SUPPLIER SELECTION FACTORS

- Price and quality
- Ethical behaviour
- Compliance with laws
- Environmental practices
- After-sales service
- Established company
- Training philosophy
- Capacity
- Suitable footprint
- B-BBEE status in SA



The Group spends over £1.2bn annually on equipment, supplies and services. To leverage the aggregate spend across the Group, purchasing frameworks with large multinational suppliers are negotiated centrally. We aim to save £20m in the medium term through the improved standardisation and centralisation of procurement. **James Herbert**, Group Executive: Procurement

### HIRSLANDEN CENTRAL LOGISTICS PLATFORM



### MEDICLINIC MIDDLE EAST CENTRAL PHARMACY WAREHOUSES

42 EMPLOYEES | 4 DELIVERY TRUCKS | 85 SHIPMENTS A DAY





The first group of fourth-year students from MBRU were welcomed at Mediclinic Middle East in August 2019.

## FUTURE WORKFORCE

In light of the continued global shortage of healthcare employees and in line with its purpose to enhance the quality of life, Mediclinic actively invests in the future workforce. Across the divisions there are training opportunities for healthcare students and support of applicable studies.

### DIVISIONAL CONSIDERATIONS

#### HIRSLANDEN

- Trained more than 1 594 apprentices (federal certificate, higher college, college or graduate students) (2019: 1 557) across 28 professions, predominantly as junior medical practitioners and in healthcare professions
- Provision of nursing training positions
- Lectures at external academic institutions
- Collaboration for medical student training: Klinik Hirslanden and University of Zurich; Klinik St. Anna and University of Basel, to be extended to University of Lucerne

#### MEDICLINIC SOUTHERN AFRICA

- Bursaries for nursing, pharmacist and paramedic students with employment offered upon completion
- Bursaries for medical practitioners doing specialist studies and placement opportunities for undergraduate medical students
- Funding in the form of bursaries and payment of courses to the value of ZAR10.0m (2019: ZAR9.6m)
- Training and development function registered as a Private Higher Education Institution
- 206 learners completed undergraduate programmes – Diploma in General Nursing Science, Diploma in Operating Department Assistance and Diploma in Emergency Medical Care
- Three learners completed the Advanced Diploma in Health Services Management and Leadership

#### MEDICLINIC MIDDLE EAST

- Trained a total of 70 students as part of affiliation agreements with various universities
- Student partnership with the Higher College Technology (HCT) as part of Emiratisation Programme – four-week on-the-job exposure
- Student placements for HCT, Al Ain University and Fatima College of Health Sciences
- Affiliation agreement with MBRU for the training of medical students
- In September 2019, first group of 47 fourth-year students from MBRU commenced clinical clerkship in Dubai facilities, in rotation, over five eight-week periods
- Paediatric residency with Al Jalila Children's Hospital
- Representation on advisory board of Khalifa University of Medicine and Health Sciences
- Representation on national taskforce for undergraduate training

## CORPORATE SOCIAL INVESTMENT

### > ON BOARD WITH HELPING THOSE IN NEED

*Hirslanden's support of Mercy Ships takes healthcare where it is desperately needed.*



Hirslanden nurse Tamara Ribeiro Carochas is used to dealing with postoperative patients. But it's not every day that those patients have journeyed miles for their life-changing operations, or that her duties are performed in a floating hospital. For four months in 2019, Ribeiro worked on board the Africa Mercy, the largest hospital ship in the world.

'I wanted to go on this mission because I felt the urge to help other people and to get to know a health institution outside of Switzerland,' she recounts. It doesn't get much more different than a hospital ship docked in a bustling African port. The Africa Mercy is the latest vessel of Mercy Ships, an initiative started by Don and Deyon Stephens in Lausanne, Switzerland, in 1978. Since then, ships have been deployed to more than 70 countries along the coasts of Africa, touching the lives of more than 2.5 million children and adults.

In 2018, Hirslanden pledged its support to the floating healthcare service. It not only assists the Mercy Ships charity financially, but also with medical personnel. The division grants extended leave to employees who want to volunteer

and continues to pay a portion of their salary during their time on board. Since August 2018, Hirslanden employees including nurses, specialised nurses, physiotherapists, doctors and administrative staff have been assisting the crew of the Africa Mercy.

'I was on the ship when it was stationed in Conakry, Guinea, working as a nurse in the B ward for young adults, which focused on plastic surgery. Most of the patients were being treated because they could not move their joints due to severe burns. The surgeries aboard the Mercy Ship enabled these patients to fully move their arms and legs again,' explains Ribeiro.

Before the hospital ship arrives at its destination, Mercy Ships notifies patients in need through radio, posters and social media campaigns, as well as with the help of local authorities and institutions. Those looking for professional medical help then have the opportunity to make appointments with personnel who examine them and treat their ailments and injuries. One such patient Ribeiro cared for was a girl who had a neuronal tumour above her eye removed. 'I remember her joy when she was



When people are unable to get themselves to the hospital, a hospital has to come to them.

**Don and Deyon Stephens,** founders of Mercy Ships

able to wink for the first time. I always have to smile when I think back to this moment.'

Ribeiro admits that it took time to adjust to the daily routine, which was very different from her working environment at Klinik St. Anna in Lucerne. But she also had the opportunity to leave the ship and explore the local sights, even visiting an island dancing in butterflies that has her name: Tamara.

'I remember many beautiful moments from my mission. My absolute highlight was a boy with whom I made music. Although he had a cast on his foot and both hands, he drummed on my clipboard and laughed so hard that I had to laugh with him. These are unforgettable memories.'





The Group contributes to the wellbeing of the communities within which it operates by investing in continuing initiatives that address socio-economic problems or risks.

CSI activities are structured around the improvement of healthcare through training and education, sponsorships, donations, employee volunteerism, public-private initiatives and joint ventures.

## DIVISIONAL CONSIDERATIONS

### HIRSLANDEN

- Spent CHF2.1m (2019: CHF2.1m<sup>1</sup>) on CSI
- Support of *Checkup*, weekly healthcare TV programme
- Educational campaign on heart, lung and winter sport emergencies
- Support of Mercy Ships through financial aid and medical expertise
- Three *pro bono* surgeries for *Une Chance, Un Coeur* Foundation
- Donation of medical equipment to third-world countries
- Sponsorship of Pink Ribbon Charity Walk
- Medical partner at sporting events

### MEDICLINIC SOUTHERN AFRICA

- Spent ZAR26.7m on CSI (2019: ZAR27.7m<sup>1</sup>) (includes ER24 contribution)
- Donations made by Corporate<sup>1</sup> ZAR758 333 (2019: ZAR401 000)
- ZAR16.6m in emergency medical services and transport for indigent patients by subsidiary ER24
- Support of national PHEF – funding paid in 2020 financial year
- 320 *pro bono* surgeries to reduce surgical backlogs in state facilities
- Memorandums of understanding with six provincial departments of health: Western Cape, Free State, Limpopo, KwaZulu-Natal, Mpumalanga and Gauteng
- Learner trauma counselling by ER24
- 100 000 meals packaged for World Food Day 2019
- First-aid training at schools
- Employee volunteering

### MEDICLINIC MIDDLE EAST

- Spent AED2.3m on CSI (2019: AED1.4m<sup>1</sup>)
- Ten-week learner programme for ages 13–14
- Five-day intensive programme for ages 15–16
- ‘Tree of Happiness’ campaign in hospitals
- Sponsorship of 6 000 iftar meals during Ramadan
- Breast cancer survivor celebration activities
- Breast cancer awareness hike

#### Note

<sup>1</sup> Figures reported per 2019 financial year.



> **GIVING CHILDREN FRESH STARTS**

*With 96 pro bono ear, nose and throat ('ENT') surgeries done in 2019, Mediclinic Pietermaritzburg has transformed the lives of many families.*

On a mild Saturday in spring 2019, the scenes at Mediclinic Pietermaritzburg were anything but typical. Whereas weekends are normally quiet, in three theatres surgical teams stood scrubbed and ready to perform ENT surgery on 37 state patients. Patients who otherwise would have waited many more months or even years to have their conditions resolved.

'Since these ENT surgeries are considered elective, they get pushed out to make way for priority cases. But just because they're not life-saving doesn't mean they're not life-changing,' says Bob Govender, Industry Affairs Executive for Mediclinic Southern Africa. This is why Mediclinic Southern Africa partnered with KwaZulu-Natal Provincial Health to facilitate several ENT surgeries, mostly for young children.

Utilising Mediclinic's hospital capacity, the outreach programme offers free surgical procedures to reduce the long waiting lists at public hospitals. At Mediclinic Pietermaritzburg 96 state patients benefited from the arrangement, a new record for the programme in terms of a single hospital's contribution.



All credit to Mediclinic for giving us this platform. Without the company's input there is no way it could have been done.

**Dr Muhammed Firoze Essa**, ENT surgeon at Mediclinic Pietermaritzburg

'All credit to Mediclinic for giving us this platform. Without the company's input there is no way it could have been done,' says Dr Muhammed Firoze Essa, ENT surgeon at Mediclinic Pietermaritzburg and the driving force behind the mass surgeries. While Dr Essa called on fellow ENT surgeons and anaesthetists in private practice to assist with the procedures, Mediclinic made available theatres, equipment, consumables, medicines and nursing care. 'It was a coalition of humans who made it possible,' he says.

'Let's face it, nobody is making waves to get tonsillectomies done,' Dr Essa comments. 'Yet the cost of tonsillitis hasn't been calculated.'

For low-income parents in rural areas, the expense of having their child seen by a doctor far exceeds their available resources. It often involves multiple trips to the clinic before getting a referral to a state hospital, which requires further travel.

Dr Essa explains that children suffering from tonsil or sinus-related illnesses are frequently absent from school. This negatively affects their learning while their parents suffer loss of income when they stay home to take care of them. Even more

pernicious is the high incidence of upper airway obstruction and sleep apnoea. 'If a child is not getting quality sleep, they do not form the necessary neural connections. They're not attentive at school and can be labelled as slow or suffering from attention deficit hyperactivity disorder. Yet relatively minor operations can correct the situation and make a dramatic difference to the development of children so affected.'

Children like 14-month-old Amy, who suffered from middle ear infections, which left untreated could hamper her hearing. Or little Philasande, who struggled to breastfeed and sleep due to tongue-tie. 'Parents tell us that after the operation they have a new child at home, a child who is alert and playful,' Dr Essa reports.

'Many children and adults are now adjusting to a better quality of life because hospitals, doctors and nurses all came together and put up their hands. This is how we are going to define the future of our country. Raising our hands and getting involved where the need is the greatest,' says Govender. 'Our challenge for the next year is to see how many more clinicians we can bring on board to further expand our initiative to the broader community.'



The Group is committed to conducting its business in a manner that respects and promotes the human rights and dignity of people and avoids human rights abuses throughout its operations and relationships.

## HUMAN RIGHTS

The Group is committed to conducting its business in a manner that respects and promotes the human rights and dignity of people and avoids human rights abuses throughout its operations and relationships. This commitment is entrenched in the Group's Ethics Code, which is further supported by the Group's commitment to:

- avoid and not contribute to any indirect adverse human rights impacts that are linked to the Group's operations or services by its suppliers or other business relations;
- respect patients' rights, including but not limited to privacy, confidentiality, dignity, no discrimination, full information on health status and treatment, a second opinion, access to medical records, self-determination and participation, refusal of treatment and the right to complain;
- value diversity and equal opportunities for all in the workplace; and
- not tolerate any form of unfair discrimination, such as relating

to access to employment, career development, training or working conditions, based on gender, age, religion, nationality, race/ethnic origin, language, HIV/Aids status, family status, disability, sexual orientation or other form of differentiation.

During the year, no material incidents of discrimination, violations involving rights of indigenous peoples and/or human rights reviews or impact assessments were observed or reported throughout the Group.

### MODERN SLAVERY AND HUMAN TRAFFICKING

The **Mediclinic Modern Slavery and Human Trafficking Statement**, which is available on the Group's website, sets out the steps Mediclinic has taken to prevent any form of modern slavery and human trafficking, which includes any direct form of forced labour or child labour in its business, or indirectly through its supply chain.

The Board and all relevant employees, especially those managing the supply

chain across the Group, are informed about the regulatory requirements to ensure an understanding of the risks and the Group's position on slavery and human trafficking, to manage those risks accordingly and to further stay abreast of global developments in this regard.

The Group's anonymous toll-free ethics lines, which are managed by an independent service provider, are available to all employees, suppliers or any third party who wishes to report a concern that requires further investigation. Details relating to this line and the number of calls are detailed on pages 67 and 69.

# MATERIAL ISSUE 3: BEING AN ETHICAL AND RESPONSIBLE CORPORATE CITIZEN

TO STRENGTHEN THE CORPORATE CULTURE TO REMAIN  
AN ETHICAL AND RESPONSIBLE CORPORATE CITIZEN

## SUMMARY

### IMPORTANCE

In its commitment to ethical behaviour, the Group enforces sound governance and compliance principles across the organisation. An array of policies, processes and standards support the Group's compliance programmes and provide a framework for business conduct and ethics, including the:

- Anti-bribery Policy;
- Code of Ethics;
- Group Enterprise Risk Management Policy;
- Fraud Risk Management Policy;
- Regulatory Compliance Policy;
- Investor Relations Policy;
- Group Privacy and Data Protection Policy; and
- Data Retention and Disposal Policy and Procedures.

These policies are intended to support an environment in which the organisational values of the Group are embraced and lived daily by encouraging a culture of transparency and vigilance. It is shared and adopted by all relevant employees and, where necessary, training is provided. A targeted drive to enhance awareness is planned for the next reporting period.

### LINKS TO MEDICLINIC GROUP STRATEGY

GOAL/S	STAKEHOLDER GROUPS	SUB-GOAL/S
 <p><b>GOAL 3</b> To transform our healthcare services and client engagement through digitalisation</p>	<p>Clients, employees and potential applicants, governments and authorities, healthcare insurers, industry partners and medical practitioners</p>	<ul style="list-style-type: none"> <li>• Protecting information assets</li> </ul>
 <p><b>TRANSFORMATION DRIVER 2</b> To ensure that every day Mediclinic improves sustainability by managing its resources responsibly and efficiently to the benefit of its stakeholders and the environment</p>	<p>Clients, employees and potential applicants, governments and authorities, industry partners, investors and medical practitioners</p>	<ul style="list-style-type: none"> <li>• Sustaining effective and transparent governance</li> <li>• Preventing bribery and corruption</li> <li>• Maintaining high-quality healthcare infrastructure</li> </ul>

## RISKS TO BUSINESS

- Fines and possible prosecution
- Reputational damage
- Inability to continue business due to legal and regulatory non-compliance or changes in the regulatory environment
- Financial and reputational damage caused by poor governance, unethical practices and inadequate risk management

## RISK MITIGATION

- Group Sustainable Development Strategy with governance objectives
- Visible ethical leadership
- Regular fraud and ethics feedback to management, the Board and relevant Board committees
- Ethics lines available to all employees and external parties, with reported incidents monitored and investigated
- Established Group Risk Management and Compliance and Internal Audit functions
- Compliance risks assessed as part of risk management process, including regular internal self-assessments, with necessary advice and support by the various Company Secretarial and Legal functions within the Group
- Group Compliance and Data Protection Manager appointed to implement compliance framework and monitor compliance maturity
- Emergency preparedness

## MATERIAL ISSUE 3 IN NUMBERS

### Calls to ethics lines<sup>1</sup>

Group	154	▲
	2019: 131	
Hirslanden	27	▼
	2019: 28	
Mediclinic Southern Africa	118	▲
	2019: 83	
Mediclinic Middle East	9	▼
	2019: 20	

### Investment in equipment replacement and property upgrades<sup>2</sup>

Group	£84m	▲
	2019: £83m	
Hirslanden	CHF43m	▲
	2019: CHF40m	
Mediclinic Southern Africa	ZAR730m	▲
	2019: ZAR672m	
Mediclinic Middle East	AED46m	▼
	2019: AED76m	

### Investment in capital projects and new equipment<sup>2</sup>

Group	£108m	▼
	2019: £148m	
Hirslanden	CHF51m	▼
	2019: CHF55m	
Mediclinic Southern Africa	ZAR582m	▲
	2019: ZAR506m	
Mediclinic Middle East	AED174m	▼
	2019: AED376m	

### Expenditure on repair and maintenance<sup>2</sup>

Group	£68m	▲
	2019: £53m	
Hirslanden	CHF48m	▲
	2019: CHF41m	
Mediclinic Southern Africa	ZAR286m	▲
	2019: ZAR262m	
Mediclinic Middle East	AED67m	▲
	2019: AED33m	

#### Notes

<sup>1</sup> Sixteen high-priority cases were reported to the Group's ethics lines during the year, 14 have been investigated and closed, while two are still under investigation.

<sup>2</sup> As capital expenditure is audited annually by the external auditor PricewaterhouseCoopers as part of the Annual Report, the amounts disclosed are on a financial year basis.

# PROTECTING INFORMATION ASSETS

Effective information and cyber security ('InfoSec') is paramount for the Group to conduct its business in a safe and secure manner. With operations spanning multiple geographical areas, a global data network is required in support of such scale. Having a divisional or geographical approach to InfoSec is thus not an efficient way to effectively protect the Group from increasing global cyber threats. To this end, an elaborate Group InfoSec programme was established to optimally manage, monitor, detect and respond to InfoSec. The Group InfoSec Committee is represented by all divisions through dedicated Divisional Information Security Officers, while the proceedings of

this committee are governed and informed through information security best practices sourced from several internationally acclaimed information and cyber security institutions.

**The Group InfoSec programme is based on the following guiding principles:**

- Adopting a risk-based approach towards cyber threats, which considers the likelihood of any risk materialising as well as its potential impact and measures for prevention and detection.
- Expanding responsibility for cyber security beyond ICT to the whole organisation.
- Ensuring end-to-end security across business processes, for

mobile workers and teams as well as for data flows across geographic borders.

- Implementing cyber-security-by-design, i.e. provision for effective protection against cyber threats from the outset when ICT capabilities are acquired or developed.

Key policies and interventions include: Group Information Security Management Policy, Group Privacy and Data Protection Policy, Group ICT Secure Configuration standard, Group Cyber Incident Response Plan, annual cyber penetration tests and cyber risk audits.

## DATA PRIVACY

The privacy of Mediclinic's clients, employees and potential applicants, directors, affiliated medical practitioners, suppliers and other stakeholders remains a priority. Mediclinic has reaffirmed its commitment to protect the personal data of its stakeholders by embarking on an extensive Group-wide data privacy project to align and ensure compliance

with all relevant data protection legislation, as may be applicable in the various countries of operation, including the EU's General Data Protection Regulation ('GDPR'), widely regarded as the gold standard for data protection. The Group Privacy and Data Protection Policy has been reviewed to ensure alignment to the GDPR standards and various initiatives are underway

to ensure that core components are compliant with the GDPR framework. The project has been rolled out to the entire Group to ensure that other applicable data protection legislation is also complied with, or where no such specific legislations exist (i.e. Namibia), GDPR standards are complied with as a minimum.

## DIVISIONAL CONSIDERATIONS

### HIRSLANDEN

- GDPR framework compliant
- Compliant with Swiss data protection laws
- Data Protection Officer appointed
- Privacy Policy and guidelines for employees established
- Continuous data privacy awareness campaign (aligned to information security) aimed at employees and service providers

### MEDICLINIC SOUTHERN AFRICA

- GDPR framework compliant
- Compliant with Protection of Personal Information Act, No. 4 of 2013; the Promotion of Access to Information Act, No. 2 of 2000; and the Electronic Communications and Transactions Act, No. 25 of 2002, in South Africa
- Continuous data privacy awareness campaign (aligned to information security) aimed at employees and service providers

### MEDICLINIC MIDDLE EAST

- GDPR framework compliant
- Compliant with Abu Dhabi Healthcare Information and Cyber Security Standard and UAE Federal Law No. 2 of 2019 concerning the use of ICT in the areas of health
- Review of data security protocols conducted
- Continuous data privacy awareness campaign (aligned to information security) aimed at employees and service providers

## OTHER JURISDICTIONS

The Group has reviewed all other jurisdictions where there are registered entities to ensure those entities comply with relevant data privacy legislation as well as the principles of GDPR.



# CALLING OUT UNETHICAL BEHAVIOUR

154 CALLS ACROSS THE GROUP



➤ Refer to page 67.

## PREVENTING BRIBERY AND CORRUPTION

Mediclinic's position as trusted healthcare provider is underpinned by its commitment to ethical standards. The Group's Ethics Code, which is available on the Group's website and is part of employee inductions, guides principled business conduct. A three-year compliance monitoring programme exists and a Group-wide anti-bribery and corruption campaign is planned. Electronic and printed communication will educate stakeholders and confirm the Company's stance of zero tolerance to unethical business conduct.

Independent ethics lines exist across all divisions to protect whistleblowers. Over the years, the majority of calls have been of a grievance nature. Only in exceptional cases has information led to the discovery of unethical, corrupt or fraudulent behaviour. During 2020, the ethics lines will be reviewed for visibility, confidentiality, protection of whistleblowers and nature of action taken.

The Group's Anti-bribery Policy governs offers of gifts, hospitality and entertainment, which will only be approved if it is acceptable business practice, there is a proper

business case and it does not have the potential to adversely affect Mediclinic's reputation. This policy prohibits the direct sponsorship of supplier and/or third-party events, ensuring that all such sponsorships are administered and overseen by the relevant division within the Group. During 2020 a supplier review regarding knowledge of the Anti-bribery Policy and Ethics Code will be conducted.

Further details regarding the Group's management of these matters are included in the report on **Risk management, principal risks and uncertainties** and the **Audit and Risk Committee Report** included in the **2020 Annual Report**.

A summary of the Group's approach to clinical ethical issues is set out in the **2020 Clinical Services Report**.

During the period under review, there were no incidents of material non-compliance with the Ethics Code, Anti-bribery Policy or any legislation, regulations, accepted standards or codes applicable to the Group concerning antitrust matters or matters relating to corruption and bribery, with no significant fines being paid in this regard.

# MAINTAINING HIGH-QUALITY HEALTHCARE INFRASTRUCTURE

To ensure a safe and user-friendly environment for both its patients and employees, the Group continuously invests in capital projects, new equipment to expand and refurbish its facilities, replacement of existing equipment, and the repair and maintenance of existing property and equipment. Refer to the

sub-goals on page 66 and to the **Group Chief Executive Officer's Report, Strategy, goals and progress** and the **Divisional Reports** included in the **2020 Annual Report**.

Hospitals are high-risk environments in which complex treatment processes are executed using

sophisticated equipment and techniques. The process of external accreditation ensures that international standards are adhered to in all aspects of hospital operations. Refer to the page alongside for more on accreditations.

## DIVISIONAL CONSIDERATIONS

### HIRSLANDEN

- All hospitals ISO 9001:2015 certified
- Process monitoring by way of patient satisfaction survey

### MEDICLINIC SOUTHERN AFRICA

- Thirty-seven facilities accredited by Council for Healthcare Services Accreditation of Southern Africa ('COHSASA'), an entity regulated by the International Society for Quality in Healthcare ('ISQua')
- Facilities advised to prepare for Office of Health Standards Compliance requirements

### MEDICLINIC MIDDLE EAST















- All hospitals and clinics accredited or re-accredited by JCI
- Mediclinic City Hospital accredited by College of American Pathologists ('CAP') and ISO 15189:2012 certified
- Laboratories in Abu Dhabi, Al Ain and Western Region ISO certified in 2018 (three-year cycle)





# INDEPENDENT ASSURANCE

Mediclinic is accountable to its stakeholders to responsibly present information that is relevant, clear, consistent and accurate. To provide the necessary independent assurance over the quality and reliability of the information presented and that of its healthcare services, processes and facilities, the Group follows a combined assurance model with assurance between management, internal audit and external accreditation and certification.












COMBINED ASSURANCE			
Assurance output		Processes assured	Provider/standard
External calculation of carbon footprint based on carbon emissions data of Mediclinic Southern Africa		Carbon footprint calculation	Carbon Calculated
ISO 14001:2015 certification of 44 of Mediclinic Southern Africa's 52 hospitals		Environmental management system	British Standards Institute, as accredited by UK Accreditation Service ('UKAS')
COHSASA accreditation for all of Mediclinic Southern Africa's participating hospitals <sup>1</sup>		Healthcare facility quality	COHSASA ISQua
B-BBEE verification		Broad-based black economic empowerment	Empowerlogic
Three-star excellence ratings for three Hirslanden hospitals		Quality management processes	European Foundation for Quality Management
All three divisions annually measure employee engagement via internationally recognised service provider	   	Employee engagement	Gallup®
All three divisions use the Press Ganey® platform to continuously measure and report on patient experience	   	Patient experience	Press Ganey®
ISO 9001:2015 certification of all Hirslanden hospitals and Hirslanden Corporate Office		Process and quality management	Swiss Association for Quality and Management Systems

## Note

<sup>1</sup> COHSASA accreditation is limited to the largest hospitals caring for the more complex cases. These hospitals undergo regular re-accreditation surveys on a rotational basis, the findings of which are shared with the hospitals and with the Mediclinic Southern Africa Corporate Office. Learning points emerging from findings are used to inform focus areas for improvement initiatives which also benefit smaller non-participating hospitals. In addition, the smaller facilities adhere to all the required regulatory requirements and industry standards.

 = Hirslanden  = Mediclinic Southern Africa  = Mediclinic Middle East

## INDEPENDENT ASSURANCE CONTINUED

COMBINED ASSURANCE			
Assurance output		Processes assured	Provider/standard
CAP re-accreditation of the laboratory of Mediclinic City Hospital completed in 2019		Pathology laboratory of Mediclinic City Hospital	CAP
Cancer centre at Klinik Hirslanden certified since 2017		Quality and safety of cancer treatment	German Cancer Society
Klinik Hirslanden accredited		Haematopoietic stem cell transplantation	Joint Accreditation Committee ISCT-Europe & EBMT ('JACIE')
JCI accreditation or re-accreditation of all Mediclinic Middle East facilities (hospitals and clinics) completed in 2019		Quality and safety of patient care	JCI
All Mediclinic Middle East laboratories operating within Mediclinic hospital and clinic facilities are ISO 15189:2012 accredited, except the laboratory at Mediclinic Parkview Hospital		Pathology laboratories of Mediclinic Middle East hospitals and clinics in Dubai, Abu Dhabi, Al Ain and Western Region	ISO
Hirslanden has been applying the quality management criteria of Initiative on Quality Medicine since 2012		Further improvements in medicine through innovative and efficient procedures	Initiative on Quality Medicine
Five Hirslanden cancer centres are certified		Quality and safety of cancer treatment	Swiss Cancer League
Klinik Hirslanden stroke centre accredited		Quality and safety of stroke treatment	Swiss Federation of Clinical Neuro-Societies
Participation by 30 Mediclinic Southern Africa facilities and six Mediclinic Middle East facilities	  	Quality and safety of neonatal care	Vermont Oxford Network

Key:  = Hirslanden  = Mediclinic Southern Africa  = Mediclinic Middle East

# GLOSSARY OF TERMS

TERM	MEANING
AED	United Arab Emirates dirham
Board or Board of Directors	the board of directors of Mediclinic International plc
B-BBEE	broad-based black economic empowerment
CAP	College of American Pathologists
CDP	organisation originally known as Carbon Disclosure Project
CEO	Chief Executive Officer
CHF	Swiss franc
CO <sub>2</sub> e	carbon dioxide equivalent
Company	Mediclinic International plc
COHSASA	Council for Healthcare Services Accreditation of Southern Africa
CSI	corporate social investment
CSR	corporate social responsibility
EEA	European Economic Area
EHR	electronic health record
EHS	environmental, health and safety
EnAW	Energy Agency of the Swiss Private Sector
ENT	ear, nose and throat
ESG	environmental, social and governance
Ethics Code	Company's Code of Business Conduct and Ethics
EU	European Union
GDPR	General Data Protection Regulation
GPO	Group Purchasing Organisation
GRI Standards	the GRI Sustainability Reporting Standards issued in 2016 by the Global Sustainability Standards Board, which standards represent global best practice for reporting publicly on a range of economic, environmental and social impacts
Group	Mediclinic International plc and its subsidiaries, including its divisions in Switzerland, Southern Africa and the United Arab Emirates
Group Executive Committee	the executive committee of Mediclinic International plc
Hirslanden	the Group's operations in Switzerland, trading under the Hirslanden brand, with Hirslanden AG as the intermediary holding company of the Group's operations in Switzerland
HMI	Health Market Inquiry
ICT	information and communications technology
InfoSec	information and cyber security
ISO	International Organisation for Standardisation
ISQua	International Society for Quality in Healthcare
JACIE	Joint Accreditation Committee ISCT-Europe & EBMT
JCI	Joint Commission International, an international quality measurement accreditation organisation, aimed at improving quality of care

## GLOSSARY OF TERMS CONTINUED

TERM	MEANING
LSE	London Stock Exchange
Mediclinic	Mediclinic International plc
Mediclinic Middle East	the Group's operations in the UAE, trading under the Mediclinic brand, with Mediclinic Middle East Holdings (registered in Jersey) as the intermediate holding company of the Group's operations in Dubai and Abu Dhabi
Mediclinic Southern Africa	the Group's operations in South Africa and Namibia, trading under the Mediclinic brand, with Mediclinic Southern Africa (Pty) Ltd as the intermediary holding company of the Group's operations in South Africa and Namibia
MBRU	Mohammed Bin Rashid University of Medicine and Health Sciences in Dubai
OSHMS	occupational safety and health management systems
Period under review/reporting period	1 January 2019–31 December 2019
PHEF	Public Health Enhancement Fund
SCADA	Supervisory control and data acquisition
UAE	the United Arab Emirates
UK	the United Kingdom of Great Britain and Northern Ireland
UKAS	United Kingdom Accreditation Service
UN	the United Nations
WHO	World Health Organization
ZAR	South African rand

# COMPANY INFORMATION

Mediclinic International plc  
(incorporated and registered in England and Wales)  
Company number: 08338604

## REGISTERED OFFICE

Mediclinic International plc  
6<sup>th</sup> Floor, 65 Gresham Street  
London, EC2V 7NQ, United Kingdom  
Tel: +44 20 7954 9548  
Email: [info@mediclinic.com](mailto:info@mediclinic.com)  
Website: [www.mediclinic.com](http://www.mediclinic.com)

## TOLL-FREE ETHICS LINES

Switzerland and South Africa  
Tel: 0800 005 316  
UAE  
Tel: 800 1 55000

## LISTING

FTSE sector: Healthcare Providers  
ISIN code: GB00B8HX8Z88  
SEDOL number: B8HX8Z8  
EPIC number: MDC  
LEI: 2138002S5BSBIZTD5160  
Primary listing: LSE (share code: MDC)  
Secondary listing: JSE (share code: MEI)  
Secondary listing: NSX (share code: MEP)

## DIRECTORS

Dr Edwin Hertzog *(ne) (Chair) (South African)*,  
Inga Beale DBE *(ind ne) (Chair Designate) (British)*,  
Dr Ronnie van der Merwe *(Group Chief Executive Officer) (South African)*,  
Jurgens Myburgh *(Group Chief Financial Officer) (South African)*,  
Alan Grieve *(Senior Independent Director) (British and Swiss)*,  
Dr Muhadditha Al Hashimi *(ind ne) (Emirati)*,  
Jannie Durand *(ne) (South African)*,  
Dr Felicity Harvey CBE *(ind ne) (British)*,  
Danie Meintjes *(ne) (South African)*,  
Dr Anja Oswald *(ind ne) (Swiss)*,  
Trevor Petersen *(ind ne) (South African)*,  
Tom Singer *(ind ne) (British)*,  
Pieter Uys *(alternate to Jannie Durand) (South African)*

## COMPANY SECRETARY

Link Company Matters Limited (previously named  
Capita Company Secretarial Services Limited)  
Caroline Emmet  
6<sup>th</sup> Floor, 65 Gresham Street  
London, EC2V 7NQ, United Kingdom  
Tel: +44 20 7954 9548  
Email: [MediclinicInternational@linkgroup.co.uk](mailto:MediclinicInternational@linkgroup.co.uk)

## INVESTOR RELATIONS

James Arnold  
Head of Investor Relations  
14 Curzon Street, London  
W1J 5HN, United Kingdom  
Tel: +44 20 3786 8180/1  
Email: [ir@mediclinic.com](mailto:ir@mediclinic.com)

## REGISTRAR/TRANSFER SECRETARIES

### UK

United Kingdom Computershare Investor Services PLC  
The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ  
Tel: +44 370 703 6022  
Email: [WebCorres@computershare.co.uk](mailto:WebCorres@computershare.co.uk)

### SOUTH AFRICA

Computershare Investor Services (Pty) Ltd  
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196  
Private Bag X9000, Saxonwold, 2132  
Tel: +27 11 370 5000  
Email: [Groupadmin1@computershare.co.za](mailto:Groupadmin1@computershare.co.za)

### NAMIBIA

Transfer Secretaries (Pty) Ltd  
4 Robert Mugabe Avenue, Windhoek  
PO Box 2401, Windhoek  
Tel: +264 61 227 647  
Email: [ts@nsx.com.na](mailto:ts@nsx.com.na)

## CORPORATE ADVISORS

### Auditor

PricewaterhouseCoopers LLP, London

### Corporate broker and sponsors

#### UK

Joint corporate brokers: Morgan Stanley & Co  
International plc and UBS Investment Bank

#### SOUTH AFRICA

JSE sponsor: Rand Merchant Bank (a division of  
FirstRand Bank Limited)

#### NAMIBIA

NSX sponsor: Simonis Storm Securities (Pty) Ltd

### Legal advisors

#### UK

Slaughter and May

#### SOUTH AFRICA

Cliffe Dekker Hofmeyr Inc.

### Remuneration consultant

Deloitte LLP

### Communication agency

FTI Consulting

Tel: +44 20 3727 1000

Email: [businessinquiries@fticonsulting.com](mailto:businessinquiries@fticonsulting.com)

**EXPERTISE YOU CAN TRUST.**

[www.mediclinic.com](http://www.mediclinic.com)