

MEDICLINIC INTERNATIONAL PLC

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2016

Mediclinic does not tolerate any form of human rights violation, including slavery and human trafficking, in its business or indirectly through its supply chain and is committed to ensuring that there is no slavery or human trafficking in our supply chains or in any part of our business.

Regulatory framework

This statement is issued by Mediclinic International plc (“Mediclinic”) in terms of Section 54 of the Modern Slavery Act 2015 (the “Act”), which requires certain organisations with businesses in the United Kingdom to publish a slavery and human trafficking statement for each financial year of the organisation, reporting on the steps taken during the financial year to ensure that slavery and human trafficking is not taking place. The new reporting requirement applies to financial years ending on or after 31 March 2016, and this is therefore Mediclinic’s first slavery and human trafficking statement.

Our business

Mediclinic, with its primary listing on the London Stock Exchange (“LSE”), is a private hospital group with three operating platforms in Southern Africa (South Africa and Namibia), Switzerland and the United Arab Emirates (the “Group”). Its core purpose is to enhance the quality of life of patients by providing cost-effective acute care specialised hospital services. Mediclinic Southern Africa operates 49 hospitals and 2 day clinics throughout South Africa and 3 hospitals in Namibia with more than 8 000 inpatient beds in total; Hirslanden operates 16 private acute care facilities and 3 clinics in Switzerland with more than 1 600 inpatient beds; and Mediclinic Middle East operates 5 hospitals and 39 clinics with more than 600 inpatient beds in the United Arab Emirates.

Mediclinic also holds a 29.9% interest in Spire Healthcare, a LSE listed and UK-based private healthcare group.

Ethical foundation

Ethical behaviour is a fundamental guiding principle and management continually focuses on establishing a culture of responsibility, fairness, honesty, accountability and transparency across the Mediclinic Group. This commitment is firmly entrenched in our business and supports our vision to be regarded as the most respected and trusted provider of healthcare services by our patients, doctors and funders of healthcare. Our stakeholders, which include our employees, patients, supporting doctors, shareholders, suppliers, society and community, healthcare funders and government, rightfully expect that the Mediclinic Group stands for honesty and integrity in all our decisions and actions. Sound ethical relations with all our stakeholders are of fundamental importance to us, which commitment is embodied in the Group’s values.

Supply chain management

In order to deliver Mediclinic’s services, it is dependent on a large and diverse range of suppliers, who form an integral part of the Group’s ability to provide quality hospital care. Mediclinic believes in building long-term relationships with suitable suppliers, establishing a relationship of mutual trust and respect. The Group relies on its suppliers to deliver products and services of the highest quality in line with Mediclinic’s values and standards. Various other criteria play an important role in selecting suppliers, such as: compliance with applicable international and local quality standards, price, compliance with appropriate specifications suited for the Group’s markets, stability of the organisation and the relevant equipment brand, good-quality and cost-effective solutions, support network, technical advice and training philosophy. In Southern Africa, the BBEE status of a supplier is also a factor in the selection process.

The availability of products and services is imperative in enabling the Group to deliver quality care to its patients, and therefore an important criterion in its supplier selection process. Although not always the case, this often leads to local suppliers being preferred, which also adds to better and faster service delivery and knowledge of local laws and regulations, particularly with regard to pharmaceutical products. In Southern Africa approximately 96% of procurement is done with local suppliers or the local agents of international suppliers. Similarly, in Switzerland approximately 90% of

the procurement is from local suppliers or agents of international suppliers. In the UAE all international suppliers and manufacturers are required by law to operate through local agents. As such Mediclinic Middle East is legally required to procure from local suppliers or agents, except in cases where a product is not available in the UAE, where permission to import from foreign vendors is granted. Mediclinic Middle East procures approximately 97% of its supplies from local agents.

Because of the geographic spread of the Group's operations and the potential for cost savings, less administration and improved efficiency, Mediclinic has initiated international procurement initiatives with the aim of unlocking synergies and implementing standardisation for the greater benefit of the Group.

Any form of perverse incentives is prohibited and the Group's ethics lines are available to all suppliers. Staff members involved in the purchasing of equipment or consumables are also bound to strict ethical principles ensuring that an impeccable standard of integrity is maintained in the Group's supplier relationships.

Due diligence and risk assessment

Given the importance placed on values and ethics in supplier selection, the Board and management believes that there is limited or no risk that the Group could in any way, directly or indirectly, be involved in slavery and human trafficking.

The risk mitigation factors considered are based on our procurement principles, which include that:

- key suppliers must share the same values as Mediclinic;
- ethical behavior and compliance form the cornerstone of our relationships with suppliers;
- long-term relationships are built with our suppliers based on mutual trust and respect; and
- all procurement is done in support of the creation and maintenance of a safe and legally compliant environment.

The Group's ethics line is also available to suppliers or any third party.

However, the Board has tasked management to conduct a thorough review of the Group's procurement policies and practices and to conduct a due diligence amongst key suppliers.

Policies

Mediclinic's Code of Business Conduct and Ethics (the "**Code**") specifically prohibits, in relation to employees, child, forced and/or compulsory labour. It also confirms the Group's commitment to treat employees fairly, with respect to their human rights and dignity. The Code further provides, in relation to suppliers, that suppliers (and other business advisors and associates), as far as practical and reasonably possible, are evaluated on human rights prior to procurement or other agreements. The Code also confirms that the Group shall act in accordance with all applicable laws of the jurisdictions in which it conducts business. To strengthen the position, the following additional commitment was approved by the Board on 24 May 2016:

"As part of our responsibility to respect human rights, we shall avoid and not contribute to any indirect adverse human rights impact that is directly linked to the Group's operations or services by our suppliers or other business relations."

As mentioned above, the Board has tasked management with conducting a thorough review of the Group's procurement policies and practices.

Training

The Board and all relevant staff within supply chain management across the Group have been informed about the regulatory requirements to ensure an understanding of the risks and the Group's position on slavery and human trafficking. This information shall also form part of the induction programme for all new Board members and relevant employees.

For and on behalf of the Board.



Dr Edwin Hertzog
Chairman
24 May 2016