

MEDICLINIC INTERNATIONAL PLC

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT IN RESPECT OF THE FINANCIAL YEAR ENDED 31 MARCH 2017

Introduction

Mediclinic International plc ("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 chain or in any part of our business.

Regulatory framework

This statement is issued by 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.

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 4 clinics in Switzerland with more than 1 600 inpatient beds; and Mediclinic Middle East operates 6 hospitals and 31 clinics with more than 700 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 and policies

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.

Mediclinic's [Code of Business Conduct and Ethics](#) (the "Ethics Code") specifically prohibits, in relation to employees, child, forced and/or compulsory labour. It also confirms the Groups commitment to treat employees fairly, with respect to their human rights and dignity. The Ethics 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 and live up to the same ethical standards as Mediclinic. The Ethics Code also confirms that the Group shall act in accordance with all applicable laws of the jurisdictions in which it conducts business. As part of our responsibility to respect human rights, the Ethics Code confirms our commitment to avoid and not contribute to any indirect adverse human rights impact that is directly linked to the Group's operation or services by our suppliers or other business relations.

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. The Group relies on its suppliers to deliver products and services of the highest quality in line with Mediclinic's values and standards. Various criteria play a 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 BBBEE status of a supplier is also a factor in the selection process.

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. Medical Innovations, our group purchasing organisation registered in South Africa, achieved the internationally accepted ISO 13485:2016 certification during 2016. The certification audit was performed and awarded by BSI, a UK-based organisation. Formal agreements with critical suppliers as well as supplier selection evaluation is a key focus area in the ISO procedures.

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.

Key factors considered when new suppliers are considered and / when existing suppliers are reviewed:

- key suppliers must share the same values as Mediclinic, including our views on human rights;
- ethical behavior and compliance form the cornerstone of our relationships with suppliers;
- key suppliers must have the same approach towards transparency as Mediclinic;
- 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 suppliers are reviewed annually. During the 2016/17 financial year, our procurement teams implemented due diligence tests in order to ensure that no modern slavery is conducted in our own business or within our supply chains. Supplier assessment audits were performed on all key suppliers from whom we import directly. Representatives of our procurement department travelled to China twice during 2016 in order to assess the operations of 7 key manufacturers. No pro-active steps were taken towards our suppliers as they all met our required standards to our best knowledge and belief.

Training and overview of our KPI's

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

Conclusion

We recognise the responsibility to eliminate illegal practices concerning human rights and further recognise the need to respond to the reality of modern slavery. Any form of perverse incentives is prohibited and the Group's ethics lines are available to all suppliers or any other third party. 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.

For and on behalf of the Board.



Dr Edwin Hertzog
Chairman
23 May 2017