



SUSTAINABLE DEVELOPMENT REPORT

for the year ended 31 March 2015

EXPERTISE YOU CAN TRUST.

COMPANY NAME AND REGISTRATION NUMBER

Mediclinic International Limited 1983/010725/06

HEAD OFFICE ADDRESS AND REGISTERED OFFICE

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DIRECTORS

Dr E de la H Hertzog (Chairman), DP Meintjes (Chief Executive Officer), Cl Tingle (Chief Financial Officer), JJ Durand, JA Grieve (British), Prof Dr RE Leu (Swiss), Dr MK Makaba, N Mandela, TD Petersen, KHS Pretorius, AA Raath, DK Smith, PJ Uys, Dr CA van der Merwe, Dr TO Wiesinger (German)

COMPANY SECRETARY

Gert Hattingh

INVESTOR RELATIONS CONTACTS

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AUDITOR

PricewaterhouseCoopers Inc. Stellenbosch

SPONSOR

South Africa:

Rand Merchant Bank (a division of FirstRand Bank Limited)

Namibia:

Simonis Storm Securities (Proprietary) Limited

LISTING

Sector: Non-cyclical Consumer Goods - Health

ISIN code: ZAE000074142

South Africa: JSE Limited

Share code: MDC

Namibia: Namibian Stock Exchange

Share code: MDC

MORE INFORMATION

This Sustainable Development Report is published as part of a set of reports in respect of the financial year ended 31 March 2015, all of which are available on the Company's website at www.mediclinic.com. The icons next to each report title below are used as a cross-referencing tool to refer to the relevant reports where more information can be obtained on a particular subject matter.



Integrated Annual Report 2015



Annual Financial Statements 2015



Application of King III Principles 2015



Sustainable Development Report 2015

GLOSSARY

Please refer to the **glossary** of terms included in the integrated annual report of Mediclinic for the financial year ended 31 March 2015.



CONTACT US

We welcome the opinions and suggestions of all our stakeholders. For any suggestions or enquiries relating to our reports please contact:

GC Hattingh

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"Ethical behaviour is a fundamental guiding principle in our business, and management continually focuses on establishing a culture of responsibility, fairness, honesty, accountability and transparency in 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."

Danie Meinties, Chief Executive Officer of Mediclinic International

REPORT PROFILE

This report is Mediclinic's 13th annual Sustainable Development Report and prepared in respect of the financial year ended 31 March 2015.

The scope of this report includes all Mediclinic's operations in Southern Africa, Switzerland and the UAE, but with its head office and the majority of the operations based in South Africa and with largely South African investors, particular emphasis is placed on the Group's Southern African operations. Because of the Group's structure, reporting on each element included in this report is done per platform, unless Group standards apply.

The Group welcomes any feedback by stakeholders on this report or on any matter relating to the Group's sustainable development practices. A sustainable development survey is published on the Company's website and all stakeholders are invited to complete the survey. For any enquiries please contact:

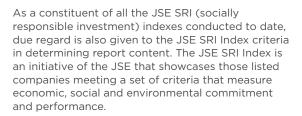
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The principles and recommendations on integrated sustainability reporting contained in the King Report on Governance for South Africa 2009 ("King III") as well as the G4 Sustainability Reporting Guidelines developed by the Global Reporting Initiative ("GRI") form the basis of this report. Mediclinic has applied the principles of stakeholder inclusiveness, sustainability context, materiality and completeness to define the report content and to enhance the quality of reported information, aimed to ensure balance, comparability, accuracy, timeliness, clarity and reliability. The GRI G4 disclosure index, which identifies the location of the standard disclosures, is included as an annexure to this report.



Included in the JSE SRI Index for the 12th consecutive year

This report is published as a separate report to the Company's integrated annual report in respect of the financial year ended 31 March 2015, which report purports to provide a more concise communication about the Group's value creation for the Company and its stakeholders. The integrated annual report also contains more detail about the Group's governance practices in the Risk Management Report, Corporate Governance Report and the Remuneration Report. Mediclinic's clinical quality initiatives are core to the sustainability of the Group and a separate Clinical Services Report is therefore included in the integrated annual report.





ORGANISATIONAL PROFILE

Mediclinic is an international private hospital group with three operating platforms in Southern Africa (South Africa and Namibia), Switzerland and the UAE, with its head office situated in Stellenbosch, South Africa, as illustrated in Figure 1. The Group was founded in 1983 and has been listed on the JSE, the South African securities exchange, since 1986. The three operating platforms operate separately from one another, each with its own management team. Mediclinic International, as the holding company of the Group, sets the strategic objectives and governance framework for the Group. The management teams of the operating platforms report to the Executive Committee of Mediclinic on a regular basis.



HOLDING COMPANY: MEDICLINIC INTERNATIONAL LIMITED



INTERNATIONAL

	*	
	OPERATING PLATFORMS	
MEDICLINIC SOUTHERN AFRICA	HIRSLANDEN	MEDICLINIC MIDDLE EAST
	COUNTRY OF OPERATION	
South Africa and Namibia	Switzerland	United Arab Emirates
	BRANDS	
MEDICLINIC MEDICAL MEDICAL INTERPRETATIONS ORA 124 MEDICAL INTERPRETATIONS MEDICAL INTERPRETATIONS	HIRSLANDEN	ص میدیـکـلینیـك MEDICLINIC
	BUSINESS WEBSITES	
www.mediclinic.co.za www.mhr.co.za www.medicalinnovations.co.za	www.hirslanden.ch	www.mediclinic.ae

www.er24.co.za

HOSPITALS AND CLINICS IN OPERATION

Operates 49 acute care private hospitals throughout South Africa and three in Namibia, with 7 885 beds in total. ER24 offers emergency transportation services from their 43 branches throughout South Africa.

Operates 16 acute care private hospitals with 1655 beds and three primary care outpatient clinics in Switzerland.

Operates two acute care private hospitals and eight primary care clinics in Dubai, UAE and two clinics in Abu Dhabi, UAE, with 382 beds in total.

NUMBER OF EMPLOYEES

16 522 (20 105 full-time equivalents, which includes 3 583 agency staff) (16 178 permanent and 344 non-permanent)

8 749 (which includes fulltime and part-time permanent employees)

2 425

NATURE OF OWNERSHIP

Mediclinic Southern Africa (Pty) Ltd, a company registered in South Africa, is the holding company of the Company's operating platform in Southern Africa. It is 100% owned through a whollyowned subsidiary (with most group operating companies partly owned and doctor shareholding in hospital investment companies).

Hirslanden AG, a company registered in Switzerland, is the holding company of the Company's operating platform in Switzerland. It is 100% owned through wholly-owned subsidiaries.

Emirates Healthcare Holdings Ltd, a company registered in the British Virgin Islands, is the holding company of the Company's operating platform in the UAE. It is 100% owned through whollyowned subsidiaries.

MANAGEMENT APPROACH FOR SUSTAINABLE DEVELOPMENT

The Group's core business is the provision of acute, specialist-orientated healthcare services on a sustainable basis. The Group is committed to being a good corporate citizen and believes that sustainability must be integrated in its business strategy, focusing not only on its financial output, but also on managing and utilising social and environmental resources efficiently to ensure a sustainable business in the long term.

Mediclinic's track record on delivering growth and creating long-term value in all its business operations in Southern Africa, Switzerland and the UAE is testament to its strategy of being a long-term player and delivering a sustainable business. While growth, profitability and creating shareholder value are certainly major strategic drivers, with a compounded annual growth rate for the past seven years of 13.7% in Group revenue and 13.1% in normalised EBITDA, this cannot be achieved unless the Group offers efficient, effective, appropriate and evidencebased clinical services to its patients; follows ethical business practices, values its employees by following fair labour practices and offering competitive remuneration, training and development opportunities; respects the communities within which the Group operates and contributes to the well-being of society; and carefully manages its impact on the environment by focusing on its carbon footprint, use of energy and water resources and waste management.

Through the Group's sustainability efforts Mediclinic believes that it will:

- maintain its business integrity;
- continue creating shareholder value and growing the business;
- offer improved access to capital by providing a responsible investment proposition;
- effectively manage its risks;
- increase its ability to attract and retain staff;
- effectively manage and minimise its impact on the environment; and
- maintain and improve the confidence, trust and respect of its stakeholders.

The Group is committed to quality care and aspires to be regarded as the most respected and trusted provider of healthcare services by patients, doctors, and funders of healthcare. The Group's dedication to excellence in healthcare is evidenced by the quality of care and facilities provided. The foundation of the Mediclinic brand lies in the application of rigorous science to improve the lives of patients. With five vibrant brand drivers identified – practical, exacting, deliberate, orchestrated and human – the integrity of

the Group's business is based on the use of stateof-the-art treatments and technologies to care for patients in an evidence-based environment. This and various other sustainability considerations are entrenched in the Group's vision and values.

To view the Group's policies, visit the governance section of the website at www.mediclinic.com.

The Group Sustainable Development Policy, Group Environmental Policy and Code of Business Conduct and Ethics codify Mediclinic's commitment to conducting business responsibly. The policies are reviewed annually by the Company's Social and Ethics Committee, with recommendations to the Board as part of the annual policy review. During the most recent review, the Board amended the Group Sustainable Development Policy to incorporate the material assessment process for the Group and amended the Code of Business Conduct and Ethics to incorporate the provisions of the Group Social Affairs Policy, which was subsequently abolished.

The Social and Ethics Committee assists the Board in ensuring that the Mediclinic Group is and remains a good and responsible corporate citizen, and performs the statutory functions required of a social and ethics committee in terms of the Companies Act. The committee's report is included in the integrated annual report. The Audit and Risk Committee is responsible for ensuring that a combined assurance model is applied to provide a coordinated approach to all assurance activities. The most senior executive manager responsible for coordinating sustainable development throughout the Group is the Executive: Group Services, Mr Gert Hattingh, whose contact details are provided at the front of this report.



MATERIALITY ASSESSMENT

Mediclinic has many economic, social and environmental impacts through, among other things, the generation and distribution of value, the creation of employment opportunities, the fair and competitive remuneration of employees, the training and development of employees, black economic empowerment in South Africa, corporate social investment and its use of natural resources. The Company's materiality assessment is used to focus its reporting on the most significant sustainable development impacts, being those that directly affect the Group's ability to create value, reflecting the Group's impacts and legitimate expectations of its stakeholders. The guidance on determining materiality contained in the GRI G4 Sustainability Reporting Guidelines and the International Integrated Reporting Framework were used during the materiality assessment.



As highlighted in the International Integrated Reporting Framework, Mediclinic acknowledges that it is dependent on various capitals (financial, manufactured, intellectual, human, social and relationship, and natural) in order to create value, which are affected by the Group's activities. The results of the materiality assessment were therefore categorised according to these capitals, as illustrated in Figure 2.

Five material sustainability issues (Figure 3) have been identified, which the Company monitors and highlights in its reporting. All GRI G4 material aspects are reported on in this report, as referenced in the **GRI G4 Disclosure Index**. The Company prefers to provide a balanced view of the Group's sustainable development performance, and therefore does not only report on its material issues.

This approach enables external stakeholders to have access to all relevant information with regard to the Group's sustainable development performance and also meets the JSE SRI Index requirement that all information must be in the public domain for purposes of the review process.

MATERIAL ISSUES: PERFORMANCE HIGHLIGHTS

A few highlights of the Group's performance against its material sustainability issues for the period under review are summarised in Figure 3. All of these matters are dealt with in greater detail throughout this report or the ${\color{red}\textbf{integrated}}$ annual ${\color{red}\textbf{report}}$ in respect of the financial year ended 31 March 2015, published on the Company's website at www.mediclinic.com.





PROVIDE QUALITY HEALTHCARE SERVICES

1

Potential risks considered in impact and materiality assessment

- Poor clinical outcomes and services
- Medical malpractice liability
- Reputational damage
- Inability to recruit and retain healthcare practitioners

MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Patient safety, quality care and clinical outcomes, focusing on:	Group A comprehensive clinical governance programme is in place focusing on:	Clinical Services Report Corporate Governance
MortalitySafetyExtended stay and readmissionsClinical governance	 clinical governance to ensure patient safety and quality improvement; clinical information management to enable clinical performance measurement and deals with systems to support the clinical care process, including electronic patient records; and clinical services development dealing with the development of new coordinated care models, investigating new service lines and keeping abreast of technological developments. 	Report
 Confidentiality of patient information Doctor recruitment 	During 2014 the platforms continued to strengthen its clinical leadership and management structures, made significant progress in infection prevention and control, and focused on establishing a more integrated approach to patient care.	
and doctor satisfaction	Multi-disciplinary clinical committees at hospital level are established throughout the Group that drive quality and safety and promote cooperation between doctors, nursing staff and management, and are being developed further.	
	Focused clinical audits are used at most hospitals throughout the Group.	
	Clinical outcomes are benchmarked throughout the Group through participation in external initiatives such as the Vermont Oxford Network aimed at measuring and improving the quality of care in neonatal intensive care units; the Adult Cardiothoracic Database aimed at measuring and improving the clinical outcomes of cardiothoracic surgery; and APACHE III-j, a hospital mortality prediction methodology for adult intensive care patients, used to evaluate the quality of care in this complex setting.	
	Information security policy and controls are in place throughout the Group, as further dealt with in the Corporate Governance Report.	





FIGURE 3 (CONTINUED		
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Patient safety, quality care and clinical outcomes (continued)	Southern Africa	
	Mediclinic Southern Africa is focusing on three major initiatives to reduce healthcare-associated infections ("HAIs"), namely:	
(continued)	• ongoing participation in the national Best Care Always!	
	 campaign; promotion of the rational use of antimicrobials through a comprehensive antimicrobial stewardship programme; and focus on the improvement of hand hygiene in order to prevent the transmission of infections. 	
	Mediclinic Southern Africa has further emphasised its commitment to clinical excellence by appointing clinical quality specialists to develop and implement strategies in the specialised units.	
	Mediclinic Southern Africa maintains an effective infection prevention and control programme centred on a comprehensive electronic surveillance system. The services of independent microbiologists and infection prevention and control specialists are regularly utilised in order to ensure continuous improvements in the programme.	
	Switzerland	
	The second external audit of the adherence to the safe surgery checklist in the hospitals was concluded during the reporting period. It showed an increased adherence compared to the first audit two years before. The audit was performed without prior notice to the hospitals. Certain issues for improvement at the hospitals were identified. As a result, a patient safety concept with a comprehensive summary of all important activities around patient safety was introduced.	
	The rollout of the electronic patient record is now covering more than 30% of the inpatient cases and should be completed by 2017.	
	UAE	
	A quality department was established to implement the patient safety strategy under the leadership of the group's patient safety and risk officer.	
	Development of key performance indicators (KPIs) that will be included in the annual doctors' performance review process at Mediclinic Middle East.	
	Mediclinic Middle East standardised its CIS, a component of the Hospital Information System ("HIS"), across all its hospitals and multi-disciplinary outpatient clinics. The HIS is now fully implemented in Dubai and has a unified medical record number that allows doctors to access patient records from any one of the units. The system is also fully integrated with the Laboratory Information System and the Radiology Information System, allowing doctors to view results and images as part of the patient's electronic medical record.	
	Doctors are regularly assessed by way of a clinical performance management system in which different key clinical performance indicators are evaluated. Nursing staff is evaluated twice a year and succession planning for key nursing staff is performed on an ongoing basis.	

MEASURES/KPIs	PERFORMANCE HIGHLIGH	TS					MORE INFORMATION
Patient satisfaction	Patient satisfaction surveys are conducted throughout the Group's					Chief Executive Officer's Report Clinical Services	
	table below. The Group embedding standardised patient experi					-	Report
	contribute to ensuring oper across all our platforms. The Experience Index ("PEI") in Middle East from October 2	ational e e Group Mediclir 014. It is	excellence implements of South manage	e and pa ented the ern Afric ed by Pre	tient saf new Pat a and M ss Gane	ety tient ediclinic y,	Stakeholder engagement (patients and doctors)
	an internationally recognise and management agency. T incremental and sustainable Patient satisfaction levels	he objec	ctive of t	he index	is to ach	nieve	Quality of care and facilities: Clinical quality; and Patient
	Patient Satisfaction levels	2011	2012	2013	2014	2015 ¹	satisfaction
	Mediclinic Southern Africa	75%	76%	76%	77%	81%	
	Hirslanden ²	85%	93%	87%	95%	92%	
	Mediclinic Middle East ³	89%	89%	93%	91%	81%	
	The 2015 results of Mediclini are the new PEI results, but 2015. The previous years' res therefore not comparable to Hirslanden's patient satisfact Picker patient satisfaction su 2015 results, which were bas for Quality Development) sa Mediclinic Middle East's PEI The outpatient PEI results fo	conly for the cults are no the previous result is ed on the tisfaction results in	he six-moineasured ious result ts for 2011 not comperative ANQ (the survey, the table	nth period under a di ts. and 2013 parable to e Swiss Na above are	ending 3 fferent sy were basi the 2012, itional As.	1 March stem and ed on the 2014 and sociation ients only.	
	In Southern Africa, the Patie further enhance the patient is progressing well, with the Initiatives currently under w patients and families in the offering in hospitals, a focus placing an accent on the cri	experie initial si ay inclu care pro s on nois	nce of th ix major de the in ocess, rev se reduct	ne group's projects nproved riewing the	s hospita complet inclusion ne food : spitals a	als, ed. n of service and	













FIGURE 3 (CONTINUED)		
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Provide and maintain high-quality hospital infrastructure (facilities and equipment), focusing on: Investment Optimal use of facilities Facilities designed for patient wellness	Group The Group's buildings, plant and equipment have to be maximised through reliable technical support in order to ensure a safe and user-friendly environment for staff and clients. With this in mind, and as further dealt with in the Operational Reviews, the Group continuously invests in capital projects and new equipment to expand and refurbish its facilities and the replacement of existing equipment, as well as on the repair and maintenance of property and equipment, as set out in Figure 6 to Figure 8. The total expenditure on capital projects and new equipment to expand and refurbish facilities, replacement of equipment, as well as repairs and maintenance of facilities and equipment during the year were: R1 742m (2014: R1 174m) in Southern Africa; R2 148m (CHF180m) (2014: R1 724m (CHF157m)) in Switzerland; and R361m (AED120m) (2014: R445m (AED161m)) in the UAE. The Group strives to provide the best healthcare facilities and technology affordable and available in the different countries in which it operates. The maintenance systems are risk orientated, aimed at patient safety and ensure the provision of service excellence that is respected and relied upon. The planned maintenance systems and related procedures are constantly being	Operational Reviews Quality and care of facilities
Cost of healthcare	evaluated to ensure that patient safety is paramount.	Access to and
Cost of healthcare	 Group The international procurement initiatives have gained momentum, which include: better prices through pooling of capital equipment purchases across the three platforms; volume bonus agreements with key capital equipment suppliers; and direct importing and distribution of more cost-effective surgical and consumable products. Southern Africa Mediclinic Southern Africa is assessing hospital efficiency with a view to identifying the top performing hospitals and factors that adversely affect efficiency in healthcare delivery. Mediclinic Southern Africa continues to participate in the collaborative market research done by the CMS Industry Technical Advisory Panel, with a key project being the analysis of drivers of inflation in medical scheme contributions. Switzerland Hirslanden's centralised medical store, Zenlop, strives to streamline the range of expendable materials used in the hospitals and to achieve greater efficiency through economies of scale. In general, Hirslanden aims to reduce the cost of healthcare by standardising processes and organisational structures in various fields of activity. UAE Significant governmental healthcare reform is under way in the UAE with the introduction of provider price increase caps in November 2014. Mediclinic Middle East is working closely with the government to develop a model that recognises the inflationary costs borne by the provider, but also minimises the rising costs of health insurance. 	Access to and affordability of healthcare



MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Accreditation	Southern Africa	Clinical Services
	As at December 2014, 20 of the 30 participating Medicinic Southern	Report
	Africa hospitals held Council for Health Services Accreditation of Southern Africa (COHSASA) accreditation, an agency accredited by the International Society for Quality in Healthcare to accredit hospitals. The remaining eight hospitals are undergoing the renewal process.	Assurance
	Switzerland	
	The model for accrediting Hirslanden competence centres at different levels, which was developed with strong participation of Klinik Hirslanden, was launched as a national initiative open for accreditation of any Swiss competence centre in healthcare by the Swiss Association for Quality and Management Systems early in 2014.	
	Fourteen Hirslanden hospitals and the Hirslanden Corporate Office were self-assessed against the EFQM (European Foundation for Quality Management) Excellence Model.	
	Fifteen Hirslanden hospitals and the Hirslanden Corporate Office are ISO 9001:2008 (quality management) certified.	
	UAE	
	Mediclinic Middle East's two hospitals and the eight clinics in Dubai received JCI (Joint Commission International) reaccreditation in June 2013. Mediclinic Middle East's group of clinics is the first in the UAE's private sector to be accredited by JCI as a network. JCI is an international accreditation organisation for healthcare organisations focused on improving the safety of patient care through accreditation. There is a unified strategy in place to prepare for JCI reaccreditation in 2016.	
	The pathology laboratories of both Mediclinic Middle East hospitals are ISO 15189:2009 certified. All five clinics with in-house laboratories were also recertified during the year.	
	Mediclinic City Hospital's pathology laboratory is accredited by the College of American Pathologists (CAP). This is part of the biannual accreditation cycle.	
	Mediclinic City Hospital is recognised as an IBCLC (International Board Certified Lactation Consultants) Care Award facility in recognition of its lactation programme and breastfeeding support.	





OUTLOOK/PLANS GOING FORWARD

Group

Although the clinical performance of the Group was satisfactory during the period under review, there are several initiatives under way in order to ensure patient safety, improve clinical performance, and at the same time increase cost-effectiveness.

The development of clinical leadership, accountability and accompanying organisational structures will continue to receive attention. The refinement of patient care standards and policies, and the assessment of health technology, will in future be coordinated centrally by Mediclinic International through pooling of skills and insight from all three platforms. Each of the three platforms is busy developing and refining its approach to clinical information systems and electronic patient records for improved clinical care process support. New service offerings and integrated care models to improve performance are also being investigated and implemented.

As the availability of accurate clinical information forms the foundation of clinical performance measurement and improvement, Mediclinic embarked on an information management strategy in order to improve the integrity of its clinical information. This will enable the development of a wider range of clinical performance indicators during the next few years, and will significantly enhance clinical cost analytics and accompanying cost-efficiency initiatives.

Southern Africa

Mediclinic Southern Africa has embarked on an e-Health project. The aim of the project is partially to understand the current needs of the company with regard to a clinical information system as well as to optimise the integration and use of the current stand-alone clinical datasets, aligning this with the company goal of safe patient care.

Patient satisfaction performance goals will be set for the next year and benchmarked against the Press Ganey international database consisting of over 1 900 participating hospitals.

As part of the group's Patient Journey strategy, further workshops are planned with the hospital management teams on Leading the Patient Experience and with all staff on Managing the Patient Experience.

Switzerland

The new hospitals, Hirslanden Clinique La Colline and Hirslanden Klinik Meggen, will be self-assessed against the EFQM Excellence Model in the next two years.

Hirslanden Clinique La Colline to be certified against the ISO 9001:2008 (quality management) standards in 2016

There is a new European norm, based on ISO 9001, dedicated for healthcare institutions (EN 15224), which integrates additional elements such as patient safety and patient orientation. An external audit regarding EN 15224 will be piloted in one of the hospitals of the group.

UAE

The group continually focuses on:

- patient safety and further implementation of the patient safety strategy for the group;
- accreditation preparation and clinical audit strategy for the group; and
- standardisation of policies and documentation.

ADDRESS SHORTAGE OF HEALTHCARE PRACTITIONERS

Potential risks considered in impact
and materiality assessment

- Inability to recruit healthcare practitioners to meet business demand
- Limited growth and loss of revenue
- Poor clinical outcomes and services
- Medical malpractice liability
- Reputational damage

• Reputational damage					
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION			
Employee recruitment and	Group The Group offers market-related salaries and benefits to our	Remuneration Report			
retention	employees, based on the principles of internal equity, external equity and affordability in accordance with the Group's Remuneration Policy.	Labour relations and working conditions			
	The recruitment approach is consistent with promoting the Group as an employer of choice.	Performance management			
	Sound performance management procedures are in place to identify areas for improvement and training needs, recognising good performance and promoting opportunities for career development and contributing to a contented workforce.	Employee recruitment, retention and remuneration			
	Southern Africa	Training			
	Mediclinic Southern Africa made a significant investment during the year to support priority hospitals in the compilation and implementation of a proactive retention plan that supports the needs of each business unit.	and skills development			
	Various initiatives between Mediclinic Southern Africa and local and national government authorities to collaborate on training needs.				
	Foreign recruitment drives for nurses from India to alleviate critical registered nurse shortage in Southern Africa. These nurses are now placed in 23 Mediclinic Southern Africa hospitals across the country.				
	Switzerland				
	Hirslanden participates more regularly in healthcare exhibitions to strengthen its presence in the job market and has also commenced with the recruitment of nurses from Germany and Austria in specific projects to address the nurse shortage.				
	Hirslanden introduced Centres of Expertise for specialised employer branding and employer shared services.				
	Hirslanden's absence management enables the group to control the attendance rate of employees and to recognise problem situations promptly.				
	Hirslanden implemented an exit monitoring process in 2014 in support of the group's retention strategy.				













FIGURE 3 (CONTINUED)		
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Employee	UAE	
recruitment and retention (continued)	A recruitment open day hosted by Mediclinic Middle East was attended by more than 1 300 applicants from various nationalities, demonstrating the group's status as an employer of choice in the region.	
	Physician information sessions are held at Mediclinic Middle East demonstrating new projects and opportunities to join the group's medical team.	
	Mediclinic Middle East successfully rolled out an e-Learning initiative to upskill the staff.	
Development and	Group	Operational
training of staff to maintain and improve quality service delivery	Continuous training and development of our employees at all three platforms to ensure retention of staff, in particular where the skills shortage is most critical.	Reviews Performance management
service delivery	The average spending on employee training expressed as a percentage of payroll was 3.0% (2014: 3.3%) by Mediclinic Southern Africa, 5.0% (2014: 5.0%) by Hirslanden and 0.2% (2014: 0.4%) by Mediclinic Middle East.	Training and skills development
	Performance reviews to develop staff and identify training needs were conducted with all Hirslanden and Mediclinic Middle East employees and with 99.6% of Mediclinic Southern Africa employees during the year.	
	Southern Africa	
	At Mediclinic Southern Africa, 29 803 (2014: 39 737) structured learning interventions were recorded.	
	Three of the group's six Learning Centres were expanded during the year to enable an increase in learner numbers.	
	The results of a KPI system to measure Mediclinic Southern Africa's training performance in the group's Learning Centres remain good, with high learner success rates.	
	Mediclinic Southern Africa's Management Development Programme continues to be successful and focuses on developing employees on an accelerated learning path with exposure to the business, industry and the responsibilities of a manager in a structured manner. The programme was registered by the Department of Higher Education and Training and the first 11 learners successfully completed the registered Advanced Diploma in Health Services Management and Leadership in 2014. Two of these learners were promoted into managerial positions within the group and one of the current second year learners was also recently promoted into a hospital manager position.	
	Mediclinic Southern Africa launched a Leadership Academy in 2013 and, to date, 654 management and training employees attended this programme, which focuses on leadership based on the corporate culture and values.	
	Mediclinic Durbanville has been accredited by the University of Stellenbosch as a training centre for internal medicine medical student training, which project was piloted in 2014. The project was successful and will be extended to other hospital localities.	
	Public forums to address skills shortages are attended on a regular basis and good relations are maintained with relevant legislative bodies.	





FIGURE 3 (CONTINUED)		
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Development and	Switzerland	
training of staff to maintain and improve quality service delivery	Hirslanden's leadership talent management process aims to enhance the identification of leadership potential and the development of leadership.	
(continued)	At Hirslanden, 977 (2014: 943) apprentice employees received formal training (federal certificate, higher college, college or graduate students) across 30 professions, of whom 832 (2014: 816) students were healthcare professionals and 145 (2014: 113) junior doctors. In-house leadership and management courses were attended by 326 (2014:438) management employees.	
	UAE	
	At Mediclinic Middle East 4 902 (2014: 6 187) structured learning interventions were recorded.	
	In addition to the in-house training, the e-Learning programme was launched in February 2015, providing 1 100 licences to staff and offering a mix of 16 customer service and leadership courses.	
Nurse training	Southern Africa	Operational
	All six of Mediclinic Southern Africa's Learning Centres offer	Reviews
	the Diploma in General Nursing and the Diploma in Operating Department Assistance registered by the Department of Higher Education and Training.	Performance management
	During the 2014 academic year, 572 (2013: 451) students completed basic nursing courses; 79 (2013: 97) students completed post-basic nursing courses; 808 (2013: 804) learners completed other Mediclinic Southern Africa courses in various disciplines.	Training and skills development
	Mediclinic continues to train Operating Department Assistants for the Western Cape Department of Health.	
	In March 2015, a "train the trainer" workshop was organised by Mediclinic to train nurses in cardiotocograph interpretation and to equip them to train others. Delegates included Mediclinic staff as well as delegates from various Western Cape Department of Health hospitals. The workshop was run by an expert from New Jersey, USA. Mediclinic plans to host more workshops in collaboration with the Department of Health in future.	
	Mediclinic Southern Africa provides free training to Grade 12 school leavers to obtain either a nursing qualification or a qualification as an operating department assistant. The group plans to expand the programme offering to include training to become emergency care technicians.	
	Switzerland	
	Hirslanden collaborates with every canton in Switzerland, providing a large component of education in terms of nurse training. Every Hirslanden hospital listed on cantonal hospital lists has an obligation to provide a certain amount of training positions in nursing.	
	UAE	
	The responsibility for the training of nurses was centralised in July 2014 and is now an integral part of Corporate Learning and Development Department, which department addresses the learning and continuous education of the staff through its well-defined programmes for life support, clinical training, general training, leadership and business process-related courses.	





FIGURE 3 (CONTINUED)		
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Support of externa training institutions	Southern Africa Financial support of R3.96m (2014: R2.46m) was provided to academic institutions in Southern Africa, mainly through sponsorships to medical schools and bursaries to external students that applied for financial assistance.	Supporting academic institutions
	Bursaries and funding towards higher education, mainly for the group's employees, to the value of R1.4m (2014: R1.8m) were provided during the year.	
	Switzerland	
	Hirslanden cooperated with external training institutions in terms of lectures given by medical experts from Hirslanden at academic institutions.	
	UAE	
	Mediclinic Middle East supported the Emirates Medical Students Society with a small monetary donation.	
Remuneration and	Group	Remuneration
recognition of staff	The Group remunerates employees in a manner that supports the achievement of the Group's vision and strategic objectives, while	Report Employee
	attracting and retaining scarce skills and rewarding high levels of performance. This is achieved through establishing remuneration practices that are fair, reasonable and market-related while at the same time maintaining an appropriate balance between employee and shareholder interest.	recruitment, retention and remuneration
	To encourage a performance-driven organisation, the Group rewards employees for achieving strategic objectives as well as individual personal performance targets.	
	During the year, the Group introduced a Reward Centre of Expertise, specialising in the design and delivery of global reward initiatives.	
	The Group's management remuneration structures consist of a fixed and a variable component:	
	fixed: guaranteed base salary and benefits; andvariable: short-term and long-term incentives.	
	Southern Africa	
	Mediclinic Southern Africa offers a number of retention bonuses to retain scarce and critical skills, including a special nursing bonus as well as a pharmacist retention bonus.	
	All Mediclinic Southern Africa employees, up to and including first line management, participate in an employee ownership scheme through the Mpilo trusts.	
	Employees are recognised for tenure of 5, 10 and 25 years' service with both monetary and non-monetary awards.	
	Switzerland	
	Hirslanden's remuneration practices are aligned with the Group's Remuneration Policy. Market data is used to benchmark salary levels for hospital managers, senior managers and general staff. Guaranteed remuneration includes the base salary, retirement benefits as well as death and disability insurance.	







MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Remuneration and recognition of staff (continued)	UAE The employed doctors' remuneration model was further expanded during the year and will continuously be refined to ensure a motivated team and the highest clinical standards. During the year, Mediclinic Middle East managed to appoint several senior positions internally, demonstrating to staff the potential to grow internally as part of the succession planning strategy.	
Employee health and safety	Southern Africa Health and safety committees are in place at all hospitals within the group. Meetings are held monthly to three-monthly depending on the operational requirements of the hospital. Health and safety inspections are done monthly and reports are analysed by the health and safety committees. Switzerland Every Hirslanden employee receives a safety introduction when starting his or her employment. Health and safety processes are managed by the respective human resources departments, which are responsible for enforcing all legal regulations regarding employee health and safety. UAE At Mediclinic Middle East employee health and safety are governed by the Facility Management and Safety Committee. The committee operates at three different levels: group, facility and operational, which ensures that the group strategy is implemented effectively within the units. The overall responsibility for health and safety now falls under the group engineering manager with support from the engineering managers in each of the facilities.	Health and safety at work
Employee satisfaction	Group Periodic employee satisfaction surveys are conducted per platform. Other key performance indicators, measured on a continuous basis in determining employee satisfaction, include turnover rate and absenteeism. Southern Africa Mediclinic Southern Africa conducted an internal communication audit in 2014. The objective was to measure how effectively communication takes place across Mediclinic Southern Africa. The overall results were positive and a number of focus areas were identified for the new year. Switzerland The results of the last survey conducted by Hirslanden in 2012 showed an overall satisfaction level of 7.5 (on a scale of 1 to 10). UAE The results of Mediclinic Middle East's employee survey in 2014 showed employee satisfaction of 81%.	Employee composition and turnover rates Labour relations and working conditions Health and safety at work











OUTLOOK/PLANS GOING FORWARD

Group

A new Group-wide employee engagement project is planned for the year ahead.

Southern Africa

The support to hospitals in the compilation and implementation of employee retention plans will be rolled out to the rest of the group's hospitals during the year ahead.

Mediclinic Southern Africa plans to increase learner numbers by approximately 600 learners over the next five years.

The Mediclinic Learning Centre Cape Region plans to implement training of emergency medical care technicians in 2016

The commissioning of a seventh Learning Centre in Kimberley, as well as a satellite campus in Pietermaritzburg for operating department assistant training, is planned for the year ahead, subject to approval by the relevant legislative bodies.

Collaboration with the University of KwaZulu-Natal to train specialist nurses in Pietermaritzburg is planned.

A project that will commence during the next year will investigate the possibilities for addressing shortages in Namibia through training and/or bursaries.

Funding of training through collaboration with other institutions to address the training needs in remote areas is being investigated.

Switzerland

Hirslanden continues its efforts to be an employer of choice in the healthcare industry for existing and potential employees. Potential employees are approached in various healthcare exhibitions. Hirslanden also addresses the specific nurse shortage by recruiting nurses from Germany and Austria.

Furthermore, Hirslanden offers its employees modern working conditions, including the possibility of professional training.

UAE

Employee recruitment and retention remains challenging as competition in the market increases, putting pressure on salaries. Mediclinic Middle East will continue to actively seek and retain the most experienced medical professionals with appropriate packages and succession planning schemes. The group is reviewing its independent doctor programme to ensure that it does not compete in any way with the employed doctors.

CREATING AND SUSTAINING SHAREHOLDER VALUE

Potential risks considered in impact and materiality assessment

- Unattractive investment proposition
- Poor shareholder relations
- Unavailability of capital and financing for growth
- Solvency and liquidity

	Convency and riquidity	
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Acceptable shareholder returns	The total dividend per share for the period under review is 106.5 cents (2014: 96.0 cents).	Chief Financial Officer's Report
	The Group's dividend policy reflects the underlying earnings and growth of the business while retaining sufficient capital to fund ongoing operations and to invest in the Company's long-term growth. The Company currently targets a payout ratio of between 25% and 30% of normalised headline earnings per share.	
	The Company's market capitalisation has increased from R170m at listing on the JSE in 1986 to R105 891m (2014: R61 881m) at year end.	
	The Group's normalised headline earnings increased by 13% to R3 443m (2014: R3 052m) and basic normalised headline earnings per ordinary share increased by 9% to 408.2 cents (2014: 375.8 cents).	
Growing the business	Group normalised revenue increased by 16% to R35 238m (2014: R30 495m) for the period under review. Normalised EBITDA is 11% higher at R7 179m (2014: R6 467m).	Chief Executive Officer's Report
	The Group continues to make significant investments to grow the capacity of its footprint at each of the operating platforms, supported by the successful capital raising of R3.1bn through an accelerated bookbuild in June 2014.	Operational Reviews Quality and care of facilities
	During the year, the Group continued to invest in its existing platforms:	
	 Mediclinic Southern Africa commissioned a new hospital, Mediclinic Midstream in Centurion, South Africa and relocated a portion of the facilities of Mediclinic Kimberley to a new building, Mediclinic Gariep; Hirslanden acquired a 100% interest in two acute care private hospitals in Switzerland (Hirslanden Clinique La Colline and Hirslanden Klinik Meggen) following a successful equity capital raising through an accelerated bookbuild offering in June 2014; and Mediclinic Middle East commissioned a new clinic, Mediclinic Al Hili, in Abu Dhabi, UAE. The development of the North Wing at Mediclinic City Hospital in 	
	Dubai is progressing well and is expected to be commissioned in the 2016/17 financial year. In addition, Mediclinic Middle East has started with the planning and development of a third hospital, on the southern side of Dubai, with an estimated opening date of mid-2018.	









FIGURE 3 (CONTINUED)

MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Profitability	The Group's normalised EBITDA margin decreased from 21.2% in 2014 to 20.4% at year end.	Chief Financial Officer's Report
	The EBITDA margins of the Group's platforms were 21.3% (2014: 21.6%) for Mediclinic Southern Africa, 19.4% (2014: 20.8%) for Hirslanden and 21.8% (2014: 22.0%) for Mediclinic Middle East.	Annual Financial Statements
Asset efficiency	Property, equipment and vehicles increased from R49 597m at 31 March 2014 to R53 776m at year end, and intangible assets increased from R9 210m at 31 March 2014 to R11 565m at year end. These increases are mainly as a result of additions as well as the change in the closing ZAR/CHF and the ZAR/AED exchange rates.	
	The Group's cash flow continued to be strong. The Group converted 109% (2014: 98%) of normalised EBITDA into cash generated from operations. Cash and cash equivalents increased from R3 521m at 31 March 2014 to R4 779m at year end.	
	Mediclinic has an asset efficiency ratio (revenue to total assets) of 0.47, compared to 0.48 for the previous year.	

OUTLOOK/PLANS GOING FORWARD

Mediclinic continues to invest in growth opportunities within its existing operating platforms.

In the UAE, an opportunity for a new hospital on the south side of Dubai has been identified as well as opportunities for two additional clinics. These have undergone a strict process of due diligence to ensure that they are sustainable and will deliver shareholder value going forward.











RESPONSIBLE USE OF NATURAL RESOURCES

Potential risks considered in impact and materiality assessment

- Business interruption due to electricity supply
- Increased operational costs due to cost of electricity
- Hazardous waste disposal
- Reputational damage

	- Reputational damage	
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Effective environmental management system to monitor and minimise impact	Ranked joint 2nd position in the 2014 Climate Disclosure Leadership Index of the CDP (formerly known as the Carbon Disclosure Project). CDP Global A List ranking in the 2014 Climate Performance Leadership Index. Mediclinic is the only and first hospital group in the world to receive this ranking. Southern Africa Forty of Mediclinic Southern Africa's 52 hospitals are ISO 14001:2004 (environmental management) certified. The ISO 14001 environmental management standards are implemented at 51 of the group's 52 hospitals. Switzerland Hirslanden implemented the ISO 14001:2005 environmental management standards at Hirslanden Klinik Belair in Schaffhausen as a pilot project. The ISO 14001 pre-assessment was successful. The certification is expected to be achieved by the end of 2015. UAE Mediclinic Middle East has commenced with environmental data collection during the reporting period as part of its environmental management plan. The objective is to obtain ISO 14001 certification during the next financial year.	Operational Reviews Environmental management and risk assessment
Effluent and hazardous waste management	Healthcare risk waste is now treated by means of electro-thermal deactivation or autoclaving and only anatomical waste is treated by incineration. Switzerland Hirslanden complies with all applicable legislation regarding recycling, waste disposal and the treatment and transport of hazardous waste. All medical waste is treated as hazardous waste and onsite collection is separated from other waste categories. Only licensed transportation companies transport the hazardous waste to waste incineration stations. UAE Mediclinic Middle East has policies in place to manage the disposal of hazardous waste to ensure correct segregation of waste. Staff training and awareness regarding hazardous waste disposal is ongoing. The municipality of Dubai monitors the company to ensure standards are maintained.	Waste management and recycling





FIGURE 3 (CONTINUED)		
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Energy efficiency	Southern Africa Mediclinic Southern Africa's total CO ₂ emissions per bed day increased from 114 kg to 115 kg per bed day as a result of the improvements in the operational boundary changes, which include:	Emissions/ climate change Energy conservation
	 emission factors change with improved science; waste to landfill and waste sent to recycling being included for the first time; flights that included radiative forcing for the first time; and an increase in ER24 vehicle and aircraft travel. 	conservation
	Excluding these improvements, the total ${\rm CO_2}$ emissions decreased from 105 kg to 102 kg per bed day.	
	Switzerland Despite the increasing number of beds with the acquisition of two hospitals during the reporting period, Hirslanden has reduced its CO_2 emissions from 15 kg to 14 kg per bed day, mainly due to the switch to 100% sustainable electric power supply and the relatively mild winter (20% less heating degree days).	
	Klinik Hirslanden, Hirslanden Klinik Im Park and Hirslanden Klinik Stephanshorn are recognised as CO ₂ -reduced businesses by the Swiss Energy Agency for the Economy on behalf of the Swiss Federal Office of Energy. This achievement recognises the contracted commitment to reduce CO ₂ emissions within operations.	
	Since January 2014, the electricity supply of the entire Hirslanden group (all 16 hospitals and the Corporate Office) was from 100% sustainable electricity generation mainly from hydropower plants. One of the group's hospitals, Hirslanden Klinik Belair, has gone further by switching its entire electricity consumption from January 2014 to CleanSolution StarPremium, a green electricity provider, which is certified to the most stringent specifications for the generation of green electricity in the world (www.naturemade.ch). The energy is free from nuclear power and CO ₂ .	
	UAE Due to the addition of two new facilities and new services with a 6% increase in inpatient admissions and a 8% growth in outpatient consultations, energy consumption increased by 3.2%.	

OUTLOOK/PLANS GOING FORWARD

Southern Africa

In the next reporting period, the new Mediclinic Southern Africa hospital, Mediclinic Midstream, will start with the implementation of the ISO 14001 Environmental Management System with the aim to achieve certification in the financial year ending 31 March 2017.

Switzerland

The ISO 14001 certification of Hirslanden Klinik Belair at the end of 2015 is planned based on the revised standards to be published later in 2015.

Mediclinic Middle East will ensure that planned upgrades conform to all environmental industry standards.

GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Potential risks considered in impact and materiality assessment

- Fines, prosecution or reputational damage
- Loss of shareholder support
- Inability to continue business due to non-compliance with laws or changes in regulatory landscape
- Perceived unethical or anti-competitive business conduct

MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Ethics	Group The Group's commitment to ethical standards is set out in the Group's values and is supported by the Group Code of Business Conduct and Ethics ("the Code"). The Code provides a framework for employees of the standards of business conduct and ethics that are required of all business divisions, directors and employees within the Group in order to promote and enforce ethical business practices and standards throughout the Group. The Code is available to all staff and also communicated to new employees as part of the onboarding process.	Corporate Governance Report
	Southern Africa Mediclinic Southern Africa developed an e-Learning module available to all staff relating to the provisions of the code and demonstrating practical examples of conduct that might fall foul of the Code. Switzerland A dedicated Ethics Contact Person is available to deal with all ethics complaints in line with the Group Code of Business Conduct and Ethics. UAE	
	Mediclinic Middle East implemented an independent Ethics Line during the reporting period and this has been widely publicised among staff and patients.	
Effective risk management	Group The Group's Enterprise-wide Risk Management ("ERM") policy follows the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework and incorporates the recommendations of King III, defines the risk management objectives, methodology, risk appetite, process and the responsibilities of the various risk management role players in the Group. The ERM policy is subject to an annual review and any amendments are submitted to the Audit and Risk Committee for approval.	Risk Management Report
	During the year, Mediclinic Middle East appointed a Safety and Risk Officer to consolidate and centralise all actions related to risk within the business.	





FIGURE 3 (CONTINUED)				
MEASURES/KPIs	PERFORMANCE HIGHLIGHTS			MORE INFORMATION
Compliance with laws and regulations	Group Compliance with all relevant laws, regu or codes is integral to the Group's risk I monitored.	Corporate Governance Report		
	Good progress was made to define and and potential risks in the risk registers departments.			
	As in previous years, there were no inci compliance with any laws, regulations, applicable to the Group or fines agains under review.	accepted stand	lards or codes	
BBBEE (in South Africa)	Southern Africa Mediclinic Southern Africa maintained ion the generic BBBEE scorecard, as ex	Broad-based black economic empowerment		
	The number of black employees increas to 69.1% of total employees.			
	Black management representation incre25.8% at year end.			
	Diversity management interventions are workshops and presentations at all local			
Corporate social investment ("CSI")				
	Various health awareness campaigns ar Group.	community		
	Southern Africa			
	During the year, R10.4m (2014: R9.7m) Africa, as set out below:	was spent on C	SI in Southern	
		2014	2015	
	Public Health Enhancement Fund	R8 400 000	R9 036 000	
	Tier 1* (surgical support in partnership with public hospitals)	R300 000	R367 000	
	Tier 2* (value of in-kind donations)	R500 000	R600 000	
	Tier 3 (volunteerism)	R300 000	R300 000	
	Operational costs (T-shirts, marketing,	D10.4.700		
	travel costs) Total	R184 309	R101 871	
	lotai	R9 684 309	R10 404 871	
	* Due to the significant contribution to the Public Health Enhancement Fund since the previous financial year, the tier 1 and tier 2 contributions by Mediclinic Southern Africa have decreased significantly.			







MEASURES/KPIs	PERFORMANCE HIGHLIGHTS	MORE INFORMATION
Corporate social investment ("CSI") (continued)	Switzerland Hirslanden invested CHF2.1m (2014: CHF2.1m) in various programmes, projects and institutions in relation with the community. The involvement was mostly in the form of medical partnership and health advisory services.	
	On a group basis, Hirslanden launched a new CSI initiative under the name Donation instead of a gift and allocated CHF50 000 to an orthopaedic development help foundation that provides medical support in Vietnam.	
	Hirslanden hospitals partnered with various local and international organisations and foundations such as the "One chance, one heart" foundation (www.chancecoeur.ch) in Lausanne that coordinates the medical and surgical treatment of young patients suffering from heart disease in developing countries.	
	UAE	
	Mediclinic Middle East contributed approximately AED740 000 (2014: AED610 000) to corporate social responsibility projects during the reporting period. Initiatives included:	
	 a provision of AED500 000, of which AED400 000 was utilised for medical services for the Al Jalila Foundation, which provides medical care for underprivileged children; free health screenings, health talks and awareness campaigns on particular health topics; and AED50 000 contribution to the annual road safety campaign organised by the Roads and Transport Authority of Dubai. 	

OUTLOOK/PLANS GOING FORWARD

Hirslanden plans to introduce an independently operated Ethics Line, in line with the practice at the rest of the Group, during the year ahead.

The implementation of more standardised guidelines and a process to expand the monitoring of compliance with laws is planned, which will include raising employees' awareness of their responsibilities within Hirslanden.

Mediclinic Middle East is entering the second year of a three-year arrangement with Al Jalila Foundation and will again offer AED500 000 of services to the charity in the next reporting period. An additional AED440 000 has been budgeted to support international health days, the road safety campaign, the Emirates Medical Students Society, a Ramadan campaign on social media platforms and various other charities.

ASSURANCE

The independent assurance of sustainability reporting and disclosure is recommended in King III, the integrated reporting guidelines and GRI G4. Mediclinic accepts accountability to its stakeholders to present information that is relevant, accurate and reliable. The Group follows a combined assurance model, with assurance between management, internal audit and external assurance, as illustrated in Figure 4. The Group believes that these assurance methods provide the necessary independent assurance over the quality and reliability of those processes and the information presented. The different options and levels of external assurance available are continuously being considered to determine the way forward on external assurance.

FIGURE 4: COMBINED ASSURANCE

ASSURANCE OUTPUT	BUSINESS PROCESSES ASSURED	PROVIDER			
INTERNAL ASSURANCE					
Internal auditor's report	Risk-based selection of audit areas	Remgro Internal Audit			
Internal risk management	All key business risk areas	Internal management surveys			
Self-assessment against EFQM (European Foundation for Quality Management) Excellence Model by 14 Hirslanden hospitals and Hirslanden Corporate Office.	Assessment against the EFQM Excellence Model, a framework for organisational management systems aimed at promoting sustainable excellence within organisations.	EFQM Excellence Model			
IN	IDEPENDENT EXTERNAL ASSURANCE	CE			
Independent external auditor's report	Financial reporting	PricewaterhouseCoopers Inc.			
External calculation of carbon footprint based on carbon emissions data of Mediclinic Southern Africa	Carbon footprint calculation	Carbon Calculated			
ISO 14001:2004 certification of 40 of Mediclinic Southern Africa's 52 hospitals	Environmental management system	NQA (National Quality Assurance Ltd)/UKAS (United Kingdom Accreditation Service)			
COHSASA accreditation of 28 of Mediclinic Southern Africa's 36 participating hospitals, with the remaining eight hospitals undergoing the renewal process	Quality standards of healthcare facilities	COHSASA (Council for Health Services Accreditation of Southern Africa), which is accredited by ISQua (the International Society for Quality in Health Care)			
BBBEE Level 4 contributor verification	Broad-based black economic empowerment	Empowerdex			
ISO 9001:2008 certification of 15 Hirslanden hospitals and Hirslanden Corporate Office	Quality management	Swiss Association for Quality and Management Systems (SQS)			
JCI reaccreditation of both Mediclinic Middle East hospitals and accreditation of eight clinics in Dubai	Quality and safety of patient care	Joint Commission International (JCI)			
ISO 15189: 2009 certification of the pathology laboratories of both Mediclinic Middle East hospitals and all five clinics with in-house laboratories	Pathology laboratories of both Mediclinic Middle East hospitals and five clinics	International Organization for Standardization (ISO)			
College of American Pathologists (CAP) reaccreditation of the pathology laboratory of Mediclinic City Hospital	Pathology laboratory of Mediclinic City Hospital	College of American Pathologists			

STAKEHOLDER ENGAGEMENT

Mediclinic recognises its accountability to its stakeholders and is committed to effective and regular engagement with them and to publicly report on its sustainability performance. Mediclinic's stakeholders are those individuals and organisations that affect or may affect the Group's activities. services and performance, or those that are affected or may be affected by the Group's activities, services and performance. The Group's primary stakeholders and the methods engaged with them are listed

Effective communication with stakeholders is fundamental in maintaining Mediclinic's corporate reputation as a trusted and respected provider of healthcare and in positioning itself as a leading international private hospital group through its brand philosophy "Science of Care". Mediclinic's commitment to its stakeholders to conduct its business in a responsible and sustainable way, and to respond to stakeholder needs, is entrenched in the Group's values and supported by the Group Code of Business Conduct and Ethics. A wide variety of communication vehicles are used to engage with stakeholders, which serves as an impact assessment to assess stakeholders' needs and to effectively respond thereto. Stakeholders' legitimate expectations have been taken into account in setting our key sustainability priorities (see Figure 3), as reported on throughout this report.



BUILDING THE BRAND

Mediclinic's vision is to be respected internationally and preferred locally, and in this regard the importance of establishing the brand is recognised. The Mediclinic brand identity with its current logo and slogan Expertise you can Trust. was launched in 2011 in respect of the Company and its Southern African operations and in 2012 in the Middle East

and is now well entrenched. The growing strength of the Mediclinic brand is evident when Mediclinic was recognised as the 8th most valued brand in South Africa in the 2014 Brand Finance® South Africa Top 50 survey, moving up two positions since the previous survey. This independent annual survey lists the leading South African brands by financial valuation and their part in driving competitiveness and the nation's reputation. The rise in position also places Mediclinic as the only healthcare services provider among the top 10 highest-ranking performers.

The Group's operations in Switzerland operate under the highly respected Hirslanden brand. Hirslanden successfully aligned its brand strategy with the Group's international brand identity. The two newly acquired hospitals, Hirslanden Clinique La Colline and Hirslanden Klinik Meggen. have been rebranded and integrated in the group's various communication platforms. Hirslanden continued to expand its communication in an integrated, cross-media manner. The website (www.hirslanden.ch) has been updated in order to enhance the customer experience. The new features and content make the site one of Switzerland's most visited medical websites. Hirslanden organised over 200 public events concerning a vast variety of medical subjects. These events were conducted in order to engage with the public and potential patients. Multiple professional events for doctors and other health professionals are also part of the group effort to communicate and share expertise among the medical community.

During the year, there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes applicable to the Group, with no significant fines being imposed, concerning marketing communications, including advertising, promotion and sponsorships.

STAKEHOLDER RELEVANCE **PATIENTS** The well-being of the the cornerstone of its the quality of life of patients by providing comprehensive highquality healthcare regarded as the most services by, among others, our patients.

METHODS **OF ENGAGEMENT**

KEY TOPICS AND CONCERNS

REFERENCES TO THE GROUP'S RESPONSE

TO STAKEHOLDER **EXPECTATIONS**

Group's patients forms business; hence its core purpose is to enhance services in such a way that the Group will be respected and trusted provider of healthcare

- Patient satisfaction surveys (during stay and after discharge)
- Systematic patient rounds during hospital • stav
- Websites and blogs
- Comprehensive integrated social media
- Hospital magazines with health-related information, such as the Mediclinic Family magazine in Southern Africa
- Client alliance programmes aimed at increasing the value-added offering to patients. Examples include the Mediclinic Baby and Mediclinic Senior programmes in Southern Africa, and the Hirslanden Baby, Hirslanden Healthline and Hirslanden Privé programmes in Switzerland. Mediclinic Middle East will roll out a modified version of the Mediclinic Baby programme to its patients early in the next financial year.
- Patient experience programmes, such as the Patient Journey in Southern Africa
- 24-hour helplines for medical and facility enquiries
- Health awareness days with free health checks
- Brochures with hospital-specific information

- Delivery of quality healthcare
- Best possible clinical outcomes
- Facilities and technology of international standard
- Patient experience
- Respecting the needs and satisfaction levels of patients
- Access to facilities and affordability of healthcare
- Health awareness and information
- Patient and family engagement during the recovery process

- The quality and safety of patient care is a material issue for Mediclinic. See Figure 3 for an overview, as well as the Clinical Services Report included in the integrated annual report.
- Excellent patient satisfaction levels maintained across all platforms. See Figure 3.
- The process of standardising satisfaction surveys across the Group that will enable comparative measurement of patient satisfaction between the three operating platforms and benchmark them against international norms, is under way with the appointment of a global leader in patient experience measurement and management as the Group's service provider. The pilot project was rolled out to inpatient and outpatient facilities in Southern Africa and the UAE during the reporting period.
- The Group contributes towards a sustainable healthcare system with improved access and affordability, especially in Southern Africa, through continuously focusing on efficiencies and costeffectiveness, conducting tariff negotiations with funders in a fair and transparent manner, expanding facilities based on need, pursuing joint initiatives with government and actively participating in healthcare reform.
- Health information is communicated to patients through various media, such as the 24-hour helpline, health awareness days, assisting the South African Department of Health on heart and stroke, and diabetes campaigns.







FIGURE 5: STAKEHOLDER ENGAGEMENT (CONTINUED)

STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS
The supporting doctors are significant stakeholders in the Group and play a vital role in Mediclinic's commitment to quality care, while their freedom of association and clinical independence are simultaneously acknowledged. Any initiative to improve the quality of clinical care needs the support and engagement of the treating doctors. For this reason the Group is actively involved with various programmes to engage with our supporting doctors.	 Regular meetings with doctors Doctor satisfaction surveys Newsletters Participation in hospital clinical committees Dedicated doctor portals in Southern Africa and Switzerland, with CPE and patient demographics functionality being piloted Continuous professional education events Doctor participation in the hospital management through the boards of the various hospital subsidiary companies in South Africa 	Quality of and access to facilities and equipment Patient safety Quality nursing care Technology of international standard Involvement in strategic clinical issues Recruitment and retention of skilled doctors Shortage of doctors	 A referral network model is in place where Group representatives meet regularly with doctors and their staff to discuss their needs and build the relationship between the hospital and the supporting specialists, as well as between the supporting specialists and the referring general practitioner. The continued focus on clinical quality, provision and maintenance of high-quality hospital infrastructure, excellent patient and doctor satisfaction levels, the development and training of staff to maintain and improve quality service delivery, support of external training institutions, and the recruitment and retention of staff are all elements of the key priorities set by the Group. See Figure 3 (material issues 1 and 2) for an overview, as well as the Clinical Services Report included in the integrated annual report.



FIGURE 5: STAKEHOLDER EN	GAGEMENT (CONTINUED)		
STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS
EMPLOYEE AND TRADE	UNIONS		
The Group's employees are a highly valued asset. The employees' trust and respect are vital to Mediclinic's success. Listening and responding to the Group's employee needs through effective communication and sound relations are important components in being regarded as an employer of choice among existing and prospective employees and vital to maintain an engaged, loyal workforce.	Periodic employee satisfaction surveys, through an internationally recognised service provider Internal communication audit in Mediclinic Southern Africa in 2014 Staff magazines and newsletters, such as Our World in Southern Africa and Apropos in Switzerland Intranet and social media Performance reviews Leadership video conferences Annual trade union salary negotiations with recognised unions Staff wellness	Training and development of employees Recognition and competitive remuneration Freedom of association Ethical leadership Fair working conditions Recruitment and retention of skilled staff Shortage of nurses and skilled staff	 Development and training of staff and recruitment and retention of staff are all elements of the material sustainability issues set by the Group. See Figure 3 for an overview, as well as the human capital and training and skills development sections of this report. Market-related salaries and benefits are offered to employees, based on the principles of internal equity, external equity and affordability in accordance with the Group's Remuneration Policy. Refer to the Remuneration Report included in the integrated annual report. Staff are recognised with annual long-service awards Nursing staff's compassion and commitment to their profession are recognised at the annual Nursing





at the annual Nursing

Excellence Awards in

engagement campaign

in Southern Africa - It's in your Hands - aims at highlighting the pivotal role personnel play in enhancing the patient

Southern Africa.

An extensive staff

experience.

and recognition

meetings to address

employee concerns

programmes

Locality forum

FIGURE 5: STAKEHOLDER ENGAGEMENT (CONTINUED)					
STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS		
SUPPLIERS		'			
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 healthcare. 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 standards.	Regular meetings Contract negotiations Service awards Product demonstrations and evaluations Training on product specifications	 Cost-effectiveness Availability of products and services and ability to provide support Compliance with applicable regulatory requirements and quality standards Fair and transparent negotiations Timeous payments 	 Refer to the section on managing the supply chain included in this report. Formal procurement processes apply, regarding tenders, contracting and preferred supplier agreements. Mediclinic has initiated international procurement initiatives with the aim of unlocking synergies and implementing standardisation for the greater benefit of the Group. An information management strategy is being implemented to enhance international procurement initiatives. The Group is implementing its strategy to rationalise the number of suppliers to enable growth with selected key partners and thereby strengthen negotiations. 		
HEALTHCARE FUNDERS					
All role players in healthcare funding, such as the medical schemes, administrators and managed care companies, play a key	 Annual tariff negotiations Regular meetings regarding possible cost savings, clinical quality and 	 The price/cost of healthcare in private hospitals Network arrangements, which limit the members' 	 Refer to the section on funder relations included in this report. Tariff negotiations with funders are conducted in a transparent and fair 		

choice of hospitals

reduced tariff from

in exchange for a

care rendered in

hospitals and patient satisfaction with the service rendered Increasing demand for more integrated clinical services

the hospitals

The quality of

manner.

• In terms of quality and

patient safety, Mediclinic

and information to address

healthcare funder concerns.

shares relevant studies





role in Mediclinic's

largest client base.

insured patients

business, with privately

remaining the Group's

healthcare delivery

improvements

FIGURE 5: STAKEHOLDER ENGAGEMENT (CONTINUED)						
STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS			
GOVERNMENT AND AUT	HORITIES					
The Group engages with various government bodies on a continuous basis. In Southern Africa, key government bodies include the national and provincial Departments of Health ("DoH"), the Department of Higher Education and Training, the South African Nursing Council, Council for Medical Schemes, the Health Professions Council of South African Pharmacy Council, South African Federation of Hospital Engineering, and the Clinical Engineering Association of South Africa In Switzerland key government bodies include the federal and cantonal government and healthcare authorities In the UAE key government bodies include the Ministry of Health, Dubai Healthcare City, Dubai Health Authority, Health Authority of Abu Dhabi and the Nursing and Midwifery Council	 Licence applications Inspection of facilities Approval of building plans Active engagement on healthcare legislation Regular meetings Representation on government bodies, e.g. Mediclinic Southern Africa's Nursing Executive serves on the Nursing Council and the Pharmacy Executive serves as vice president of the Pharmacy Council Mediclinic Middle East is represented on the newly established industry committees on clinical quality and price regulation established by the Dubai Health Authority 	 Cost of providing healthcare in the private sector Regulatory reform relating to health insurance National Health Insurance in South Africa Addressing training needs and skills shortage Collaborative initiatives to improve patient safety Regulatory reform relating to hospital planning, highly specialised medicine and health insurance in Switzerland Healthcare provider price regulation in the UAE Regulated e-Health initiatives in the UAE Compliance with laws 	 An overview of the regulatory environment in each operating platform is included in the Operational Reviews included in the integrated annual report.			





currently held with the governing bodies in Dubai. The nursing directors at Mediclinic Middle East's hospitals are part of the **UAE Chief Nursing Officers** group, which reviews strategic direction and planning for UAE nursing.

STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS			
INDUSTRY ASSOCIATIONS						
Mediclinic Southern Africa is a member of HASA, the Hospital Association of South Africa, with two representatives serving on its board. HASA is an industry association that represents the collective interests of the more than 200 private hospitals, thereby representing over 90% of the private hospital industry in South Africa. Hirslanden is an active member of PKS (Privatkliniken Schweiz), the association of Swiss private hospitals, as well as H+ (H+ Die Spitäler der Schweiz), the hospital association for public and private hospitals in Switzerland. Two senior Hirslanden management members serve on the board of PKS. There are currently no relevant industry associations in the UAE.	 Membership of industry associations and representation on governing bodies Participation in research commissioned by associations Participation in conferences 	Addressing the gap in public knowledge regarding the realities and challenges facing private healthcare	 HASA regularly commissions research, which ensures that the information communicated to the public is accurate and thoroughly investigated by credible independent specialists. Recent projects included an analysis of medical scheme statutory returns and CMS reports over time, international benchmarking of hospital utilisation, international comparison of licensing and draft concept paper on the Certificate of Need as well as a specialist supply and scenario analysis. Mediclinic Southern Africa, through the South African Federation of Hospital Engineering and Clinical Engineering Association of South Africa, presented a paper at the IFHE conference in Argentina in October 2014 on the "Benefits of an Environmental Management System". Through industry association membership in Switzerland, Hirslanden plays an active role in shaping the Swiss hospital industry as well as associated legislation and regulation. 			

STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS			
INVESTORS						
Mediclinic's primary objective is to create value for our shareholders as the owners and providers of equity capital to the business. The Group is accountable to its stakeholders, and reporting to shareholders and the public is aimed at providing a clear understanding of the Company's financial, economic, social and environmental performance, both positive and negative.	 Annual and interim results reporting Results presentations SENS announcements Investor relations website Analyst meetings Shareholder meetings 	Continued growth and financial sustainability (e.g. revenue, share price) Responsible investment proposition Clear and transparent reporting Competent leadership with ethical culture	 Responsible investment proposition. Refer to the investment proposition included in the integrated annual report. Consistent performance. Refer to the Seven-year review included in the integrated annual report. Ethical leadership. Firm protocols are in place to control the nature, extent and frequency of communication with the investment community, and to ensure that shareholder information is made available to all parties timeously and simultaneously. Relevant information is published on the Company's website. The Group interacts openly on regulatory and other key topical matters with its shareholders at its annual general meeting. Shareholders with significant interests in the Company's Board of Directors are Remgro holding a 43.4% equity interest and the Company's black partners, MP1 Investment Holdings (previously named Circle Capital Ventures) and Phodiso Holdings, holding a 2.69% and 4.53% equity interest, respectively. 			





FIGURE 5: STAKEHOLDER EINGAGEMENT (CONTINUED)					
STAKEHOLDER RELEVANCE	METHODS OF ENGAGEMENT	KEY TOPICS AND CONCERNS	REFERENCES TO THE GROUP'S RESPONSE TO STAKEHOLDER EXPECTATIONS		
COMMUNITY					
Mediclinic is committed to close, enduring and long-term relations with communities and follows a policy based on mutual understanding, trust and reliability.	 Public Health Enhancement Fund in South Africa Training and education Sponsorships and donations Staff volunteering Public private initiatives and joint ventures 	 Improvement of public healthcare training in South Africa Development and upliftment of communities within which the Group operates Health awareness campaigns 	An overview of our community involvement is included in the Operational Reviews included in the integrated annual report. Please also refer to the sections in this report dealing with our community involvement through our corporate social investment initiatives (investing in the community) and our training and skills development.		
MEDIA					
The media plays an important role in the Group's engagement with its stakeholders on company and industry developments and helps to position Mediclinic as the opinion leader on the subject of private healthcare.	 Media releases Press conferences Interviews and responses to media enquiries Paid advertisements Monitoring of industry-related news and proactive response Social media - Twitter and YouTube The Future of Healthcare blog 	 Publication of accurate and informative publications Respond to media enquiries 	 The blogsite, The Future of Healthcare, which is an integral part of the group's social media strategy, contains media statements and other material pertaining to the NHI and other healthcarerelated issues. It also serves to inform the media of innovative treatments and procedures that take place at our hospitals. Dedicated communication strategies developed for major industry affairs issues. In Hirslanden a range of active media events were held during the year. Hirslanden responded to 204 media enquiries and released 54 media releases. A media ticketing system implemented at group level assists with the management and organising of media contacts and media enquiries. In Mediclinic Middle East, media activity included six press releases, 42 features and 81 interviews. 		





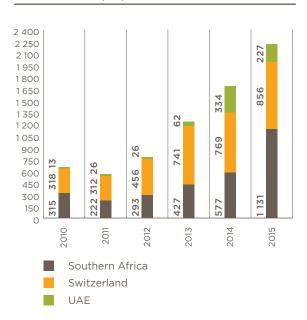
QUALITY OF CARE AND FACILITIES

Mediclinic is committed to quality care and aspires to be regarded as the most respected and trusted provider of healthcare services by patients, doctors and funders of healthcare. Its focus on quality healthcare extends from the skills of supporting doctors to the care of patients, from the empathy of its nursing staff to the high standards of its facilities, from the meticulous maintenance of world-class technology to upholding the fairest possible tariff. By focusing on a patient-centred team approach to improve quality and safety of care, the Group has established a culture of quality that permeates every aspect of the business and encourages the Group's employees and associated doctors to continuously strive to improve patient care and patient safety. The Group's dedication to excellence in healthcare is evidenced by the quality of its facilities.

Our business is about the health of our patients and improving their quality of life. The health and safety of our patients therefore form the core of our business. Various regulations, voluntary initiatives and internal procedures exist that govern the standards of our services and facilities to ensure the health and safety of our patients. During the reporting period, there were no material incidents of non-compliance with such regulations, initiatives and procedures.

During the year, there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes applicable to the Group, with no significant fines being imposed, concerning the provision or use of the Group's services.

FIGURE 6: INVESTMENT IN CAPITAL PROJECTS AND NEW EQUIPMENT (R'M)



CLINICAL QUALITY

The Group approaches clinical quality by focusing on structures, processes and outcomes of care. Superior clinical outcomes (or end results) can only be achieved through infrastructure of the highest standard and care processes that are sophisticated, reliable and free of errors. For details on the Group's clinical quality initiatives please refer to the Clinical Services Report included in the integrated annual report.



QUALITY OF FACILITIES AND **EQUIPMENT**

The Group strives to provide the best healthcare facilities and technology affordable and available in the different countries in which it operates. The maintenance systems are risk orientated, aimed at patient safety and ensure the provision of service excellence that is respected and relied upon. The planned maintenance systems and related procedures are constantly being evaluated to ensure that patient safety is paramount.

The Group's buildings, plant and equipment have to be maximised through reliable technical support in order to ensure a safe and user-friendly environment for staff and clients. With this in mind, and as further dealt with in the Operational Reviews of the three operating platforms included in the integrated annual report, the Group continuously invests in capital projects and new equipment to expand and refurbish its facilities and on the replacement of existing equipment, as well as on the repair and maintenance of property and equipment, as set out in Figure 6 to Figure 8.



FIGURE 7: INVESTMENT IN REPLACEMENT OF EQUIPMENT (R'M)

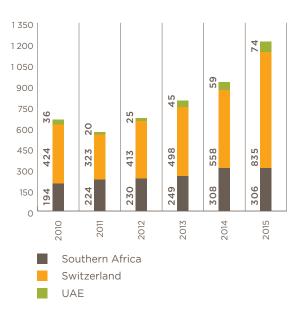


FIGURE 8: EXPENDITURE ON REPAIRS AND MAINTENANCE OF PROPERTY AND EQUIPMENT (R'M)



Southern Africa

Mediclinic Southern Africa's planned maintenance system applies to three categories of equipment with varying degrees of maintenance requirements, from maintenance by our technical staff in accordance with internal policies to maintenance by an agent to the manufacturer's specifications.

The implementation of the Enterprise Asset Management System ("EAMS"), which monitors and plans the life cycle of assets by electronic means throughout the group, has been completed and a new phase was introduced to audit data and verification processes, which is currently being refined.

Mediclinic Southern Africa's facilities are also subjected to a comprehensive maintenance audit on an annual basis that covers three categories of plant and equipment as well as the aesthetics of the facilities. The average overall score achieved during the period under review was 78.6% (2014: 80.6%). In the last audit, the scoring methodology was changed and has become more stringent. Significant emphasis was also placed on the aesthetics of the group's facilities as a number of the buildings have been in operation for more than 25 years. The information compiled is being used to assist the project team with the upgrading of these facilities.

Mediclinic Southern Africa, through the South African Federation of Hospital Engineering, is also participating in the Infrastructure Unit Support System draft regulations for healthcare facilities.

Switzerland

As part of the strategic positioning of Hirslanden as provider of premium quality services, the group continuously invests in medical and technical infrastructure. By using the latest technologies, Hirslanden directs its focus on superior clinical outcomes and cost-efficiency of services.

Although each hospital has a local Engineering Services team that is responsible for technical items and maintenance works, the central department ensures that common technical standards are applied; monitors compliance with regulations regarding, inter alia, safety and environment; ensures that new regulatory requirements are implemented; and facilitates knowledge transfer within the group. Especially larger projects are jointly handled with the centralised investment and maintenance team at the Hirslanden Corporate Office.

A computer-aided facility management ("CAFM") system is used in terms whereof all infrastructure (medical technology, building technology and cleaning) governed by statutory regulations and maintenance management measures are entered in the CAFM interfacing with the SAP ERP (Enterprise Resource Planning). The uniform equipment management system forms the basis of optimal maintenance management for the individual hospitals and the whole group. The maintenance process was tested and optimised in a pilot project at one of the Hirslanden hospitals during the previous reporting period and rolled out to the rest of the group's hospitals. The objective is for Hirslanden hospitals to be on the CAFM system and running their technical operations (medical technology and facilities engineering) by the end of the next financial year.

Hirslanden attaches particular importance to quality management and is committed to the total quality management approach according to the European Foundation for Quality Management ("EFQM"), as further detailed in the Clinical Services Report included in the integrated annual report.

Hirslanden's corporate office and 15 hospitals are ISO 9000:2008 certified. The ISO certification supports the hospitals' continual improvements in process quality and services provided in all areas, above all in nursing and medical technology. The certification of Hirslanden Clinique La Colline is planned for 2016.

Hirslanden regularly engages with HIS (the Swiss Association for Hospital Engineering), SWKI (the Swiss Society of Building Technology Engineers), Electrosuisse (a professional organisation for electrical, energy and information technology), as well as SIA (the Swiss Engineering and Architecture Association) on matters such as policy and requirements relating to construction (buildings, heating, ventilation, cooling, etc.) with which Hirslanden complies.



UAF

Mediclinic Middle East follows the same planned maintenance system as Mediclinic Southern Africa. Comprehensive facility management and equipment maintenance programmes are adhered to, while performance audits are conducted regularly to measure matters such as set performance and equipment breakdown monitoring of high-risk equipment installed in critical areas. Checklists are in place to ensure compliance with these policies. Mediclinic Middle Fast subscribes to the FCRI Institute's Health Device Alert system for updates regarding equipment recalls to ensure patient safety for all its facilities.

Periodic performance audits are conducted for fire monitoring systems. All fire monitoring and suppression systems are authenticated by the Civil Defence department as fit for purpose. The units are monitored 24 hours a day by the Civil Defence department and monitoring of high-risk equipment such as diesel generators installed in critical areas.

All facilities are JCI accredited with checks and balances for the servicing and maintenance of equipment as per the group's policies.

PATIENT SATISFACTION

The wellbeing of patients is at the core of the Group's business, hence its commitment to deliver excellent patient care focusing on the needs and satisfaction levels of patients. To this end, the Group embarked on a process to create a single, standardised patient experience measurement index which would contribute to ensuring operational excellence and patient safety across all our platforms. An effective measurement programme facilitates Mediclinic's objectives by means of a greater understanding of the patient experience. After a strict adjudication process, Press Ganey was appointed as partner in the provision of a patient experience measurement index for the group. The proof of concept was tested from 1 July 2014 until 31 August 2014 at Mediclinic Muelmed in Pretoria, South Africa, and at Mediclinic City Hospital and Mediclinic Dubai Mall in Dubai, UAE. The evaluation of the concept was based purely on the successful execution of the steps and implementation of the index and was reviewed as satisfactory at these locations.

The pilot phase of the new measurement index was rolled out to 50 hospitals of Mediclinic Southern Africa and all the facilities of Mediclinic Middle East from October 2014. The results are expected to contribute toward trend information and add to the strategic decision-making process at management level thereby improving the patient experience. The overall patient satisfaction levels of the Group's operating platforms are included in Figure 3.



The operating platforms have developed internal key performance indicator systems measuring not only the financial performance of their hospitals, but also including, inter alia, patient satisfaction as an indicator.

Southern Africa

Mediclinic Southern Africa's Patient Journey strategy is designed to enhance the patients' experience of the group's hospitals. A Patient Journey Manager and a multi-disciplinary Patient Journey team steer the programme, with a Patient Journey officer and committee established at every hospital to ensure that all Patient Journey initiatives are uniformly implemented throughout the group. Progress on the *Patient Journey* initiatives continues with the initial six major projects to enhance the patient's experience successfully completed. These included providing bedside safes to store patients' valuables, dignified patient gowns for the nursing units, implementing systems to shorten the time patients have to wait to receive their take home medication post-discharge, and sharing positive patient experiences through various internal and external platforms, and recognising exceptional patient service by staff. Initiatives currently under way include the improved inclusion of patients and families in the care process, reviewing the food service offering in hospitals, a focus on noise reduction in hospitals and placing an accent on the critical element of medication counselling.

Behavioural campaigns to encourage a focus on patients' well-being, feeling welcome and safe, have contributed significantly to the patient-centric focus of the organisation. A workshop with all hospital management teams on complaint resolution was held. Further workshops are planned with the hospital management teams on *Leading the Patient* Experience and with all staff on Managing the Patient Experience.

The group's two client alliance programmes, *Mediclinic Baby* and *Mediclinic Senior*, are aimed at increasing the value-added offering to patients and thereby enhancing their experience. There is a 24-hour helpline to support these programmes, which answers medical and hospital facility enquiries, as well as client alliance programme questions.

- Mediclinic Baby is exclusively designed for new parents of babies born at Mediclinic hospitals and is intended to assist them through each stage of their pregnancy, birth and baby care journey. The recently introduced pregnancy app provides a helpful tool for expectant parents, including weekly updates on the progress of mother and baby, a weight tracker and other useful information. A DVD set is also available to parents, providing valuable information on breastfeeding, bathing and baby wellness.
- Mediclinic Senior is a free loyalty programme for the over 50s, created to optimise health and well-being through education, health awareness and regular medical screening. This includes information sessions, health-screening clinics and monthly health e-newsletters.

Switzerland

The rollout of Hirslanden's Customer Relationship Management ("CRM") system commenced in April 2012 and is ongoing. The CRM system is used to manage all customer feedback, customer needs and other guest relations relevant information, and the data of all employed doctors. The system supports the network marketing project referred to earlier under our engagement with doctors, the Hirslanden Privé project and SwissNoso (an organisation that is devoted to reducing hospital infections) processes, and delivers some customer relations relevant parameters for the hospital management and operational functions. The system is continuously being improved and the addition of an iPad version for management, as well as event and campaign management integration, is planned for the year ahead.

The group's client alliance programmes, such as *Hirslanden Baby*, *Hirslanden Healthline* and *Hirslanden Privé*, are aimed at increasing the value-added offering to patients and thereby enhancing their experience.

- Hirslanden Baby is designed to assist new parents of babies born at Hirslanden hospitals through every stage of their pregnancy, birth and baby care journey.
- The private patient differentiation programme, Hirslanden Privé, was successfully relaunched during the previous year. The programme is also supported by a 24-hour helpline to assist private patients with medical and hospital facility enquiries, as well as questions on second opinions, doctor appointments and overall information about the Hirslanden group of hospitals. A new Hirslanden Privé app has been launched in two pilot hospitals in order to enhance the hospital stay information and entertainment. After testing the app it should be deployed in all Hirslanden hospital during 2015.

UAE

Mediclinic Middle East engages with its patients and prospective patients on multiple levels, designed to educate, inform and make the patients' interaction with the group's facilities as easy and seamless as possible. The company produces a variety of patient education literature, which is available in public areas at all hospitals and clinics; it offers a variety of patient education seminars and group meetings (both free and for a fee), e.g. mothers' support groups and diabetes education groups; it sends updates on special offers and new doctors to registered patients by email and SMS, and gives patients the option of requesting their appointments online or through a mobile application. Free health checks are organised on relevant health days both within the medical facilities and outside at strategically located shopping malls, schools and corporates in an effort to reach out to the community.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT*

As BBBEE is unique to South Africa, this section focuses only on the Group's BBBEE initiatives in South Africa.

The Board views the Group's South African business as an integral part of the political, social and economic community in South Africa and is committed to sustainable transformation as part of its business strategy. Mediclinic Southern Africa's Executive Committee is responsible to ensure that the appropriate focus is placed on the group's commitment to the development and implementation of sustainable broad-based black economic empowerment ("BBBEE") initiatives.

Mediclinic Southern Africa is assessed annually by an accredited verification agency against the generic scorecard criteria set by the Department of Trade and Industry ("dti"), the results of which are set out in Figure 9. During the year the group maintained its status as a Level 4 contributor, reflecting its commitment to promoting BBBEE with regard to procurement, ownership, socioeconomic development and enterprise development. A copy of the scorecard is published on the website of Mediclinic Southern Africa (www.mediclinic.co.za). The score achieved during the most recent assessment increased from 67.92 in 2014 to 68.93.

The revised BBBEE Codes of Good Practice was gazetted in October 2013, with a one-year transitional period. Therefore the scorecard published here was still calculated under the previous codes. Based on the group's initial review of the impact of the revised codes, it is expected that the group's contribution level will decline. Management is currently revising the group's BBBEE strategy to align it with the revised codes according to which the group will be assessed in future.

FIGURE 9: BBBEE SCORECARD

Element	Indicator	Weighting			Sc	ore			Year-on-year performance
			2010	2011	2012	2013	2014*	2015*	$\uparrow \downarrow$
Ownership	Percentage share of economic benefits	20	16.55	19.21	18.43	20.66	15.74	15.87	1
Management control	Percentage black persons in executive management and/or executive board and board committees	10	5.11	5.76	6.25	6.20	2.77	2.97	^
Employment equity	Weighted employment equity analysis	15	2.12	1.98	2.08	1.84	3.13	3.15	1
Skills development	Skills development expenditure as a proportion of total payroll	15	12.00	11.55	12.00	12.00	10.10	12.04	T
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total assets	20	15.60	16.71	16.51	11.27	16.18	14.90	V
Enterprise development	Average value of enterprise development contributions as a percentage of the target of 3% of net profit after tax	15	15.00	15.00	15.00	15.00	15.00	15.00	-
Socio-economic development	Corporate social investment for the benefit of black persons	5	5.00	5.00	5.00	5.00	5.00	5.00	-
TOTAL POINTS		100	71.38	75.21	75.27	71.97	67.92	68.93	1
Contributor level			4	3	3	4	4	4	-

A new rating agency, Empowerdex, is used since the 2014 rating. Due to interpretation differences between the current and the previous rating agency, the score on some elements therefore declined from 2013 to 2014.

Mediclinic Southern Africa is committed to actively supporting the Black Management Forum's activities that relate to the development of black managers. To this end the group has pledged to sponsor one of their sessions annually.

During the year, the group's transformation department continued with the diversity management interventions through workshops and presentations for employees throughout the group. The workshops are designed to help employees have a better understanding of diversity to embrace and celebrate diversity and be able to recruit, manage and retain talented employees from diverse backgrounds.

OWNERSHIP

Mediclinic implemented a R1.1bn black ownership initiative in 2005, which had the effect of introducing 15% black shareholding in Mediclinic. The black ownership initiative introduced Phodiso Holdings Ltd ("Phodiso") and MP1 Investment Holdings (Pty) Ltd (previously named Circle Capital Ventures) ("MP1"), a subsidiary of the Circle Group, as the Group's strategic black partners and shareholders in Mediclinic through two special purpose vehicle companies, Mpilo Investment Holdings 2 (RF) (Pty) Ltd ("Mpilo 2") and Mpilo Investment Holdings 1 (RF) (Pty) Ltd ("Mpilo 1"). Following this initiative, Mediclinic's strategic black partners jointly held approximately 11%, with Phodiso, through Mpilo 2, holding approximately 6.87% (currently 4.53%) and MP1, through Mpilo 1, holding approximately 4.12% (currently 2.69%) of the Company's issued shares. All employees up to and including first line management level were also introduced as shareholders of the Company through the issue of Mediclinic shares to the Mpilo trusts, two employee share trusts formed in South Africa and Namibia specifically for that purpose. The trusts subscribed for approximately 4% (1.52% at year end) of Mediclinic's issued shares held for the benefit of almost 11 000 participating employees (52% black and 89% women) at the time, which include, inter alia, nursing staff, support staff and administrative staff.

In 2012 Phodiso refinanced the then existing external preference share financing obligations to thirdparty funders within the Mpilo 2 special purpose vehicle debt with commercial funders and at the

same time agreed to an extension of the lock-in period applicable to its shareholding in Mediclinic until the end of 2018. This refinancing and extension of the lock-in period allowed Phodiso to receive the proceeds from the sale of the nil paid letters of allocation that were issued to Mpilo 2 as part of the rights offer concluded by Mediclinic in October 2012.

Mediclinic's strategic black partner, Phodiso, is well represented within the management structures of Mediclinic. Two of Phodiso's directors are involved in key positions within the Group: Dr Nkaki Matlala is the Executive: Government and Industry Affairs of Mediclinic Southern Africa; and Dr Kabs Makaba is a board member of Mediclinic.

MANAGEMENT CONTROL

The race representation of Mediclinic Southern Africa's Executive Committee is set out in Figure 23.



EMPLOYMENT EQUITY

Mediclinic Southern Africa's focus on employment equity supports the organisation's overall transformation objectives. A group-wide employment equity plan and specific policies governing diversity and equal opportunities are in place to manage the requirements of the relevant labour laws. Mediclinic Southern Africa's Transformation Manager is responsible for diversity and employment equity management throughout the group.

The group has made significant progress in reaching its employment equity goals, but reaching its employment equity goals at management level remains a challenge. Further challenges include the skills shortages among specifically management, nursing and technical employees. The specialised nature of some positions further makes it difficult to be left vacant for long periods in the search for designated candidates. The nature of the healthcare industry leans towards a female-orientated environment, which results in a disproportionate representation in relation to gender.

To ensure commitment to employment equity by all managers in the company, the short-term management incentive scheme, as reported on in the Remuneration Report included in the integrated annual report, includes the reaching of employment equity goals as a measure of success.



FIGURE 10: MEDICLINIC SOUTHERN AFRICA'S SUMMARISED EMPLOYMENT EQUITY REPORT AND TARGETS (submitted in October 2014 to the Department of Labour)

		Male			Female		Foreign	nationals	Total
	African Coloured Indian		White	African Coloured Indian		White			
Occupational levels	Target	Actual		Target	Actual		Male	Female	
Top management	3	3	6	0	0	2	0	0	11
Senior management	3	2	18	3	0	1	0	0	21
Professionally qualified and experienced specialists and mid-management	64	48	165	90	81	235	0	529	534
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	312	313	172	1845	2 120	2 400	122	143	5 270
Semi-skilled and discretionary decision-making	909	1 0 0 3	121	4 419	5 189	1 443	0	0	7 756
Unskilled and defined decision-making	226	215	22	453	396	11	0	0	644
Total permanent		1 584	504		7 786	4 092	122	143	14 231
Temporary employees		14	7		50	36	0	0	107
TOTAL		1 5 9 8	511		7 836	4 128	122	143	14 338

Target not achieved

Target exceeded Target met

Mediclinic Southern Africa's employment equity plan for the five-year period ending October 2017 has been approved by the Department of Labour.

The company is currently in the process of realigning its equity targets with specific focus on the areas where the current targets have been exceeded.

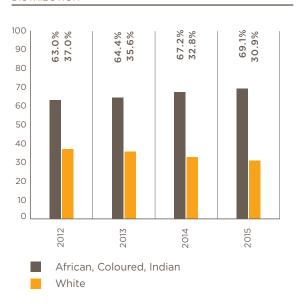
The employment equity report (EEA2), as submitted to the Department of Labour in October 2014, is summarised in Figure 10. The employment equity report is in respect of all Mediclinic Southern Africa employees, excluding the employees of whollyowned subsidiary ER24, which is registered as a separate employer with the Department of Labour.

Despite all the challenges, the current workforce profile shows a steady improvement in the amount of equity candidates appointed to the skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents category. The appointment of designated female nursing staff also substantially exceeded the goals the company aimed to achieve, with 5 189 female employees in this category against the targeted 4 419. Black representation at management level has increased year on year from 11% in 2006 to 27.2% at year end. This level, however, still presents a challenge to the group, with low staff turnover remaining a limiting factor. Of all senior appointments (level C5 and above) made during the period under review, 43.6% (2014: 49.8% and 2013: 45.4%) were from the designated groups. The set target of 40% of the number of appointments was achieved, although impacted by the group's organisational alignment process.

The overall racial distribution of Mediclinic Southern Africa's full-time employees at year end is set out in Figure 11. Refer to the section on diversity and equal opportunities for more information.



FIGURE 11: MEDICLINIC SOUTHERN AFRICA: RACE DISTRIBUTION



SKILLS DEVELOPMENT

Training and skills development is a key priority in support of our stated commitment to quality care, which is reflected in the number of learning initiatives undertaken each year. During the past year, Mediclinic Southern Africa recorded 29 803 (2014: 39 737) structured learning interventions, many of which involved skills assessments (refer to Figure 24). Of the recipients of these learning interventions 69% (2014: 68%) were equity candidates and 89% (2014: 88%) female employees. The group invested about 3.0% (2014: 3.3%) of payroll in support of its commitment to training and skills development during the year. To improve the representation of designated groups on management levels, the group's management development programmes include various functional disciplines and aims to increase the management talent pools. See the section of this report relating to Mediclinic's training and skills development initiatives for more details.



PREFERENTIAL PROCUREMENT

Mediclinic Southern Africa uses the BBBEE status of a supplier in the selection process. The reduction in the score achieved during the year is mainly attributed to the stricter targets set, and new initiatives are to be identified to regain and exceed the previous levels going forward. The improvement of the preferential procurement score remains a focus area for Mediclinic Southern Africa, and functionality to accurately monitor and manage procurement in the QSE (Qualifying Small Enterprises), EME (Exempted Micro-Enterprises) and black-owned categories has been included in the development of an ERP system currently being implemented.

ENTERPRISE DEVELOPMENT

In terms of Mediclinic Southern Africa's contributions towards this element, it achieved the target of 3% of net profit after tax. This was achieved largely through the favourable terms of loans to Mediclinic's two strategic black partners, Phodiso and Circle Capital, and the Mpilo trusts. The loans enabled these entities' acquisition of equity in Mediclinic.

SOCIO-ECONOMIC DEVELOPMENT

The success of the group's Corporate Social Investment ("CSI") strategy and initiatives is reflected in the group scoring full marks for this element in the BBBEE scorecard. Mediclinic Southern Africa's CSI projects are also aimed towards broadbased transformation, with the vast majority of the beneficiaries being black. Further details on the group's CSI initiatives can be found in the section of this report dealing with investing in communities.



The healthcare industry faces the worldwide challenge of access to and affordability of healthcare, which affects each and every member of society. Providing proper access to healthcare is a challenge facing all governments, even more so in developing countries such as South Africa. In order to reach a sustainable solution, the focus on access to and affordability of healthcare cannot be done without the necessary focus on maintaining the highest standard in quality of patient care and providing an adequate return to our capital providers. The Group contributes in various ways towards a sustainable healthcare system with improved access to and affordability of healthcare by, inter alia, continuously focusing on efficiency and cost-effectiveness, conducting tariff negotiations in a fair and transparent manner, expanding our facilities based on need, pursuing joint initiatives with local governments, such as public private partnerships, and actively participating in healthcare reform.

Within Mediclinic Southern Africa the challenges relate to the recruitment of quality, skilled specialists and nursing staff in specific disciplines and thus maintaining its high standard and quality of care. The shortage of healthcare professionals is a result of various factors. These factors relate to the insufficient number of healthcare professionals qualifying annually, the reduction of tertiary training facilities (particularly nurse training facilities) and resultant limited capacity at these facilities, and an increasing litigious society, which severely impact the attractiveness of certain medical specialities. The attractiveness of certain specialities has decreased due to exorbitant malpractice insurance premiums making these specialities less lucrative than others. Obstetricians, neurosurgeons, neonatologists and orthopaedic surgeons are impacted most, due to frequent malpractice litigation. Both the scarcity of these skills and high overhead costs contribute to the reduced affordability of healthcare and curtail the accessibility to care in the South African healthcare market.

EFFICIENCY AND COST-EFFECTIVENESS

The Group continuously identifies and evaluates areas for operational improvement. Such efficiency gains are passed on to our patients and funders with a view to increase the affordability of healthcare. In this regard, our ongoing research focuses on benchmarking hospital efficiencies internationally.





To improve the Group's cost-effectiveness, new costsaving efficiencies are continuously investigated and implemented to reduce input costs and therefore ultimately tariff inflation, such as the Group's international procurement initiative, as reported in the section below on managing the supply chain. The Group's tariff negotiations are conducted in a fair and transparent manner.

A decision was made to standardise on a single IT solution for the Group's back-office functions, and significant savings were achieved by negotiating a global contract with the vendor. This solution is already implemented in Hirslanden and expanded to Mediclinic Middle East during the previous year. The rollout in Mediclinic Southern Africa was completed during the reporting period.

Southern Africa

Affordability of healthcare is a key concern in any healthcare system and South Africa, as a developing country with a significantly skewed income distribution, is no different. Consequently, a key challenge for any health service provider is to maintain the provision of high-quality healthcare that is also affordable. Mediclinic Southern Africa therefore continuously seeks to understand the challenges around affordability and to contribute towards creating a sustainable healthcare system within the South African context. To this end, Mediclinic has again enhanced its tariff strategy for certain day procedures. Furthermore, Mediclinic Southern Africa's predilection towards tertiary/acute care hospital services and all procedures currently conducted in Mediclinic Southern Africa's acute care hospitals are priced according to the costs experienced in equipping the theatres and staffing the units. The quality of patient care that is attainable and provided within an acute care hospital setting offers a superior level of patient safety to that traditionally offered in a day clinic setting. However, Mediclinic Southern Africa is cognisant of the continued pressure sustained by healthcare finances and accordingly makes allowances for the efficiencies that arise due to the lower risk associated with these lower-intensity cases. Mediclinic Southern Africa therefore continues to look to identifying and developing other service line products to provide patients with an improved value offering.

Mediclinic Southern Africa is assessing hospital efficiency with a view to identifying top performing hospitals and factors that adversely affect efficiency in healthcare delivery. This will aid the replication and scaling of efficient practices within the group and the management of areas of inefficiency. This work is ongoing and it is intended that the results of this project, including the tools developed through this project, will provide additional guidance on how Mediclinic Southern Africa can improve efficiency in service delivery.

Mediclinic Southern Africa is continuing its work towards creating a closer partnership with its associated doctors through initiatives such as improved connectivity. The objective is to streamline the production of healthcare in the group's facilities, minimise waste and to jointly identify new opportunities for increased efficiency. Mediclinic Southern Africa is also working towards a more integrated approach to healthcare delivery.

Low-cost benefit options

The Council for Medical Schemes ("CMS") acknowledges that affordability in healthcare is a key concern and has consequently embarked on an industry-wide consultative process to develop a framework for low-cost benefit options. At the 5th CMS Indaba, stakeholders presented proposals for the structure of these benefit options in the context of the current medical scheme regulatory framework. It is estimated that there are between 4 and 8 million lives willing to pay for a low-cost benefit package covering primary healthcare¹. Stakeholders have highlighted the need for a simple, standardised benefit package that provides essential and predominantly primary healthcare services. The funder market estimates the package to cost between R250 and R300 per member per month. Maintaining a low level of member contributions is likely to require a special regulatory dispensation, exempting schemes from regulation pertaining to open enrolment and payment of prescribed minimum benefits at full cost. Schemes propose that low-cost options should be allowed to apply income underwriting in order to ensure the product will service the appropriate segment of the population. Mediclinic remains open to further engagement from the CMS as they develop the framework for these options.

Switzerland

Although all Swiss residents have comprehensive mandatory healthcare insurance, Hirslanden is committed to cost-efficiency in healthcare by way of supporting market-orientated initiatives and reforms to reduce the increase in healthcare insurance

After piloting an integrated hospital information system at Hirslanden Klinik Aarau, it was rolled out to the group's three hospitals in Berne effective from April 2014, and at Hirslanden AndreasKlinik from October 2014. The rollout project will cover all hospitals of the group with the aim to be completed by the end of 2016. The system involves the integration of many administrative processes such as patient admission, planning of procedures, recording of activities, electronic health record and invoicing.

Insight Actuaries and Consultants, CMS Indaba - Low Cost Benefit Option, 12 March 2015

UAF

Mediclinic Middle East is entering final planning and preparation phases to implement SAP's GRC (Governance, Risk and Compliance) module, so as to enhance the system's process and access control features. The implementation of SAP's BPC (Business Planning and Consolidation) module is also planned for the next financial year to streamline and optimise financial consolidation of Mediclinic Middle East and Mediclinic International, management reporting and to simplify the planning (budgeting and forecasting) processes and activities.

A strategic business project to establish a central reference laboratory in the UAE has begun and its completion is estimated during the first quarter of 2016. To support this project, ICT has begun the selection process for a suitable LIS (Laboratory Information System). It is envisaged that the solution and vendor selection phase will be completed by May 2015, followed by the implementation of the preferred solution. The implementation of a new HIS (Hospital Information System) is also planned, with the first phase of business requirement gathering and the distribution of a Request for Proposal in progress. This phase is estimated to be completed by August 2015. It is planned to have the solution and implementation partner selected by January 2016, followed by the appointment, contracting and implementation phases.

HEALTHCARE REFORM

The current situation regarding the regulatory environment in each of the Group's operating platforms are further elaborated upon in the **Operational Reviews** included in the integrated annual report.

Southern Africa

Omission of mandatory cover and risk equalisation fund in Medical Schemes Act

The promulgation of the Medical Schemes Act, 131 of 1998, brought about the enactment of open enrolment, community rating and prescribed minimum benefits ("PMBs"), while the envisioned mandatory cover and the risk equalisation fund ("REF") were not included in the Act. While these enacted changes have been targeted by the funder market as being responsible for the increase in the costs being experienced by the medical scheme industry, the two omitted components have been seen as critical omissions by the medical scheme industry, who maintains that this absence is the reason why they are experiencing cost increases specifically because of the PMBs and the pay at "cost" aspects of the regulations governing PMBs. PMBs have been identified as one of the main reasons for making a low-cost scheme, aimed at the employed but uninsured market, too expensive for this particular segment of the workforce.

In numerous public discussions and published papers, the point that mandatory membership would expand the risk pools and the REF would mitigate the risk within schemes that have a "poorer" demographic risk profile, have been aired and debated.

The above issues have largely contributed to making affordability of health insurance a challenge for the employed workforce with younger employees not joining the medical scheme market due to affordability constraints. This has negatively impacted the overall age demographic of the current medical scheme population, resulting in a concomitant increase in the associated healthcare costs of treating an ageing population. Furthermore, the omitted legislative components have resulted in PMBs being more expensive than they could have been. This has meant that the creation of and costing of cost-effective plans are difficult and therefore the possibility of expanding access to health insurance has been significantly reduced.

Therefore, for access and affordability to be addressed in a constructive manner, there has to be legislative rectification and the implementation of the two "omitted" components of what was a noble intention.

Competition Commission healthcare market inquiry The Competition Commission market inquiry into the private healthcare sector began in January 2014. Since then Mediclinic Southern Africa has provided a comprehensive submission to the Commission and has also studied and provided comments on the submissions of other stakeholders. Mediclinic Southern Africa has a team of external legal and economic experts who advise the group as the inquiry proceeds. Mediclinic trusts that this inquiry will be a fair and impartial process, with outcomes that will ensure long-term sustainability of the private healthcare sector. The group is firmly committed to supporting the tenets underlying the investigation process: which in turn support the government's policy to increase access to affordable quality healthcare to all citizens.

National Health Insurance

Mediclinic Southern Africa continues to support the underlying principle of universal coverage through the creation of a National Health Insurance ("NHI") system in South Africa. Mediclinic Southern Africa continues to monitor all available information pertaining to the planned implementation of NHI closely. The publication of the government's White Paper on the NHI, a more detailed discussion document, including details regarding the financing options, is still expected during the year ahead. Mediclinic Southern Africa will continue to engage with both government and other relevant stakeholders on the most appropriate design and mechanisms to pursue universal coverage within the South African context.

Switzerland

Engagement with the federal and cantonal government and healthcare authorities continues regarding:

- Hospital planning: The financing of hospitals and the reimbursement of hospital services in terms of the revised Federal Health Insurance Act, which became effective in January 2012 and also triggered changes to related cantonal healthcare regulations, as previously reported. Hirslanden applied for inclusion of all of the group's hospitals on the cantonal hospital lists to be on an equal footing with public hospitals regarding the provision of hospital services to the general public. Three years after the introduction of the new legislation, the experience shows that this was the correct strategy with 15 of the group's 16 hospitals being listed.
- Highly specialised medicine ("HSM"): There has been extensive resistance to the planned concentration of HSM by a few hospitals. A number of hospitals, including Hirslanden facilities, have successfully contested the allocation decisions before the courts and to date all appeals have been ruled in the group's favour. In 2014 the planned concentration was renewed. Now all the decisions have to be taken in two steps: allocation and then attribution. There is still the potential of discrimination against private hospitals by the cantonal legislative.

The Dubai Health Authority ("DHA") introduced provider price regulation in November 2014, which capped the tariff increase for 2015 at 4.22%. The DHA is in the process of developing a long-term price regulatory model and Mediclinic Middle East is formally represented in the stakeholder engagement process. Quality regulation and publication is a further important DHA regulatory development where Mediclinic is represented in the formal processes. Although the DHA is not actively involved in the tariff negotiation process, its aim is to address inequalities in the market and to eventually adopt a regulated tariff model, based on diagnostic related groupings ("DRGs"). The DHA also seeks to eradicate unethical and unscrupulous behaviour in the provider sector and will, therefore. continue to refine its regulatory intervention. As a further step in the government's e-Health strategy, an electronic prescription portal was introduced in 2014 to facilitate real-time approvals and monitoring of prescription patterns for all doctors and providers. Mediclinic Middle East supports these objectives and remains committed to constructive engagement with the DHA in this regard.

The Dubai government has also introduced mandatory health insurance, which comes into effect on a staggered basis in 2014, as dealt with in the funder relations next section.

The Health Authority of Abu Dhabi (HAAD) already has a full-fledged price regulation model in place, based on DRGs. This model regulates minimum and maximum tariffs and leaves the actual reimbursement rate to be determined via negotiations between funders and providers within these boundaries. HAAD is also in the process of introducing quality regulation and publication of such results.

FUNDER RELATIONS

All role players in healthcare funding, such as the medical 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. The Group meets regularly with the various healthcare funders in order to actively engage with them regarding possible cost savings and healthcare delivery improvements. Tariff negotiations with funders are conducted in a transparent and fair manner.

A number of key considerations for healthcare funders that are often expressed as a concern are:

- the price/cost of healthcare in private hospitals;
- network arrangements, which limit the members' choice of hospitals in exchange for a reduced tariff from the hospitals; and
- the quality of care rendered in hospitals and patient satisfaction with the service rendered.

Mediclinic addresses these concerns by continuously trying to find ways to offer its services more efficiently in order to reduce costs and therefore tariff/price inflation. The Group aims to ensure that all its hospitals are, as far as possible, included in all schemes' hospital networks. In terms of quality and patient satisfaction, Mediclinic shares studies and information developed from both internal and external data to address healthcare funder concerns.

Southern Africa

Mediclinic Southern Africa has embarked on various initiatives to ensure the ongoing affordability and sustainability of private healthcare, this despite the fact that the input costs of providing hospital services increase in excess of the consumer price index annually. These initiatives are aimed at responsibly lowering the total cost of healthcare experienced by the funders of hospital services.

The total cost of healthcare encompasses hospital services, associated and allied services. Mediclinic Southern Africa has accordingly, recognised its responsibility to engage with all service providers in order to align endeavours with "bending the cost curve". Mediclinic is therefore investing to enhance its data analytics capabilities with a view to facilitating targeted action in achieving this objective.



Private healthcare funding in South Africa is principally provided by medical schemes, with approximately 92% of Mediclinic Southern Africa's hospital admissions and revenue funded by medical schemes. The number of beneficiaries insured by the funding market was approximately 8.81 million at 30 September 2014, representing a marginal growth of 31 662 beneficiaries from 30 September 2014. The CMS also issued statistics detailing "the prevalence of chronic diseases in the population covered by medical schemes in South Africa" in January 2015, wherein it was reported that there was an upward trend in the diagnosis and treatment of many conditions on the prescribed list of chronic diseases (which by law all medical schemes are obliged to fund) for the period 2008 to 2013. Therefore this report indicates deterioration in the disease profile of the medical scheme population, and by implication more members require treatment at a greater frequency and intensity of care than before. The significance of the role of the medical schemes is clear, with continual engagement and fostering of relations being paramount. Consolidation in the funder market has continued in the period under review and it is expected that this will continue for the foreseeable future. The result of the consolidation is the further concentration in the funding market whereby the larger medical schemes, and the administrators, continue increasing their proportion of the privately insured beneficiaries. For example, Discovery Administration and GEMS (Government Employee Medical Scheme) now represent 32% and 21% of beneficiaries respectively. This has a significant impact in terms of annual tariff negotiations resulting in robust engagement.

The medical scheme industry continues to be financially viable. Solvency ratios as monitored by the Council for Medical Schemes increased from 32.6% in December 2012 to 33.3% in December 2013. The legal requirement for solvency ratios is 25%. The total accumulated reserves for all medical schemes increased from R38.3bn to R43.2bn over this period.

Effective engagement with the funder market is important to ensure the continued favour of Mediclinic as a first choice provider of hospital services. Engagement and negotiations with funders are conducted in a fair and transparent manner. Much of this is reliant on data collection, mining and reporting as it facilitates a factual understanding of funder expenditure. Funders increasingly face affordability constraints due to, among other things, medical inflation, deteriorating member risk profiles, aging membership and legislative constraints. Funders are progressively looking to utilisation management and provider networks to address affordability concerns, and Mediclinic is investing resources and time in such initiatives going forward, including implementation of B2B (which encompasses the electronic case

management interface, direct, real-time claims submission and electronic remittance advice). EDI for guaranteed claims submission and faster payment turnaround in the interests of passing back gains and containing the medical inflation. In managing utilisation funders have progressively employed a strategy of implementing provider networks. Many have employed sophisticated data systems to consolidate all associated independent costs of an event, i.e. consider the professional fees, radiology and pathology, in addition to the hospital costs, into a comparable cost per event ("CPE") and with this information devise a cost-efficient network of hospitals. In many instances, Mediclinic Southern Africa has performed well in this framework in the period under review, and deployed resources to actively develop and enhance its performance in this area with a view to further position the group as the provider of choice to the funders.

Mediclinic continues to participate in the collaborative market research done by the CMS Industry Technical Advisory Panel ("ITAP") founded in 2012. One of ITAP's key projects is to analyse the drivers of inflation in medical scheme contributions. ITAP has found the increase in utilisation of healthcare services to be a significant component of medical inflation. The rise in the utilisation of healthcare is attributable to the deterioration in the health profile of the medical scheme population, which is seen in the growing prevalence of chronic diseases among beneficiaries of medical schemes. ITAP has also been working in collaboration with HASA towards standardising the definitions used to measure hospital utilisation to ensure that the data published in the CMS annual report is more accurate than it has been in previous years. Credible utilisation data is imperative for monitoring trends and to understand the source of changes in utilisation patterns. This data will also allow stakeholders to calculate the impact of changes in utilisation on healthcare inflation and will allow for better governance of the industry.

Switzerland

Hirslanden has contracted with 80 funders relating to tariff determination. These contracts cover about 95% of all admissions, with the remaining 5% being self-payers. During the group's regular engagement with funders, the quality of care, infrastructure, differentiation in non-medical services relating to insurance classes and increased efficiency are raised as important issues.

UAF

Several major healthcare funding regulatory changes were introduced during 2014 in Dubai. The most significant regulatory announcement was published in the media on 6 November 2014, when the Dubai Health Authority ("DHA") revealed that provider price increases for 2015 would be capped at the then current consumer price inflation rate. Furthermore,

the DHA would determine whether a provider is entitled to an increase based on a number of indefinite criteria, many of them linked to e-Health compliance. A policy directive was published soon after, and although clear timelines were announced, the process remained unclear. Mediclinic Middle East contested this process with the DHA, while remaining supportive of the government's intentions. On 18 December 2014, the DHA approved the maximum allowable tariff increase, which is equal to the published inflation figure, for Mediclinic Middle East. This late announcement meant that a short time was available to complete funder contracting before the tariff rollout on 1 January 2015. This had a further impact on the debtors book, since most funders were only able to update their systems with the adjusted tariffs late into January 2015.

In mid-December 2014, the DHA issued a further policy directive setting out the process for developing a healthcare provider price regulation model during 2015. The process began during February 2015, and Mediclinic Middle East is represented on the DHA's formal industry engagement committee.

Regardless of the tumultuous funding environment, Mediclinic Middle East was able to strengthen its position in the market and saw significant volume growth from all notable funders.

With the assistance of Mediclinic International's Clinical Department, Mediclinic Middle East's data warehouse was developed and refined within six months. The ready availability of quality data is of great value to the business, both for internal planning purposes and external reporting. Mediclinic Middle East is now in a position to engage with funders on a more sophisticated level in terms of financial, clinical and utilisation analyses.

MANAGING THE SUPPLY CHAIN

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. Regular meetings are held with suppliers to ensure continuity of service. The Group relies on its suppliers to deliver products and services of the highest quality in line with Mediclinic's 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 BBBEE status of a supplier is also a factor in the selection process. An enterprise and supplier development

strategy specific to procurement is being developed in South Africa to enhance BBBEE reporting.

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 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. Hirslanden's central logistics platform (Zenlop), which is now in full operation, will help to increase the portion of direct imports on a more cost-effective basis and the distribution to the hospitals based on their daily needs. In Dubai 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, the potential of possible 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. Since the appointment of the Group Procurement Executive in 2013, the international procurement initiatives have gained momentum, which include:

- better prices through pooling of capital equipment purchases across the three platforms;
- volume bonus agreements with key capital equipment suppliers; and
- direct importing and distribution of more costeffective surgical and consumable products.

The Group is implementing its strategy to rationalise the number of suppliers to enable growth with selected key partners and thereby strengthen negotiations.

International consolidated data comparisons and spend pattern analysis remain a key driver of international procurement. Mediclinic is implementing an information management strategy to support the key strategic objective of international procurement.

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.

Annual Supplier of the Year award ceremonies are established in Southern Africa and the UAE, recognising the important role of suppliers in the Group's business and honouring their service excellence

Southern Africa

Formal and uniform procurement processes apply with regard to tenders, contracting and preferred supplier agreements to promote a transparent procurement process and the application of sound supplier selection criteria. Mediclinic Southern Africa completed the process of encapsulating the full spectrum of procurement services, consisting of pharmaceutical, capital and support services into one department from April 2015. A fully supportive function was established in this new procurement department. The focus is to drive standardisation of the procurement systems, efficiency, service delivery and cost savings. The electronic tender system that previously focused on pharmaceutical products (excluding medicine) was expanded to other procurement projects within the greater department. This system allows for more accurate tender scoring and promotes transparency in the procurement process.

Switzerland

A transparent procurement process from planning, tenders, contracting and order process is in place. The full spectrum of procurement (pharmaceutical. capital and support services) is coordinated by one department. The interaction and cooperation with preferred suppliers have been increased. This resulted in better services and support. The standardisation process with the establishment of expert boards is proving successful in terms of the reduction in the number of parts and better procurement conditions.

The ability to import, store and distribute products effectively is a crucial enabler for the procurement initiatives. A central warehousing and logistics project has been completed in Hirslanden which is providing access to additional supply chains and improving negotiations with suppliers.

UAE

Mediclinic Middle East also facilitates interaction between suppliers and doctors by offering suppliers the opportunity to co-host CME (continuous medical education) events. Mediclinic Middle East maintains high levels of communication and professional working relationships by formalising its supplier evaluations in a detailed and structured manner.

The Federal Ministry of Health regulates the profit margins on local registered medication by centrally controlling the cost price and selling price of medication. Mediclinic Middle East's central medical store serves as a central logistics platform for the operational units and supplies them with their daily medical material and medication needs. The centralised store realises efficiencies and savings in overall inventory, staffing and processes related to the supply chain in Dubai. The medical store has commenced with and will further explore import opportunities and medical agencies for the Middle East operations.

Mediclinic Middle East procurement operations align with the Group's international procurement initiatives to ensure that international projects get the best cost-saving outcomes through local participation.

PUBLIC PRIVATE INITIATIVES

The Group believes that public private initiatives with government may play a meaningful role in increasing access to affordable quality healthcare services. It also believes that such initiatives would involve the private hospital sector's core competencies, namely the delivery of quality healthcare and management services. It continues to look for meaningful opportunities for participation. Some examples of successful joint initiatives are included below.

Southern Africa

Western Cape Department of Health The partnership agreement implemented with the Western Cape Department of Health, in terms of which Mediclinic Southern Africa assists the department to train operating department assistants, continues and is seen as a long-term initiative.

Wits Donald Gordon Medical Centre One of the more established partnerships is with the Wits Donald Gordon Medical Centre ("WDGMC"), in which the group holds a 49.9% equity interest. This significant partnership with the public sector is designed to support the training of specialists and sub-specialists for both public and private sectors, and to make the best clinical staff available to the Johannesburg academic hospitals. The academic programme of the hospital is functioning well and the hospital currently financially supports various specialist and sub-specialist posts. The management services by Mediclinic Southern Africa have added significant value to the operations of the hospital with improved occupancy levels. The hospital focuses on specialised services and the transplant programme, Colorectal Unit, Hepatobiliary Unit, Women's Health Unit, Intensive Care Unit, Geriatric Unit, Endovascular Unit and Oncology Unit can be described as centres of excellence.

Public Health Enhancement Fund

Mediclinic Southern Africa and other leading private healthcare companies formed a social compact for health improvement with the National Department of Health, which led to the establishment of the Public Health Enhancement Fund ("PHEF") in 2013. The PHEF is a non-profit organisation that has committed to investing a fixed annual sum to develop and strengthen South Africa's healthcare system. Mediclinic Southern Africa has committed to contribute 0.75% of its net profit after tax to this fund annually and has contributed R9.0m (2014: R8.4m) during the year. The funds raised by the PHEF will be used to assist government to:

- expand the intake of medical students;
- support post-graduate students pursuing healthrelated studies;
- build additional capacity in the management of tuberculosis ("TB"), HIV and AIDS; and
- provide support to the Leadership and Management Academy for Health.

Switzerland

Männedorf Hospital

Since April 2014, the Hirslanden Männedorf Institute of Radiotherapy at the cantonal hospital in Männedorf offers comprehensive radiation treatment. The centre is equipped with a TrueBeam linear accelerator, four conventional linear accelerators, a Cyberknife and equipment for brachytherapy and operative radiation, making it one of the largest radiotherapy centres in Switzerland. The centre is run by specialist personnel and doctors of Klinik Hirslanden and complements Männedorf Hospital's range of services in oncology and surgery.

University Hospital Zurich

The Klinik Hirslanden in Zurich cooperates with the University Hospital Zurich in the area of intra-operative radiation therapy with the Intrabeam System. The "Intrabeam System" allows intraoperative radiation in the case of breast cancer treatment. The partnership for the "Intrabeam System" is between the breast cancer centre of Klinik Hirslanden in Zurich and the Department of Gynaecology at the University Hospital Zurich.

Cantonal Hospital Aarau

Since May 2014, Hirslanden Klinik Aarau and the Cantonal Hospital Aarau cooperate in the field of heart medicine, namely heart surgery and cardiology. Since December 2014, the hospitals also cooperate in the field of neurosurgery. The partnership focuses on complex brain tumour surgery, subcranial surgery, cerebral vessel surgery, interventional neuroradiology and immediate stroke treatment.

UAE

Medical tourism

Mediclinic Middle East is supporting Dubai Health Authority ("DHA") and Dubai Healthcare City ("DHCC") in its initiative to promote Dubai as a hub for medical tourism. Mediclinic City Hospital participated in collaboration with the DHA at the World Health Tourism Congress in Dubai in October 2014. Mediclinic Middle East also supported DHCC in a major international campaign on CNN to create global awareness of its services. It has been decided that Mediclinic Dubai Mall will lead the group in delivering medical tourism services.

Dubai Health Authority

Mediclinic Middle East is also supporting the DHA in its aims to adopt a regulated tariff structure based on DRGs and eradicate unethical behaviour with initiatives such as e-Prescription. Mediclinic Middle East became fully compliant with e-Prescription in March 2015

Government hospitals

Mediclinic Welcare Hospital has entered into agreements with Latifa Hospital and Rashid Hospital to admit patients from these government hospitals when their facilities are filled to capacity. Mediclinic Welcare Hospital is also part of the UAE disaster plan and is ready to participate when asked by the disaster centre based at Rashid Hospital.

Government taskforces

Members of the clinical education team of the group's Learning and Development Department participate in the specialisation committee and sub-committees of the UAE Nursing and Midwifery Council, which was founded under the patronage of Her Highness Princess Haya. The Nursing Directorate at the group's hospitals is also involved in this.

Mediclinic Middle East is also represented through the Learning and Development Department on the committee of the Al Maktoum Medical Library, Dubai Healthcare City.

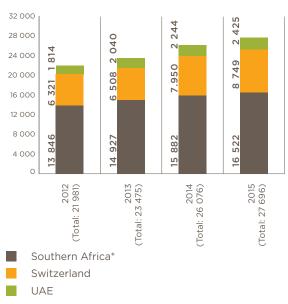
HUMAN CAPITAL

EMPLOYEE COMPOSITION AND

TURNOVER RATE

The success of Mediclinic is dependent on the commitment of its employees to deliver quality healthcare. The overall composition of the Group's employees, as well the composition according to gender and age, is illustrated in Figure 13 to Figure 15. The racial distribution of Mediclinic Southern Africa's employees is illustrated in Figure 11.

FIGURE 13: WORKFORCE COMPOSITION



The 2012 and 2013 employee numbers of Mediclinic Southern Africa are not comparable to the employee numbers since 2014, which now also include the employees of ER24, a wholly-owned subsidiary (previously excluded).

FIGURE 14: WORKFORCE COMPOSITION BY GENDER

	201	2012		3	201	4	201	5
	Number	%	Number	%	Number	%	Number	%
Southern Africa*								
Female	11 747	84.84	12 461	81.99	12 942	81.49	13 455	81.44
Male	2 099	15.16	2 737	18.01	2 940	18.51	3 067	18.56
Switzerland								
Female	4 984	78.85	5 117	78.63	6 030	75.85	6 749	77.14
Male	1 337	21.15	1 391	21.37	1 920	24.15	2 000	22.86
UAE								
Female	1 027	56.62	1 180	57.84	1 310	58.38	1 4 4 2	59.46
Male	787	43.38	860	42.16	934	41.62	983	40.54

FIGURE 15: WORKFORCE COMPOSITION BY AGE

	2012		201	3	201	4	2015		
	Number	%	Number	%	Number	%	Number	%	
Southern Africa*									
< 30 years	2 977	21.50	3 295	22.07	3 431	21.60	3 406	20.61	
30 - 50 years	7 956	57.46	8 858	59.34	9 557	60.18	10 130	61.31	
> 50 years	2 913	21.04	2 774	18.58	2 894	18.22	2 986	18.07	
Switzerland									
< 30 years	1 2 3 3	19.51	1 121	18.73	1929	24.26	2 378	27.18	
30 - 50 years	3 681	58.23	3 491	58.34	4 407	55.43	4 531	51.79	
> 50 years	1 407	22.26	1 372	22.93	1 614	20.30	1840	21.03	
UAE									
< 30 years	410	22.60	432	21.18	441	19.65	458	18.89	
30 - 50 years	1 2 3 3	67.97	1404	68.82	1 570	69.96	1 703	70.22	
> 50 years	171	9.43	204	10.00	233	10.38	264	10.89	

^{*} The 2012 and 2013 age and gender distribution of the Mediclinic Southern Africa employees in Figure 14 and Figure 15 are not comparable to the employee numbers since 2014, which now also include the employees of ER24, a wholly-owned subsidiary (previously excluded).

The number of new employees compared to the number of employees leaving the Group's employ during the year under review is included in Figure 16. The overall employee turnover rate, as well as the turnover rate by age group and gender per operating platform, is provided in Figure 17 to Figure 19. The turnover rates are calculated using the number of employees that left the employ during

the year under review divided by the total employee numbers at year end. With the increased shortage of qualified staff, there is increased competition in the market place for quality staff. In this regard emphasis is placed on retention and employee training. An employee discharge management process is in place to monitor the reasons for staff turnover.

FIGURE 16: NEW EMPLOYEES VS EMPLOYEE TERMINATIONS

	2013	2014	2015
	Number	Number	Number
Southern Africa			
New employees	2 657	2 681	2 767
Employee terminations	1 452	1 451	1 196
Switzerland			
New employees	1 270	1 596	2 093
Employee terminations	982	1108	1 185
UAE			
New employees	417	427	460
Employee terminations	193	226	277

FIGURE 17: OVERALL EMPLOYEE TURNOVER RATE



FIGURE 18: EMPLOYEE TURNOVER RATE BY AGE

SOUTHERN AFRICA* **SWITZERLAND** UAE 16 28.0 20.6% 16.1% 11.9% 18.00 10.6% 11.2% 4.5% 9.9% 10.0% 5.87% ..99% 7.2% 5.6% 2 % % 8 % %%% %%% 8%% %%% % % % 2 % % 8 % % 2%% 13. 15. 13. E ∞ .e. . 1. ± 4. 14 24.5 15.75 12 21.0 13.50 10 17.5 11.25 8 14.0 9.00 6 10.5 6.75 4 7.0 4 50 3.5 2 2.25 0.00 2012 2013 2015 2012 2012 < 30 < 30 < 30 30 - 50 30 - 50 30 - 50 > 50 > 50 > 50

The 2012 and 2013 employee turnover rates of Mediclinic Southern Africa reported in Figure 17 to Figure 19 are not comparable to the 2014 and 2015 employee numbers, which now also include the employees of ER24, a wholly-owned subsidiary (previously excluded).



The 2012 and 2013 employee turnover rates of Mediclinic Southern Africa reported in Figure 17 to Figure 19 are not comparable to the 2014 and 2015 employee numbers, which now also include the employees of ER24, a wholly-owned subsidiary (previously excluded).

LABOUR RELATIONS AND WORKING CONDITIONS

The Group believes in building sound longterm relations with its employees and employee representatives, which supports its goal of being the employer of choice in the healthcare industry. This is measured by regular employee satisfaction surveys and continuous assessment of the Group's employment conditions.

The Group respects and complies with the labour legislation in the countries in which it has operations, and ensures that the internal policies and procedures are evaluated regularly to accommodate continual amendments to relevant legislation. The Group continuously strives to ensure that all its employees are informed of their benefits, and this information is communicated to staff via the intranet, staff newsletters, staff consultation meetings and various other forms of communication media referred to in the section in this report dealing with engagement



Mediclinic Southern Africa's trade union membership continued to decline, with 11.31% of its South African employees and 11.16% of its Namibian employees covered by collective bargaining agreements. Mediclinic Southern Africa has recognition agreements in place with all trade unions that have sufficient representation at locality level. Where unions enjoy collective bargaining rights at a locality, salary negotiations are initiated in May annually.

During the annual wage negotiation process for the year, annual salary negotiations were held at 10 of the group's hospitals. Two unions declared a dispute at two localities, while the remaining eight settled on the proposed salary increase, based on the Mediclinic remuneration principles. The two disputes were resolved amicably and no industrial action was initiated by the respective unions. No strike action was experienced over the past six years at any of the localities where wages are negotiated.

Mediclinic has a formalised policy and guidelines to be implemented in the event of any workplace disruption through strikes or other industrial action to ensure that minimal disruption takes place at a locality. Many hospitals have little or no union representation and an elected workplace forum meets with management on a regular basis to ensure sound labour relations at hospital level.

Hirslanden has no trade union membership by employees. Trade unions are not permitted in the UAE by law and therefore there is no trade union membership among Mediclinic Middle East employees.

The Group strives to create a pleasant working environment by offering, inter alia, family-friendly benefits. Mediclinic Southern Africa and Hirslanden offer flexi-time to certain employee categories; some facilities have childcare facilities and maternity benefits exceed the minimum statutory requirements. The Group recognises the role it has



to play towards employee wellness and believes in promoting employee health and reducing absenteeism, as referred to in the section of this report dealing with health and safety at work.

The employee relations policies of the operating platforms, which deal with matters relating to misconduct, incapacity of employees and the disciplinary and grievance procedures, are communicated to new employees as part of their onboarding process and are also available to all staff to ensure that employees are aware of the avenues to put forward grievances, should they have the need to. Mediclinic Southern Africa communicates its Employee Relations Policy by way of structured training workshops for all line managers.

The minimum notice period for significant operational changes, as provided in the employment contracts, is one month in Southern Africa, three months in Switzerland, and in the UAE it is three months for doctors, nurses and other clinical staff and managers and two months for administrative staff.

PERFORMANCE MANAGEMENT

Employee performance reviews are conducted throughout the Group. It provides an opportunity for employees and line managers to identify areas for improvement and training needs, recognising good performance and promoting opportunities for career development, and contributing to a contented workforce. This process aims to translate the organisational strategic goals to individual employee objectives, activities and deliverables, and provides all employees with an opportunity to identify their training and development needs.

In Mediclinic Southern Africa employees receive formal performance reviews twice annually. During the year, 99.6% of employees received formal performance reviews. Mediclinic Southern Africa plans to further enhance the process during the year ahead through training of existing and new line managers on conducting career conversations and performance coaching techniques.

In Hirslanden and Mediclinic Middle East 100% of employees received formal performance reviews during the year.

EMPLOYEE RECRUITMENT, RETENTION AND REMUNERATION

Together with the Group's retention and training strategies, the recruitment of the right calibre of personnel is vital to deliver on Mediclinic's commitment to quality. The Group acknowledges that the ability to recruit and retain skilled staff is a critical factor in ensuring the sustainable performance of the Group in the intensely

competitive and dynamic business environment in which it operates. Some examples of the Group's initiatives to retain staff include:

- maintaining a pleasant working environment, with leadership that acts with honesty and integrity;
- providing training and development opportunities for both clinical and non-clinical staff;
- following fair management practices;
- remunerating employees competitively, offering family-friendly benefits and incentivising performance through bonus schemes; and
- communicating with staff and involving them in the day-to-day business decisions.

The Group offers market-related salaries and benefits to its employees, based on the principles of internal equity, external equity and affordability in accordance with the Group's Remuneration Policy as dealt with in the **Remuneration Report** included in the integrated annual report.



Mediclinic's Remuneration and Nominations Committee is responsible for, inter alia, determining the governance of remuneration matters, the Group Remuneration Policy and the remuneration of executive directors and senior managers, as well as the compensation of non-executive directors, which is ultimately approved by the shareholders. Details on the mandate, composition of and attendance at meetings held by the Remuneration and Nominations Committee are set out in the Corporate Governance Report, included in integrated annual report.



The Group's operating platforms participate regularly in salary surveys to provide management with a reference for evaluating its current remuneration packages. Remuneration is based on the employee's qualifications, expertise, experience and job level, with no discrimination based on gender or other forms of differentiation. The minimum wages, as determined in the geographic areas of operation, are not regarded by the Group as a relevant benchmark, as the remuneration of the Group's employees exceeds these minimum wage requirements. No differentiation is made in the basic salary offered to men compared to that offered to women throughout the Group.

The Group offers membership to a defined contribution fund for the benefit of its Mediclinic Southern Africa employees and a defined benefit fund for its Hirslanden employees, the assets of which are held in separate trustee-administered funds and 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

FIGURE 20: BENEFITS OFFERED TO PERMANENT EMPLOYEES

Benefit description	Southern Africa	Switzerland	UAE
Retirement fund (which includes life and disability insurance, funeral cover, pension-backed home loans)	V	√	X*
Medical aid scheme	√	√	√
Performance-related incentives and bonuses	√	√	√
Nursing bonus for nursing staff and retention bonus for pharmacists (applicable in Southern Africa due to local shortage)	√	n/a	n/a
Mpilo employee share scheme (introduced as part of BBBEE within Southern Africa)	√	n/a	n/a
Indemnity cover/liability insurance for nursing/medical staff	√	√	√

The retirement benefits offered to employees of Mediclinic Middle East are governed by law, as reported above. Mediclinic Middle East offers death and disability cover to all its employees.

periods. The Group's contribution to these plans is charged to the income statement in the year to which they relate. In Southern Africa the employee contribution ranges from 5% to 7.5%, while the employer contribution ranges between 6% and 9%. In Switzerland the employee contribution ranges from 6.5% to 15.5%, while the employer contribution ranges between 9.5% and 15.5%. The retirement benefits of expatriate employees of Mediclinic Middle East in the UAE are limited by federal law to the provision of severance pay calculated according to a specified formula. Employees who are UAE nationals are entitled to enrol in the national pension scheme. A total contribution of 20% of the pensionable salary is required for every UAE national employed in the company, with the employee contributing 5%, the employer 12.5% and government 2.5%.

Employee benefits and the value they add to the overall employment proposition are key factors in attracting and retaining high-calibre staff. Details of benefits offered to permanent employees per operating platform are included in Figure 20. Various other benefits are offered throughout

the Group, such as uniform subsidies, loans. administrative assistance with housing and vehicle financing and insurance, and free financial wellness assistance. Hirslanden also offers a family-friendly "home office" benefit in terms whereof certain categories of employees, especially scare resource categories, may perform 20% to 40% of their duties at home. In Hirslanden, temporary employees do not have access to the medical aid scheme.

All three platforms participated in the first Group Talent Review completed in 2014. This was a significant achievement to reach truly integrated succession planning on senior and executive management level based on standardised methodology and tools. This opens the door to integrated cross-platform development initiatives that will be implemented during 2015.

The return to work retention rate of female employees after maternity leave is reported in Figure 21. The retention rates of male employees are not provided as male employees are only entitled to three days paternity leave.

FIGURE 21: RETURN TO WORK AFTER MATERNITY LEAVE RETENTION RATES

		2014			2015	
	Number of employees on maternity leave	Number of employees that returned to work	Retention rate	Number of employees on maternity leave	Number of employees that returned to work	Retention rate
Southern Africa	640	618	97%	681	649	95%
Switzerland	242	194	80%	288	218	76%
UAE	73	66	90%	84	74	88%

Southern Africa

The focus on the sourcing of nursing and pharmacy professionals remains a high priority for the business. The retention of staff is also closely monitored and actively managed to understand the reasons for turnover in the respective categories. Figure 22 illustrates the vacancy status of critical staff categories as at year end, which remained unchanged compared to the previous period. Agency staff is used, where needed, to fill vacancies to ensure the continued effective operation of the Group's hospitals.

FIGURE 22: VACANCY STATUS OF CRITICAL STAFF CATEGORIES

	Percenta	ge vacant
	South Africa	Namibia
Senior professional nurses	16	-
Professional nurses	18	11
Enrolled nurses	23	13
Pharmacists	10	40

The talent strategy supporting the attraction and retention of scarce skills is continuously being reviewed to ensure an agile approach that enables the business to utilise relevant opportunities to build and maintain the scarce skills talent pools in areas of need. Active monitoring of the success of the strategy as well as careful analysis and interpretation of past patterns/trends play an important role to anticipate and act on all internal and external factors that impact the supply, sourcing, appointment and retention of these scarce skills. This strategy encourages active collaboration with employees as well as regular communication with talent in the external scarce skills talent pools through individual contact or networking at relevant events.

Even though the skills shortages will remain a reality in the South African labour market in many of the geographical areas, the above approach have yielded favourable results. The group constantly strives to proactively address these challenges from various perspectives, such as sourcing, development, succession and remuneration, to ensure an integrated solution to this multi-faceted challenge. All geographical areas in Southern Africa are now covered by recruitment specialist support.

A few significant initiatives within the group that support the recruitment and retention of scarce skills, as well as initiatives supporting organisational effectiveness in general, are provided below:

- The group successfully implemented new e-recruitment technology during the course of 2014 that enables proactive and dynamic pool segmentation that is essential in the planning and execution of the talent strategy. The new technology has added much more functionality to recruiters in the sense that it facilitates effective candidate communication and provides a much better reach through social media and other relevant media supporting the group in delivering cost-effective placements.
- A key focus of the group's Best Practice Talent Acquisition Model is to provide all candidates, both successful and unsuccessful, with a positive experience when engaging with Mediclinic in a talent acquisition context. Continued emphasis will be placed on reducing time-to-hire to ensure first mover advantage in the scarce skills recruitment context and to enhance the candidate experience within the process.
- The proactive focus on the attraction and recruitment of pharmacists during the year resulted in the successful placement of many pharmacist professionals. The turnover of pharmacists remained stable compared to the previous year. There will, however, be a continued focus in the next year to proactively build this pool through various initiatives.
- Special care is taken to continuously optimise the recruitment and selection process. For this reason, Mediclinic Southern Africa has embarked on research to understand any challenges that the relevant business stakeholders may experience in this process. Meaningful results have been obtained through this process and specific initiatives are planned to address process challenges in support of effective collaboration within the process.
- Employer branding initiatives have been planned carefully after reviewing current business metrics and challenges and Mediclinic Southern Africa will continue to have a well-planned presence at relevant industry events.
- The foreign recruitment programme, recruiting registered nurses from India, continues to alleviate the critical skills and nurse shortage. There are currently 245 (2014: 241) professional nurses from India employed on a general work permit at 23 hospitals within the group. A group of 16 nurses are expected to arrive, on a critical skills work permit, during the year ahead. A further group of 130 nurses from India are to write the South African Nursing Council examination; these nurses are expected to arrive in the latter half of the year ahead.

- Organisational Development and Talent Management resources have been assigned as priority resources to support the implementation of the Organisational Alignment Programme as well as dedicated retention initiatives during the year.
- Mediclinic Southern Africa made a significant investment during 2014 to support priority hospitals in the compilation and implementation of a proactive retention plan that supports the needs of each business unit. These hospitals will continue to receive priority support from the Corporate Office in the implementation of these plans. The return on this investment will be seen over the longer term and is envisaged to support these hospitals in being the employer of choice within their respective geographic regions. It is foreseen that these initiatives will be rolled out further to the rest of the hospitals during 2015.
- The group's competency framework was revised to ensure alignment with the changing business environment. This forms the basis of the learning architecture being developed to guide learning and development to the appropriate level of competence required.
- The group's training initiatives contribute significantly towards reducing the skills shortages, as further dealt with in this report in the section dealing with training and skills development.



Healthcare in Europe is also challenged by a significant shortage of nurses. Hirslanden aims to retain employees with low turnover rates and long-lasting employment. A few examples of the recruitment, retention and training initiatives implemented by the group to address the nurse shortage are provided below:

- The group aims to be an employer of choice in the healthcare industry with modern working conditions and participates more regularly in healthcare exhibitions to strengthen its presence in the job market.
- Hirslanden has commenced with the recruitment of nurses from Germany and Austria in specific projects to address the nurse shortage.
- Regular employee satisfaction surveys are conducted, the results of which are used as a basis for focused organisational development projects. The results of the latest survey conducted in 2012 showed an overall satisfaction level of 7.5 (on a scale of 1 to 10). The next survey is planned for 2015.
- Centres of Expertise specialising in remuneration and employer branding were introduced.

- The implementation of absence management enables Hirslanden to increase the attendance rate of employees and to recognise problem situations promptly.
- Hirslanden's engagement in the training and education of medical staff is continuously expanded.
- A leadership talent management process was implemented to enhance the identification of leadership potential and the development of leadership.
- In support of retention strategy, an exit monitoring process was implemented in 2014.

UAE

The shortage of available skills in the local labour market is a recruitment challenge at Mediclinic Middle East, especially in specific doctor, nursing, midwifery and senior management positions. This is addressed through various recruitment strategies such as active marketing of the group's career portal, recruitment open days, subscription to recruitment portals, agreements with local and international recruitment agencies, and use of social media platforms such as Facebook and LinkedIn.

Mediclinic Middle East's other strategies for staff retention include:

- providing competitive compensation and benefits;
- efficient recruitment approaches consistent with promoting Mediclinic Middle East as an employer of choice;
- formal on-boarding programme that promotes employee engagement and mentoring programmes to ensure that new employees are given training and supervision to facilitate a smooth transition into their new working
- provision of continuous education and training opportunities to all staff;
- comprehensive policy and procedures on performance management;
- availability of communication channels to enable staff to express concerns and make suggestions;
- employee recognition programmes for long service: and
- annual employee engagement/satisfaction surveys.

The results of the annual employee satisfaction survey conducted in 2014 showed an overall employee satisfaction score of 81%, compared to 77% in the previous year.



DIVERSITY AND EQUAL **OPPORTUNITIES**

Mediclinic is committed to non-discriminatory treatment in all its employment practices. The Group's employment policies, including hiring, training, working conditions, compensation and benefits, promotion, termination and retirement, are based on individual qualifications, performance, skills and experience. Employees are treated equally, irrespective of gender, age, sexual orientation, disability or other status unrelated to performing the job. The nature of the healthcare industry leans towards a female-orientated environment, which results in a disproportionate representation in relation to gender.



Mediclinic Southern Africa's focus on diversity and employment equity, in line with the group's overall transformation objectives, is dealt with in the employment equity section of this report. Hirslanden and Mediclinic Middle East also focus on employment equity matters in respect of gender, and their overall gender and age distribution is set out in Figure 14 and Figure 15. The representation on the main governance bodies of Mediclinic and its operating platforms is illustrated in Figure 23.



Due to the unique circumstances that apply in each of the operating platforms, the Group does not have a uniform approach towards local hiring. In Southern Africa and Switzerland, the Group is committed to providing employment and development opportunities to citizens of the country (or countries of the EU-25 in the case of Switzerland) in which the business unit is located, and employment of a foreign national will only be considered where no suitable local candidates with permanent residence can be found. In Southern Africa. However, a foreign recruitment drive is in place due to the critical skills and nurse shortage, with Mediclinic Southern Africa employing 245 nurses from India

in 23 South African hospitals. In terms of Mediclinic Southern Africa's policy governing the employment of non-South African permanent residents within its locations of operation, the employment of non-South African permanent residents is only considered for critical skills candidates where a South African permanent resident cannot be sourced following external advertising.

In Dubai, the majority of employees are not UAE nationals and the workforce is represented by 72 nationalities. However, Mediclinic Middle East supports the government's Emiratisation programme, which aims to see its citizens employed in a meaningful and efficient manner. Attracting UAE nationals to work in the private healthcare sector has been a challenge since Mediclinic Middle East started its Emiratisation campaign in 2007. The group's strategy is therefore to focus on training and education. Mediclinic Middle East offers support to the UAE's Emiratisation programme by participating in the Majid Bin Mohammed UAE National Training Initiative. The programme involves offering a three-month coaching programme to selected UAE nationals where they are assigned in specific areas, such as human resources, patient administration, information technology and marketing, and from there offer suitable positions within the group whenever possible. Mediclinic Middle East has also been invited by the Dubai Healthcare City to partner with them in their support of Tanmia, the National Human Resource Development and Employment Authority, in order to help increase the number of Emiratis working in the healthcare sector. One UAE national also serves on Mediclinic Middle East's senior management team that consists of 13 members.

During the year, no material incidents of discrimination were observed or reported throughout the Group.

FIGURE 23: RACE AND GENDER REPRESENTATION ON GOVERNANCE BODIES

	Total number of		Race Gender						Age				
		Bla	ick	Wh	nite	Ma	ale	Fen	nale	30 - 5	0 yrs	> 50) yrs
	members	Nr	%	Nr	%	Nr	%	Nr	%	Nr	%	Nr	%
Mediclinic International Board	15	3	20%	12	80%	14	93%	1	7%	2	13%	13	87%
Mediclinic International Executive Committee	8	-	-	8	100%	8	100%	-	-	2	25%	6	75%
Mediclinic Southern Africa Executive Committee	10	3	30%	7	70%	9	90%	1	10%	6	60%	4	40%
Hirslanden Executive Committee	5	n/a	n/a	n/a	n/a	5	100%	-	-	4	80%	1	20%
Mediclinic Middle East Executive Management	2	n/a	n/a	n/a	n/a	1	50%	1	50%	2	100%	_	_

HEALTH AND SAFETY AT WORK

Health and safety policies and procedures are in place across the Group to ensure a safe working environment for the Group's employees, patients and its visitors. The health and safety of the Group's employees are essential and contribute to the sustainability of quality care to patients. The programmes and procedures implemented by the various business units to mitigate health and safety risks are outlined below.

During the year, there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes applicable to the Group, with no significant fines being imposed, concerning the health and safety impact of the group's services.

Health and safety committees

All Mediclinic Southern Africa's facilities have health and safety committees which represent all the employees in the facilities, with joint managementworker representation. The committees have over 75% workforce representation.

Mediclinic Middle East's health and safety committees were renamed as the Facility Management and Safety Committees during the reporting period. The committees operate at three different levels: group, facility and operational, which ensures that the strategy set for the group is implemented effectively within the units. Health and safety now falls under the responsibility of the group engineering manager with support from the engineering managers at each of the facilities. The committees at both hospitals have 75% worker representation.

Hirslanden's health and safety processes, covering all facilities, are managed by the respective human resources departments, which are responsible for enforcing all legal regulations regarding employer healthcare and safety by means of suitable measures at group level and locally in hospitals.

Injuries and absenteeism The Group's statistics on injuries and absenteeism are provided in Figure 24.

FIGURE 24: INJURIES AND ABSENTEEISM

	2017	Southern Africa			Switzerland	d	UAE		
	2013	2014	2015	2013	2014	2015	2013	2014	2015
Total workforce at year end	14 927	15 882	16 522	6 508	7 950	8 749	2 040	2 244	2 425
Total work-related injuries*	977	857	910	362	509	544	53	40	62
Absenteeism due to injuries business days and including the day of the injury)	2 833	2 291	2 676	Not available	Not available	Not available	0	2	6
Occupational diseases	4	12	5	0	0	0	0	0	0
Work-related fatalities	0	0	0	0	0	0	0	0	0
Total absenteeism due to injuries and sickness (days)	119 307	109 059	104 819	42 179	50 862	61 403	5 868	6 344	7 328
Total absenteeism rate factual days lost, expressed as a percentage of total days scheduled to be worked by the workforce during the reporting period)	2.46%	2.60%	2.59%	2.83%	3.28%	3.69%	1.1%	1.14%	1.21%

All work-related injuries are included, including first-aid level injuries.

Health assessments, training and programmes

The Group recognises the role it has to play towards employee wellness and believes in promoting employee health and reducing absenteeism.

Southern Africa

Mediclinic Southern Africa's Executive: Infrastructure is responsible for occupational safety and the General Manager: Human Resource Operations is responsible for occupational health. The group's Employee Wellness Programme places emphasis on occupational health and safety, employee health management and employee social wellness management.

 Occupational health and safety: INCON Health, the company's wellness service provider, offers a comprehensive administration service regarding all aspects of the Compensation for Occupational Injuries and Diseases Act (COIDA). INCON Health further provides all localities with full support regarding the administration process, required documentation and correspondence with the Compensation Commissioner in terms of all COIDA claims.

Annual health and safety audits are conducted by Mediclinic Southern Africa to monitor the functioning of the health and safety committees and verify the competence of the responsible staff members. Mediclinic maintains a legal register to ensure that all relevant legislation, regulations and national standards applicable to the healthcare industry are adhered to. An annual hygiene survey is conducted to ensure compliance with the applicable healthcare benchmarks.

Health and Safety Representative courses were attended by 63 employees during the reporting period.

• Employee physical health management: Mediclinic values the physical health of its employees and strives to promote a healthy lifestyle within the company. The group's Employee Relations Department implemented new wellness policies during the year to support employees through various employee health management programmes. The company supports employee health by way of a dedicated medical employee assistance programme ("EAP"). The aim of the EAP is to reduce absenteeism of employees and ensure their swift recovery and return to work after they have been diagnosed with a medical condition. The company's medical EAP further plays a pivotal role in conducting health promotion activities, early identification of health problems, referral to outside wellness services, support to employees affected by ill health and assisting employees during times of rehabilitation.

• Employee social wellness management: Supporting the social well-being of employees includes the promotion of self-esteem, optimistic behaviour and resilience against problems prompted by stress such as financial problems, substance addictions, abusive relationships and harassment. All employees have access to a dedicated social EAP. The company's social EAP includes a free helpline and provides employees with a confidential counselling service to address personal or work-related problems directly with a social worker or referred specialist.

Switzerland

Hirslanden complies with the guidelines of the EKAS, the Swiss coordination agency for workplace safety. Specific procedures to ensure safety at work include the review of all employees for sufficient protection against Hepatitis B. with vaccination sponsored by Hirslanden. Furthermore, annual flu vaccinations are offered to all employees. Due to the high risk of infections, accidents with knives or needles are reported with high priority and analysed periodically.

Policies and procedures to ensure compliance with health and safety rules and regulations, such as facilities management and safety, prevention and control of infection and injuries on duty, are in place throughout the group. Fire safety training is now a government requirement and all Mediclinic Middle East staff will attend this training in the next reporting period. Staff health and safety are enhanced through various initiatives, including, inter alia:

- infection control policies, training and symposiums, especially with regard to emerging diseases such as Ebola and MERS, personal protective equipment and prevention of needlestick injuries;
- safety 101 training;
- employee wellness programme, including access to a psychologist;
- vaccinations given at discounted rates;
- regular health and safety risk assessments; and
- specific guidelines and notices on proper handling of hazardous or potentially hazardous materials.

Continued importance is placed on health and safety education and various training workshops and awareness campaigns are held throughout the year.

HIV/AIDS

The Group continually assesses the impact of HIV/AIDS on the business. However, with the low prevalence and risk of HIV/AIDS in Switzerland and the UAE, the Group's initiatives are focused on its operations in Southern Africa, which is regarded as a high-risk area. The UAE government implements

a strict policy on medical checks as part of its visa guidelines. Any expatriate found HIV/AIDS positive faces automatic deportation. Safety procedures are implemented at all three platforms to protect staff against sharp injuries.

Mediclinic Southern Africa is fortunate to have escaped the negative impact of HIV/AIDS. A comprehensive HIV/AIDS risk assessment was done during 2012, indicating a 6% prevalence rate. The group believes that its policies and training programmes contribute positively to the low prevalence and to managing the direct and indirect impacts of HIV/AIDS on the group's business. Mediclinic Southern Africa's HIV/AIDS programme consists of the following elements, as stated in the group's HIV/AIDS policy:

- education on HIV/AIDS combined with awareness programmes:
- voluntary counselling and testing;
- prevention of HIV infection and reinfection;
- early intervention for reported exposure;
- access to appropriate treatment and monitoring;
- continuous support through the dedicated employee assistance programme.

During the year, R124 956.80 was spent on HIV/AIDS training, with HIV/AIDS Peer Counselling Courses and HIV/AIDS Awareness Programmes presented at locality level on an ongoing basis. All new staff members employed at hospitals with health clinics undergo pre-induction and orientation lectures on HIV/AIDS awareness, safe treating of wounds, handling needle stick injuries, discarding needles and cleaning blood spillages.

Free HIV/AIDS testing and counselling are offered to all staff and access to antiretroviral ("ARV") drugs is managed as a public private partnership with the Department of Health as well as some medical aids.

TRAINING AND SKILLS **DEVELOPMENT**

The Group's training programmes are focused on improving its human capital, improving core business processes, maintaining and promoting quality service delivery in all aspects of the business, and alleviating the shortage of skills, especially in nursing.

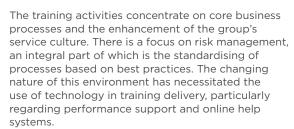
EMPLOYEE TRAINING

The Group continues to invest significantly in training and skills development, with Mediclinic Southern Africa investing approximately 3.0% (2014: 3.3%) of payroll, Hirslanden approximately 5.0% (2014: 5.0%) and Mediclinic Middle East 0.2% (2014: 0.4%). Mediclinic's stated commitment to quality care continues and still drives skills development as a priority at all levels, which is reflected in the number of learning initiatives undertaken each year. The performance management system that is applied

throughout the Group, as referred to in the section of this report dealing with employee performance management is also utilised to identify and manage training needs of employees and to discuss career development.

Southern Africa

Mediclinic Southern Africa's training strategy is to align training with the needs of the company as well as contribute towards alleviating the skills shortage nationally. The Training Department is well positioned to meet the requirements of the Nursing Act and to participate in any opportunities that may arise in training-related public private partnerships. The group is confident that the private sector has a meaningful role to play at many levels in addressing the acute shortage of healthcare workers in the country. All six Mediclinic Southern Africa Learning Centres are registered as private higher education institutions by the Department of Higher Education and Training, offering the group the potential to grow its education programmes.



The group's training policy is available to all staff on the intranet. Brochures regarding formal training programmes offered by Mediclinic Southern Africa are available to the public. Mediclinic Southern Africa's Executive: Human Resources is responsible for training and skills development management of the group.

During the past year, Mediclinic Southern Africa recorded 29 803 (2014: 39 737) structured learning interventions, many of which involved skills assessments, as illustrated in Figure 25, with an average of eight hours of training per employee. The nature of the training provided includes formal qualifications, but also training in clinical, technical, management, administrative and leadership skills.

FIGURE 25: MEDICLINIC SOUTHERN AFRICA TRAINING INTERVENTIONS

Training category	Number of training interventions
Legislative	1064
Plant	231
Elementary	863
Professional	15 373
Service	2 958
Technical	13 720
Total	39 737





During the 2014 academic year, 572 (2013: 451) students successfully completed basic nursing courses; 79 (2013: 97) students completed post-basic nursing courses. Besides the formal programmes, 808 (2013: 804) learners completed other Mediclinic courses in various disciplines.

Mediclinic Southern Africa's support of technical training programmes addresses the shortage of skilled technical personnel. Electrical apprenticeship programmes continue in line with the MERSETA (Manufacturing, Engineering and Related Services Education and Training Authority) standards. This success opens opportunities for further artisan training. Mediclinic Southern Africa also continues to train pharmacist assistants, both basic and postbasic, in an effort to develop its staff as well as address some aspects relating to the shortage of pharmacists. Training opportunities are also offered for pharmacists.

In an endeavour to assist with improving the provision of skilled nursing resources, Mediclinic Southern Africa provides funding for Mediclinic learners through the University of Pretoria, University of the Free State, University of Johannesburg, Stellenbosch University and the University of Namibia. These learners are able to obtain the practical experience required at Mediclinic Southern Africa's hospitals. Learners from other institutions are also placed in Mediclinic Southern Africa's hospitals for practical experience if requested. Another area of collaboration is the agreement with the Western Cape Department of Health for Mediclinic Southern Africa to train operating department assistants for Groote Schuur Hospital and Tygerberg Hospital. This initiative commenced in 2011 and is continuing, with a long-term view to

also supply operating department assistants to other public sector hospitals.

Clinical skills training is well established and Mediclinic also has a well-established system of continuous professional development ("CPD") in the nursing fraternity. This provides an advantage as the group is ready for the introduction of mandatory CPD when the regulation for this is implemented by the South African Nursing Council ("SANC"). Recently a delegation from the SANC visited several representatives of Mediclinic to find out how skills development and assessment is implemented in Mediclinic. CPD has also been introduced in several other departments. Established expertise in instructional design serves the group well in rapidly meeting new challenges in competence development as they arise. The group's Management Development Programme continues to be successful and focuses on developing employees on an accelerated learning path with exposure to the business, industry and the responsibilities of a manager in a structured manner. The programme was registered by the Department of Higher Education and Training and the first cohort of learners on the registered Advanced Diploma in Health Services Management and Leadership commenced in 2013 and successfully completed the programme at the end of 2014. Other management and leadership programmes are available at different levels and suitable for all functional disciplines. A Mediclinic Leadership Academy was launched in 2013, and to date 654 management employees attended this programme, which focuses on leadership based on the corporate culture and values.

The group is pleased with the performance as measured against its training and skills development goals and objectives as illustrated in Figure 26.

2014/15 goals and performance against goals

- Accreditation, registration and implementation of the new HEQSF-aligned qualifications to support the staffing needs of the organisation - the group has commenced with these processes, but they are dependent on legislative bodies.
- Expansion of higher education and training (HE&T) facilities three of the group's six Learning Centres were expanded during the year to enable an increase in learner numbers.
- Analysing the organisational needs, prioritising projects accordingly over a five-year period and improving the visibility of leadership and development - a training strategy has been drafted.
- Supporting organisational projects and goals most needs have been addressed, with the outstanding and new projects to continue into the next year.
- Provide sufficient qualified nurses for the needs of the group a new funding model was introduced, which will support the expansion of training and increasing learner output.
- Provide sufficient qualified healthcare workers in non-nursing categories according to the needs of the group - the Diploma in Operating Department Assistant programme is registered by the Department of Higher Education & Training ("DHE&T"). The Diploma in Emergency Medical Care programme has been accredited by the Health Professions Council of South Africa and the Council on Higher Education and final registration by the DHE&T is awaited.
- Provide training externally to generate revenue this has been implemented on a small scale, through registration of learners on learnerships.
- Build management capacity to meet the needs of the company and to be in a position to use opportunities as they arise - the Advanced Diploma in Health Services Management should be addressing this; the Training Department is also in the process of designing a learning architecture to ensure that the group can address management and leadership development needs at all levels in the organisation.
- Enhance and maintain the quality of training delivered through a comprehensive quality assurance process - eleven quality improvement initiatives were implemented and documented during the year and all yielded positive results.
- Maintain transformation principles new targets were implemented for the Learning Centres.
- Ensure that all processes and systems are operationally efficient and continually upgraded in line with new knowledge and technology and ensure that all employees have access to knowledge when and as required - the group's e-Learning development is progressing well and the learning centres and hospital simulation and training facilities are provided with up-to-date equipment; training staff are supported to attend training and conferences.

2015/16 and long-term goals

- Accreditation, registration and implementation of the new HEQF-aligned qualifications to support the staffing needs of the organisation
- Complete the expansion of higher education and training (HE&T) facilities
- Accreditation and registration of Emergency Medical Care training
- Increase visibility and delivery of learning and development
- Address the gap in the integration of theory and practice by learners
- Enhance business process training
- Revisit the organisation's on-boarding and re-boarding strategy
- Focus on customer centricity training
- Develop a learning architecture that links competency and ways to address gaps in competency required
- Support patient experience programme
- Prepare the organisation for implementation of technology and systems
- Enhance leadership development strategy
- Enhance and reinforce the company culture

Switzerland

Hirslanden's education and training programme covers a broad spectrum, and opportunities are offered to employees at all levels. The group's career building is geared towards performance management, leadership building, quality control and client relationship building. Training initiatives are in support of these areas and many special courses are offered to staff, some of which are mandatory. The results of the patient satisfaction surveys are also taken into account to determine training needs.

During the year, Hirslanden spent approximately 5.0% (2014: 5.0%) of payroll on training (basic, further and advanced). During the year, 977 (2014: 943) apprentice employees received formal training (federal certificate, higher college, college or graduate students) across 30 professions, of which 832 (2014: 816) students were healthcare professionals and 145 (2013: 113) junior doctors. In-house leadership and management courses were attended by 326 (2014: 438) management employees.

UAE

Mediclinic Middle East's learning and development philosophy is centred on providing strategic support to the performance requirements of the group. Training and development remains a priority at Mediclinic Middle East. The group's policy on training and development covers induction programmes for new joiners, mandatory programmes specifically for nurses, developmental programmes, supervisory and managerial programmes, health and safety programmes, continuous medical education and its link to licensing for clinical practitioners, mandatory resuscitation courses and sponsorship to local and international conferences.

During the year, 0.2% (2014: 0.4%) of payroll was spent on training and 424 (2014: 401) training sessions with 4 822 (2014: 3 425) internal learning interventions were recorded, with the average hours of training per employee illustrated in Figure 27. The external training events attended by staff are illustrated in Figure 28.

FIGURE 27: MEDICLINIC MIDDLE EAST INTERNAL LEARNING INTERVENTIONS

Employment category	of tra	nber nining entions	Average training hours per employee		
	2014	2015	2014	2015	
Clinical	459	735	6.5	6.9	
Nursing	1 186	1930	11	8.1	
Paramedical	202	273	8	6.7	
Administration/Non-clinical	957	1 367	6	7.3	
External (attended by non-Mediclinic Middle East employee)	621	517	5	8.3	
cinployee/	521	317		0.5	

FIGURE 28: MEDICLINIC MIDDLE EAST EXTERNAL TRAINING

Employment category	Number of training sessions
Clinical	73
Nursing	70
Paramedical	62
Administration/Non-clinical	55

The responsibility for the training of nurses was centralised in July 2014 and is now an integral part of the Learning and Development Department. This department addresses the learning and continuous education of the staff through its welldefined programmes for life support, clinical training, general training, leadership and business-processrelated courses.

Recently Mediclinic Middle East launched around 16 e-Learning courses for around 1 100 users. The provision of online courses was initiated as an approach to make learning more accessible to the staff.

In keeping with regulatory requirements, the Learning and Development Department manages the provision of a series of life support courses for the doctors, nurses and other staff that are directly involved in patient care. Apart from this, the department also provides several courses that are geared towards the continual skills upgrade for the nursing staff.

Sixty-six per cent of the overall annual training budget is allocated for external training events or activities that support the achievement of continuous medical education ("CME") points for doctors and other clinically licensed staff. Managers and the rest of the administrative staff are also given the opportunity to attend external conferences, seminars and training in order to help them keep up with trends and further enhance their knowledge and skills.

CONTINUOUS PROFESSIONAL **DEVELOPMENT OF DOCTORS**

Southern Africa

During the period under review, more than 430 continuous professional development ("CPD") functions throughout Mediclinic Southern Africa were held for doctors, which were attended by more than 7 100 doctors. These functions serve as valuable training opportunities aimed at keeping the group's associated specialists and referring general practitioners abreast of the latest developments in the medical field. The Medical Protection Society, in partnership with Mediclinic Southern Africa, held 34 ethical CPD workshops on risk management and managing adverse outcomes at the group's hospitals.

SWITZERLAND

Hirslanden presents a variety of professional development activities for referring general practitioners and associated specialists, of which the Hirslanden Academy and Hirslanden Symposia are the most relevant. Hirslanden Academy offers four yearly events for doctors and assigns credit points. Hirslanden Symposia are held several times every year, offering continued training opportunities for specialists. All of the group's hospitals also offer various events and training for doctors.



As reported in the **employee training** section of this report, Mediclinic Middle East has a strong commitment to continuous professional development and both the hospitals have a very active in-house continuous medical education ("CME") programme that is conducted on a weekly basis. Attending doctors are also able to obtain official CME points at these meetings.

Mediclinic Middle East subscribes to the *UpToDate* for all its facilities. The programme allows doctors and nurses to have access to online clinical information from their desktops and is used extensively throughout the group.

In addition to the CME seminars set up by individual hospitals and clinics, Mediclinic Middle East also organised several CME seminars at a company level, which were open to Mediclinic Middle East doctors and community-based doctors.

Mediclinic Middle East also has a well-functioning centralised clinical training function within the Learning and Development Department, which provides life support training to all employees to meet regulatory requirements. They also conduct a wide range of CME-accredited training courses

SUPPORTING ACADEMIC **INSTITUTIONS**

The Group is committed to educational development in all three of its operating platforms and provides financial and other support towards healthcare education.

Southern Africa

Mediclinic Southern Africa continues its commitment to educational development in Southern Africa. During the year, financial support were provided to various academic institutions to the value of R3.96m (2014: R2.46m), as listed in Figure 29. In addition, bursaries and funding towards higher education, mainly for the group's employees, to the value of R1.4m (2014: R1.8m) were also provided during the year. Mediclinic Southern Africa educators are also involved in giving lectures on behalf of the various universities and educational institutions.

The financial support included here is in addition to the group's training investment and the group's corporate social investment reported on in the training and skills development and the investing in the community sections of this report respectively.



FIGURE 29: SUPPORT TO ACADEMIC INSTITUTIONS

Academic institution	Contribution	Field			
University of Stellenbosch	R2 015 180	Research; clinical pharmacology; Centre for Medical Ethics and Law			
University of Stellenbosch	R100 000	Centre of Ethics			
University of Pretoria	R140 000	Administrative post in vascular surgery unit			
University of Limpopo - Medunsa	R300 000	MMed bursaries			
University of the Free State	R250 000	UpToDate clinical information resource			
University of Namibia	R200 000	Department of Anatomy as part of a museum relocation project			
University of Cape Town	R400 000	Upgrade of a lecture room at Groote Schuur Hospital			
University of the Western Cape	R158 000	Pharmacy Department to assist with training of pharmacists			
University of Witwatersrand - Donald Gordon Medical Fund	R250 000	Foetal maternal medicine fellowship			
Epilepsy Unit, Mediclinic Constantiaberg	R148 100	Epilepsy			
Total	R3 961 280				

Switzerland

Hirslanden cooperates with different regional and local education centres for the education of health professionals in nursing. The group also provides assistance to various public hospitals, for example, sharing the education of intensive care professionals.

Mediclinic Welcare Hospital provides practical training for students from the University of Shariah's Medical Diagnostic Imaging Department. There are two courses per year during which five to eight students receive 16 weeks of training in MRI, CT, ultrasound, mammography, OT and conventional X-ray disciplines. This initiative received special approval from the DHA as private hospitals are generally not permitted to host students.

INVESTING IN THE COMMUNITY

Mediclinic's contribution towards sustaining a healthy community starts within the Group's own facilities, where we strive to provide clinical excellence and quality care. The Group contributes to the well-being of the communities within which it operates by investing in ongoing initiatives that address socio-economic problems or risks, and it has established Mediclinic as an integral member of these communities, extending the Group's quality service offering beyond the walls of its hospitals and enriching the lives of many communities throughout Southern Africa, Switzerland and the UAE. The Group's corporate social investment ("CSI") activities are structured around the improvement of healthcare through training and education, sponsorships, donations, staff volunteerism, public private initiatives and joint ventures.

Many of the Group's initiatives relate to providing training as well as financial support and donations towards education and training. Please refer to the section in this report dealing with the Group's training and skills development initiatives, in particular also the support of academic institutions.

Given the socio-economic conditions in Southern Africa, compared to the other areas of operation within the Group, the main focus on CSI is by Mediclinic Southern Africa.

Southern Africa

Mediclinic Southern Africa's CSI strategy centres on four core areas of involvement, namely health, education, sport and welfare, and operates on three tiers. The projects conducted under each of these tiers, examples of which are provided below, are a reflection of Mediclinic Southern Africa's ongoing commitment to assist in reducing the host of social challenges in South Africa and Namibia. During the year, R10.4m (2014: R9.5m) was spent on CSI in Southern Africa, as set out in Figure 3 of this report. As reported earlier, a strategic decision was made to assist the national Department of Health with the Public Health Enhancement Fund ("PHEF"). The PHEF is a joint initiative between the national Department of Health and the private healthcare sector aimed at producing more medical personnel for South Africa and focuses on public sector management training and equipping, so as to strengthen the public sector for the benefit of the people of South Africa. Mediclinic Southern Africa has committed to contribute 0.75% of its net profit after tax to this fund annually. The group's significant contribution to the fund of R9.0m (2014: R8.4m) during the year has to a large extent replaced the group's funding of tier 1 and tier 2 corporate social investment contributions.

- Tier 1 involves partnering with government to provide the community with much-needed surgical support in various disciplines. Mediclinic Southern Africa invested R367 000 during the year, including a donation of R300 000 to the Red Cross Children's Hospital for a project called Weekend Surgeries, the aim of which is to shorten the waiting list for minor surgical cases at the hospital.
- Tier 2 projects aim to enhance the role of accredited community organisations by providing monetary and product support in line with four focus areas (education, sport, health and welfare) of the group's CSI strategy. In this regard, the group supported non-government organisations with in-kind donations such as linen, beds and information technology equipment to the value of R600 000.
- Tier 3 provides a platform for the group's employees to make a difference by volunteering their time, expertise and knowledge to community organisations in proximity to the group's hospitals. Mediclinic Southern Africa contributed R300 000 during the year towards 12 volunteerism projects throughout the group, which included the refurbishment of a home for chronically ill adults in Pretoria by the staff of Mediclinic Heart Hospital, and the assistance by the staff of Mediclinic Tzaneen, in partnership with the supporting doctors, with the cataract surgeries of six indigent patients.

In addition to the group's CSI initiatives, which are coordinated on a group level, Mediclinic Southern Africa's hospitals also provide annual and ad hoc sponsorships of community, school and regional sporting and cultural events, and also take part in many annual national health awareness days by providing free health screenings, discussions and workshops during national awareness initiatives such as breast cancer month, heart and stroke week, diabetes and pregnancy education months, and many others.



CORPORATE EVENTS

Mediclinic Southern Africa's events department is a leader in providing medical services at sporting and other events in South Africa. Some of the highprofile sporting and cultural events, where these services are provided, include the Absa Cape Epic Mountain Bike Challenge, the Cape Town Cycle Tour, the Kalahari Augrabies Extreme Marathon, Cape Town Tens and the Cape Town Marathon.

Switzerland

In support of the group's vision. Hirslanden supports numerous events, projects or associations by either providing medical competence or financial support. contributing to the well-being and sustainable development of the communities it serves as well as Swiss society as a whole. Hirslanden spent CHF2.1m (2014: CHF2.1m) on CSI projects during the period under review, a few examples of which are listed below:

- The majority of Hirslanden's CSI contributions was invested as the local medical partner for a number of sport events (such as the European championship in athletics) and sport teams (such as FC Zurich and FC Bern, junior football in Aarau, hockey, handball, golf and tennis).
- Hirslanden partnered with one of Switzerland's most well-known TV shows about health awareness called *Checkup*. Five Hirslanden hospitals contributed short sequences on various medical topics across the year. The show is broadcasted through four regional TV channels in Switzerland.
- Hirslanden launched a new programme called Donation instead of a gift. This programme aims to contribute CHF50 000 a year to a CSI project that is conducted by a Hirslanden doctor and has a medical objective. Last year's winning project was to support orthopaedic development help in Vietnam, which. project aims to perform surgery on disabled children in Vietnam.
- Hirslanden also supported the Solar Impulse project as a medical advisor. Hirslanden provided medical support for the pilots and the team, vaccination shots and check-ups in preparation for the 2015 round-the-world solar powered airborne trip.

UAE

Mediclinic Middle East is actively involved in various social and charitable community activities. The group contributed AED730 000 (2014: AED610 000) to corporate social responsibility projects during the reporting period, which included AEF400 000 in services to the Al Jalila Foundation.

a locally based charity set up by the Ruler of Dubai to provide medical attention for underprivileged children. Initiatives included free health screenings, health talks and awareness campaigns on particular health topics, a road safety campaign organised by the Road Transport Authority of Dubai and a contribution to the Emirates Medical Students Society. The Mediclinic Middle East Orthotics and Prosthetics Department also provided support for a number of charitable cases. For the year ahead, AED440 000 has been budgeted for corporate social responsibility projects and a further AED500 000 in services as part of the company's partnership with the Al Jalila Foundation.

Individual facilities within the group also have their own corporate social responsibility programmes in which they support charities of their choice. The group supports any medical staff members who wish to volunteer their services in regions affected by conflict or natural disasters.

Some examples of the initiatives Mediclinic Middle East supported during the year are provided below:

- Various health awareness presentations and screenings at numerous local schools, businesses, organisations and the public on topics such as breast cancer, nutrition, cholesterol, diabetes and infection control.
- Free health screenings were offered by all units on various international health days at which more than 4 000 people were screened.
- Medical support at events such as Dubai Rugby Sevens (±2 000 players and officials), Dubai Marathon (±25 000 participants), Dubai 92 Cycling Challenge (±3 000 cyclists), the Emirates T20 World Cup Cricket tournament and a variety of other sporting events.
- Mediclinic City Hospital provided free health checks to more than 1 000 labourers in Dubai as part of International Labour Day in association with the Pakistan Association Dubai.
- Mediclinic Welcare Hospital provided sponsorship and monetary support (AED15 000) for sports events at a local British school in an effort to promote health awareness; offered a programme of discounted mammograms and health awareness talks to mark Breast Cancer Awareness Month in October 2014; donated a number of epiPens to local nurseries; and funded the cost of two hearing aids for a young mother.
- AED30 000 was raised through a Ramadan Facebook campaign in support of the Dubai Center for Special Needs, a local school for children with physical and mental disabilities.

ENVIRONMENTAL PERFORMANCE

The Group is committed to protecting the environment, conserving natural resources and using resources in an effective and responsible way, ensuring the health and safety of its employees and clients by adopting sound health, safety and environmental practices in all its business activities.

ENVIRONMENTAL POLICY

The Group Environmental Policy, aimed at minimising Mediclinic's environmental impact, requires each operating platform of the Group to:

- identify and comply with relevant environmental legislation and regulations;
- identify and manage all risks relating to the Group's impact on the environment with regard to water use and recycling, energy use and conservation, emissions and climate change, and waste management and recycling;
- define environmental management programmes in accordance with international standards to achieve continual improvement of the Group's environmental management systems;
- create environmental awareness among all employees;
- set objectives and targets to prevent pollution and minimise the impact of the Group's activities on the environment:
- encourage reduction, reuse and recycling of general waste;
- manage hazardous waste, including healthcare risk waste:
- influence the Group's suppliers and service providers to adopt similar programmes, in order to limit its overall impact on the environment;
- nurse the use of resources; and
- engage with the Group's stakeholders on its environmental performance in an open and transparent manner.

The policy assists the Group to identify aspects of its business that could have a significant impact on the environment, and to set objectives and targets in a review process to eliminate or reduce the impact of these aspects on the environment. It formally documents the Group's commitment, strategy, reporting standards and governance approach to manage its environmental impact and performance. All business divisions within the Group are required to implement appropriate environmental management systems and, where appropriate, have these certified by an internationally recognised body.



The Company's **Social and Ethics Committee** reviews the policy at least annually and makes recommendations to the Board. During the reporting period, no amendments were made to the policy. The Group Chief Executive Officer and the Chief Executive Officers of the operating platforms are responsible for the implementation of the policy, the duties of which may be delegated to an appropriate manager of sufficient seniority.

ENVIRONMENTAL MANAGEMENT AND RISK ASSESSMENT

Southern Africa

Mediclinic Southern Africa is committed to ensuring that its environmental management systems and practices are aligned with international best practices, which are based on the ISO 14001:2004 Specification for Environmental Management Systems. The group's performance is assessed through certification by an external assurance provider (the National Quality Assurance London), as accredited by the United Kingdom Accreditation Services.

The group achieved its objective of having 40 of its 52 hospitals ISO 14001:2004 certified to date. Fifty-one of the group's 52 hospitals within the group are ISO 14001 trained and follow the same environmental management practices as the 40 certified hospitals and are also subject to annual legal compliance internal audits. In the next reporting period, the new Mediclinic Southern Africa hospital, Mediclinic Midstream, will start with the implementation of the ISO 14001 Environmental Management System with the aim to achieve certification in the financial year ending 31 March 2017.

The main categories of environmental impacts being managed are the use of resources and waste management, which include electricity, water, gases, paper, healthcare risk waste and normal waste. These have a direct effect on the carbon emissions of the group.

The risks associated with climate change are assessed annually by Mediclinic Southern Africa and managed in terms of the group's risk management procedure. These potential risks include:

- Regulatory risks: Operational costs of running facilities could be affected by risks relating primarily to energy supply, with 70% of the group's carbon emissions from electricity purchased.
- Physical risks: Access to facilities and interruptions in service resulting from risks of water shortage, electricity load shedding or incidents of extreme weather conditions.

During January 2015, all the group's hospitals completed ISO 14001 aspect legal register surveys. The aspect legal register assists the group to ensure compliance with internal environmental policies and legislation. It further identifies risk-based control weakness per hospital. A satisfactory average score of 82% was achieved across the group. The control weaknesses identified will assist the relevant hospitals to prepare the required action plans.

During the year, ISO 14001 gap audits were conducted by corporate office staff at 38 Mediclinic Southern Africa hospitals, which provide independent assurance that controls are in place to mitigate environmental risks identified in the hospitals' aspect legal register. The average score

of 81% achieved across the group provides assurance that the group's environmental risks are being managed adequately.

Switzerland

Strict and comprehensive environmental legislation and regulations apply in Switzerland, with which Hirslanden complies, ensuring that the group maintains the highest degree of environmental care. The engineering services teams at the hospitals, under the guidance of the group's head of real estate, are responsible for managing the group's environmental impact and continue focusing on improving existing measures. The department assumes responsibility for managing, inter alia, the group's energy projects, and a sustainability and environment management working group is in place under the leadership of the environmental manager project leader. The working group has strengthened the group's vision, strategy and values in the area of ecological sustainability. As part of its 2013 - 2017 strategy, the group set the following objectives:

- operative energy costs to be reduced by targeted optimisation measures (best practice);
- sustainability reporting to be integrated in the Hirslanden quality/annual report; and
- the sustainability rubric (e.g. projects, energy saving tips, mobility) to be an integral part of internal employee communication (Apropos).

Hirslanden plans to build on the existing ISO 9001:2008 quality management system already in place throughout the group, through the ISO 14001:2004 environmental management principles. This will also be fundamental in the EFQM Excellence Model. Hirslanden implemented an environmental management system based on the ISO 140001:2004 environmental management standards as a pilot project in one of the group's hospitals. The ISO 14001 pre-assessment was successful. The certification is planned for the end of 2015, with the revision of ISO 14001:2015.

The group continues to record and monitor key environmental performance indicators, such as ${\rm CO_2}$ emissions, energy and water consumption, paper usage and waste.

UAE

Mediclinic Middle East has begun an environmental management plan, which is aimed to lead to ISO 14001 certification of all its facilities in the next reporting period. The environmental management plan covers electricity, water, healthcare risk waste, gases, paper, normal waste (general) and climate change. In order to achieve this, environmental policies in support of the Mediclinic International Group Environmental Policy have been implemented and communicated to staff by way of internal newsletters and training sessions.

EMISSIONS/CLIMATE CHANGE

The CDP (formerly known as the Carbon Disclosure Project) is a global initiative measuring companies around the world and their reporting on greenhouse gas emissions and climate change strategies. It is regarded as a global leader in capturing and analysing data that record the business response to climate change, including management of risks and opportunities, absolute emissions levels, performance over time and governance. Participation and disclosure of the results are voluntary. Following an annual evaluation process, qualifying participants are ranked in the Climate Disclosure Leadership Index ("CDLI"), which recognises companies with leading disclosure practices. The CDLI focuses on climate change governance, risk management, performance, transparency and data management. The project was launched in South Africa in 2007 in partnership with the National Business Initiative in which JSE-listed companies are measured. Mediclinic has participated in the project since 2008, initially only in respect of Mediclinic Southern Africa. Limited information in respect of Mediclinic Middle East has also been included since 2010, although it still remains an initiative focusing mainly on Mediclinic Southern Africa's data. Mediclinic's CDP reports can be accessed on the CDP website at www.cdp.net.

During the most recent CDP 2014, Mediclinic was ranked joint 2nd out of the 80 JSE-listed companies that were included in the CDLI (Figure 30), achieving a score of 99% for the disclosure of our carbon footprint. Participation in the project provides companies with an opportunity to identify climate change-related management aspects that require further attention and this has assisted Mediclinic Southern Africa in implementing measurements and processes to monitor its carbon emissions. The group's participation further enabled Mediclinic Southern Africa's commitment to be transparent by providing detailed information to interested stakeholders about the group's initiatives to reduce its carbon footprint and environmental impact. The group will continue to participate in this project in future.

FIGURE 28: RESULTS OF SOUTH AFRICAN CARBON DISCLOSURE PROJECT

CDP 2009	CDP 2010	CDP 2011*	CDP 2012	CDP 2013	CDP 2014
Ranked among top 16 performers, although not included in the CDLI	Ranked joint 2nd position in the CDLI	Ranked 43rd in the CDLI	Ranked joint 4th position in the CDLI	Ranked joint 2nd position in the CDLI	Ranked joint 2nd position in the CDLI

^{*} Mediclinic Southern Africa's regression from 2nd position in the CDP 2010 to 43rd in the CDP 2011 was due to an error in the group's submission. The omission to complete the questions relating to physical opportunities had a significant impact on the score due to the high weighting of these questions.

Mediclinic was included in the CDP Climate Performance Leadership Index 2014 for the first time during the reporting period, and included in the Global A List for performance. This list comprises the top 187 companies assessed from nearly 2 000 public listed companies internationally. Mediclinic is the only hospital group and one of only nine South African companies included on the list.

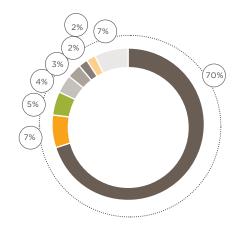
Southern Africa

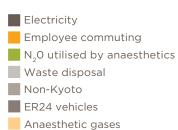
The carbon footprint of Mediclinic Southern Africa is measured using the GHG Protocol and includes direct emissions, which in the healthcare industry will refer mainly to the emissions of anaesthetics gases (scope 1 emissions); indirect emissions from the consumption of electricity (scope 2 emissions); indirect emissions from suppliers, which in the healthcare industry will refer mainly to pharmaceutical, bulk oxygen and waste-removal suppliers (scope 3 emissions); as well as non-Kyoto Protocol greenhouse gas emissions such as Freon, which is used in air-conditioning and refrigerant equipment. With the assistance of external consultants, these emissions data were converted into a carbon dioxide equivalent ("CO2e") using recognised calculation methods, emission factors and stating assumptions made, where relevant.

Mediclinic Southern Africa's carbon footprint as reported in its 2014 CDP Report is set out in Figure 31 and Figure 32, evidencing that electricity is the main contributor to the group's carbon footprint. Figure 32 illustrates that the total weight of CO₂e increased from 114 kg to 115 kg CO₂e/bed day year on year. The main reason for the minor increase in the overall emissions is due to emission factors that changed with improved science. Waste to landfill and waste sent to recycling were included for the

first time; flights have included radiative forcing for the first time; and ER24 vehicle and aircraft travel increased. The total CO₂e decreased year on year from 105 kg to 102 kg per bed day if the new data inclusion, as indicated above, is excluded.

FIGURE 31: EMISSIONS BY ACTIVITIES (MEDICLINIC SOUTHERN AFRICA)





Other

FIGURE 30: REPORTED DIRECT AND INDIRECT GHG EMISSIONS (MEDICLINIC SOUTHERN AFRICA)

	CDP 2011	CDP 2012	CDP 2013	CDP 2014	
DESCRIPTION	TONNES OF CO ₂ E				
Scope 1: Direct emissions from anaesthetics, ER24, pool cars, incinerators, generators and kitchens	15 652.43	19 829.14	20 214.42	21 869.24	
Fuel used in ER24 (emergency vehicles)	3 446.53	3 900.30	3 998.61	4 545.90	
Fuel used in generators	227.15	232.53	230.03	223.22	
Fuel used in incinerators	116.22	147.09	175.87	49.09	
Air-conditioning and refrigeration gas refills	1 445.16	1 985.13	1738.47	1 816.43	
Gas (N ₂ O) utilised by anaesthetics	8 578.85	8 668.10	9 315.39	10 184.06	
	Not	7,007,70	7 700 70		
Anaesthetic gases utilised by anaesthetics	reported	3 667.70	3 760.30	4 013.32	
Gas (LPG) consumed in kitchens	188.97	167.80	191.38	205.81	
Gas (CO ₂) consumed in the hospitals	5.84	6.49	6.14	6.26	
Natural gas consumed in hospitals	10.36	10.04	9.21	7.46	
Pool cars owned	1530.98	971.26	718.97	752.05	
Vehicle fleet owned	102.35	72.70	70.05	65.64	
Scope 2: Indirect emissions from electricity purchased	154 298.33	152 858.00	150 200.09	151 156.41	
Scope 3: Indirect emissions from supply chain, business travel and waste removal*	7 902.89	9 481.33	24.129.36	35 061.51	
Business travel in rental cars	102.68	112.79	108.96	105.40	
Business travel in commercial airlines	1100.80	1 127.13	1 424.51	3 050.40	
Business travel in hotel accommodation	85.50	64.32	111.42	137.94	
Travel claims (use of private vehicles for business purposes)	441.75	397.61	361.79	482.47	
Third party: Pharmaceutical deliveries	2 710.24	3 071.19	2 342.19	2 335.90	
Third party: Gas deliveries	320.25	611.45	532.08	464.49	
Third party: Waste collections (normal and hazardous/medical)	607.01	351.04	370.79	373.26	
Third party: Kitchen deliveries	1 329.94	3 071.05	2 740.38	2 611.78	
Third party: Laundry deliveries	368.69	309.51	248.27	363.51	
Consumption of office paper	583.26	365.24	376.71	377.52	
Courier transportation	252.77	Excluded	Excluded	Excluded	
5004 : 6141	Not	Not	1000 77		
ER24 aircraft (downstream transport)*	measured	measured	1 280.73	2 161.08	
Employee commuting*	Not measured	Not measured	14 231.52	14 898.61	
	Not	Not	Not		
Waste disposal	measured	measured	measured	7 699.14	
Total Scope 1, 2 and 3 emissions (GHG Protocol)	177 853.65	182 168.47	194 543.87	208 087.16	
Non-Kyoto Protocol GHG emissions	8 583.51	6 658.21	5 736.61	6 952.03	
TOTAL CO ₂ e (tonnes)	186 437.16	188 826.68	200 280.48	215 039.18	
CO ₂ e/bed day (kg)**	116	111	114**	115**	
Intensity ↑↓	↑	↓	↑	^ **	

The increase in indirect emissions from company supply chain, business travel and waste removal increased from 5% in the CDP 2012 to 12% in the CDP 2013, mainly due to the inclusion of employee commuting.

Mediclinic Southern Africa's total CO_2 emissions decreased from 111 kg per bed day in the CDP 2012 to 105 kg per bed day in the CDP 2013 if the new data inclusions, as indicated above, are excluded. Mediclinic Southern Africa's total CO_2 emissions decreased to 102 kg per bed day in the CDP 2014 if the new data inclusions, as indicated above, are excluded. Mediclinic Southern Africa's total CO, emissions are not comparable to Hirslanden's as reported in Figure 34, mainly due to electricity purchased constituting approximately 70% of Mediclinic Southern Africa's footprint, while 100% of Hirslanden's electricity is from sustainable electric power supply.

In South Africa, greenhouse gases such as HCFC22 (Freon or R22) and R406 continue being used as gas refills in air-conditioning and refrigerant equipment. However, they are not included among Kyoto Protocol greenhouse gases as it is presumed that they and other HCFC gases are being phased out under the international Montreal Protocol on Ozone Depleting Gases. While the GHG Protocol's scope 1, 2 and 3 emissions are strictly for greenhouse gases that fall under the Kyoto Protocol, provision is made for separate reporting on other GHGs that might be under consideration by international treaties. Mediclinic Southern Africa's data on these emissions are set out in Figure 33.

FIGURE 33: DIRECT EMISSIONS FROM AIR CONDITIONING AND REFRIGERATION GAS REFILLS

	CDP 2011	CDP 2012	CDP 2013	CPD 2014
DESCRIPTION		TONNES	OF CO ₂ e	
R22 (Freon)	8 571.85	6 605.36	5 692.50	6 861.09
R406	11.66	52.58	44.11	90.93
Total non-Kyoto Protocol GHG emissions	8 583.51	6 657.94	5 736.61	6 952.03
CO ₂ e/bed day (kg)	5.20	3.91	3.25	3.72
Intensity ↑↓	1	\	\	1

Mediclinic Southern Africa had five operational incinerators, four of which were closed down during the period under review due to environmental and financial reasons. The carbon emissions caused by the activities of these incinerators are measured in the consumption of diesel usage.

Some of the measures implemented at Mediclinic Southern Africa to reduce its emissions include:

- Behavioural change
 - Continuous improvement of the ISO 14001:2004 Environmental Management System at 52 hospitals in Mediclinic Southern
- Energy efficiency: building services
 - Further implementation of the combined heat pump solar project.
 - Further implementation of the replacement of fluorescent fittings at hospitals.
- Fugitive emissions reductions
 - Scope 1: Via the ISO 14001:2004 Environmental Management System, a monitoring, measurement and operational control of airconditioning gases is continuing.
 - Scope 1: Via the ISO 14001:2004 Environmental Management System, a monitoring, measurement and operational control of anaesthetic gases (nitrous oxide) is continuing.

A carbon emission reduction target in respect of scope 2 emissions of 3.09% was set for the electricity consumption of Mediclinic Southern Africa's 52 hospitals for the reporting period.

This reduction target is in line with the carbon emission reduction target of 34% by 2020 agreed on by South African government after the United Nations Conference of Parties Climate Change Conference (COP15) at Copenhagen.

Switzerland

Strict legislation applies in Switzerland regarding NOx and SOx air emissions with which Hirslanden complies. Each household and company is required to conduct an external audit of its heating system on a regular basis (approximately biannually) measuring air emissions.

Despite the increasing number of beds with the acquisition of two hospitals during the reporting period, Hirslanden has reduced its CO₂ emissions from 15 kg to 14 kg per bed day, mainly due to the switch to 100% sustainable electric power supply and the relatively mild winter (20% less heating degree days), as illustrated in Figure 34.

FIGURE 34: TOTAL CARBON EMISSIONS (HIRSLANDEN) (per calendar year)

	2010	2011	2012	2013	2014
CO ₂ e (tonnes)	9 310	9 100	9 879	7 702	7 684
CO ₂ e/bed day					
(kg)	21	20	20	15	14
Intensity ↑↓		V	-	_ ↓	↓

Klinik Hirslanden, Hirslanden Klinik Im Park and Hirslanden Klinik Stephanshorn received recognition as CO₂-reduced businesses from the Swiss Energy Agency for the Economy on behalf of the Swiss Federal Office of Energy. This achievement recognises the contracted commitment to reduce CO₂ emissions within operations.

WASTE MANAGEMENT AND

RECYCLING

Stringent protocols are followed to ensure that refuse removal within the Group complies with all legislation, regulations and by-laws. 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.

Southern Africa

Mediclinic Southern Africa is committed to reducing its waste and complying with waste legislation including, but not limited to, the National Environmental Management Act, 107 of 1998; National Environmental Management: Waste Act, 59 of 2008; National Environmental Management: Air Quality Act. 39 of 2004: Hazardous Substances Act, 15 of 1973; National Water Act, 36 of 1998; National Waste Information Regulations; Gauteng Health Care Waste Management Regulations 2004; Western Cape Health Care Waste Regulations 2013

and Regulations for Hazardous Chemical Substances GN R1179. The group also complies with applicable municipal by-laws and relevant standards, such as SANS 10248-1:2008 - Management of Healthcare Waste. The corporate policy on collection, disposal and removal of waste includes all waste streams in the group's hospitals: infectious sharps; anatomical; pharmaceutical; chemical; radioactive waste; fluorescent tubes; batteries; mercury; used cooking oil; and electronic waste.

Each hospital also has a waste management plan.

By implementing waste management programmes and the ISO 14001 environmental management system, Mediclinic Southern Africa managed to reduce its healthcare risk waste to approximately 6 000 kg per month for a 200-bed hospital, i.e. approximately 1.1 kg per bed day sold. The total weight of healthcare risk waste for the year was 2 795.6 tonnes.

The group generally makes use of waste management companies, but in smaller areas where this facility is not available, recycling is done by making use of local recyclers. The group's healthcare risk waste service providers and their vehicles are audited to ensure compliance with the environmental principle of "from cradle to grave". The reduction of normal waste is achieved through recycling and waste separation programmes that also include optimal use of paper, printers and staff awareness training in compliance with ISO 14001:2004. Various monitoring and measurement programmes are tested at hospitals to determine the baseline for normal waste.

The group's healthcare risk waste is treated by means of electro-thermal deactivation or autoclaving. All anatomical waste is treated by incineration. Mediclinic Southern Africa disposes waste in an environmentally responsible manner where possible, for example, used cooking oil will be removed to generate biodiesel; and old equipment and electronic waste will be donated or sent to recyclers to reuse their components.

General waste is recycled, as far as reasonably practicable. Mediclinic is currently investigating the recycling of medical polyvinyl chloride (PVC)

(e.g. drip bags). Mediclinic is also in the process of recycling empty glass vials. The total waste recycled for the year was 800.8 tonnes, an increase of 158.5 tonnes from the previous year.

The total cost of disposal of healthcare risk waste for the financial year was R22.3m.

Switzerland

Hirslanden complies with all applicable legislation regarding recycling, waste disposal and the treatment and transport of hazardous waste. All medical waste is treated as hazardous waste and onsite collection is separated from other waste categories. Only licensed transportation companies transport the hazardous waste to waste incineration stations. The weight and waste type are monitored and archived by the relevant hospital, transport provider and waste incineration station. Hirslanden recorded 3 320 tonnes of waste in the 2014 calendar year compared to 2 940 tonnes in 2013, mainly due to the increase in beds following the acquisition of two new hospitals during the reporting period. The quality of data and the waste management will be improving in compliance with ISO 14001 after the pilot in 2015.

UAE

Medical waste is disposed of in line with the directives of local authorities and is handled by a professional waste removal firm to ensure minimum risk to the environment. Mediclinic Middle East has ongoing contracts with recycling companies to collect recyclables such as waste paper, old corrugated cardboard, plastics and cans from the premises. Overall, Mediclinic Middle East has maintained general and medical waste generation in line with the group's bed occupancy. The total recycled weight increased by 33.4% from an average of 5.31 tonnes per month during the previous reporting period to an average of 7.24 tonnes per month during the year. Recycled material includes paper, plastic, cardboard and cans.

WATER CONSUMPTION AND RECYCLING

The total volume of water withdrawn from water utilities throughout the Group is provided in Figure 35

FIGURE 35: WATER USAGE FROM WATER UTILITIES (KILOLITRES)

	2013	5	2014	4	2015	5	
	кі	KI/bed day	KI	KI/bed day	KI	KI/bed day	Intensity ↑↓
Southern Africa	1 293 661	0.734	1 272 983	0.681	1 295 982	0.664	\downarrow
Switzerland (per calendar year)	285 511	0.599	280 399	0.562	347 426	0.664	^
UAE	76 049	1.113	75 975	1.036	86 427	1.165	1

Southern Africa

During the reporting period, Mediclinic Southern Africa continued with its initiatives to reduce water consumption, which include employee awareness training, monitoring of uncontrolled leakages and monitoring garden irrigation cycles. The increase in water consumption can be contributed to the increase in bed days sold and major building projects in progress at hospitals. The reduction in water consumption intensity (kilolitres per bed day sold) for the year resulted in water savings of 33 000 kilolitres, which is equal to the total annual water usage of an 198-bed hospital.

Water discharged at Mediclinic Southern Africa's operations is defined as industrial effluent, which is mostly sewerage.

Switzerland

In Switzerland, there are no significant water shortages. Hirslanden's water usage is supplied by the public water utilities and all waste water is treated directly by the local municipalities and monitored locally by the group's hospitals. The volume of waste water discharged by Hirslanden equals the full volume of water withdrawal. Various measures are in place to monitor and reduce water consumption throughout the group, such as the installation of water-flow limiters at water taps, the replacement of kitchen dishwashers and the insertion of water-saving valves in the lavatory. Because of the increasing number of care days and expanding

beds in the Hirslanden group (expansion from 14 to 16 hospitals, with 4% more beds, 5% more care days and 8% more staff) the absolute water consumption has increased. The water consumption per bed day increased slightly from 0.562 kl to 0.664 kl per bed day, due to the increasing number of technical equipment that must be supplied with water.

UAE

At Mediclinic Middle East various measures are in place to minimise water consumption, such as reclaiming water from steam sterilisers and all airhandling units for redistribution to the garden and other non-clinical areas, monitoring of hot water consumption for the purpose of reducing energy on hot water tanks, installation of control sensors on taps in hospital wards and reducing pressure of water points. Water consumption is monitored at each unit and action taken to reduce consumption. further where required. Due to the addition of two new facilities and new services such as Paediatric Intensive Care, water consumption has increased only marginally by bed day.

ENERGY CONSERVATION

The direct and indirect energy consumption for the Group is illustrated in Figure 36 for the period under review. The main sources for direct energy consumption are gas/diesel oil, motor gasoline, liquefied petroleum gas and natural gas. Indirect energy sources refer to electricity consumption.

FIGURE 36: DIRECT AND INDIRECT ENERGY CONSUMPTION (GIGAJOULES)

			irect energ produced			Total energy consumption										
	2013	2014	2015	2013	2014	2015	2013	2014	2015	201	3	201	14	2019	5	
										Gj	Gj/bed day	Gj	Gj/bed day	Gj	Gj/bed day	Intensity ↑↓
Southern Africa	88 021	89 214	112 072	0	0	227	536 927	538 121	533 519	624 948	0.354	627 335	0.336	645 818**	0.331	V
Switzerland* (per calendar year)	102 847	130 527	127 705	112 (solar collectors)	94 (solar collectors)	111 (solar collectors)	116 343	131 650	151 206	219 302	0.460	262 177	0.525	278 911	0.533	1
UAE**	1 773	1 522	1009	0	0	0	62 929	62 496	65 060	64 702	0.947	64 018	0.873	66 069	0.890	↑

The increase in Hirslanden's energy consumption from 2012 to 2013 (calendar years) is mainly due to the increase in the number of operational beds, an increase in patient admissions and a particularly cold and longer winter compared to 2012. The small increase in Hirslanden's energy consumption from 2013 to 2014 (calendar years) is mainly due to the increase in the number of operational beds (4% more beds), an increase in patient admissions (5% more care days) and 8% more staff members. There was also a general increase in the number of electrical devices in the hospitals. The heat energy (direct energy purchased) decreased strongly in comparison to 2013, due to the relatively mild winter (20% less

The increase in Mediclinic Southern Africa's energy consumption is mainly due to the addition of fixed wing aircraft fuel consumption of 678 450 litres of aviation fuel; the 129% increase in the consumption of diesel used by hospital generators; and increased usage of the hospitalinstalled generators during load shedding. Despite these factors, the energy consumption intensity (gigajoules per bed day sold) decreased.

Energy is a key risk across all three operating platforms of the Group. Various energy conservation and cost-efficient initiatives are implemented throughout the Group, examples of which are provided below.

Southern Africa

- Over the last five years, Mediclinic Southern Africa has shown a constant decrease in the electricity consumption intensity, achieving a total intensity saving of 23.38% over the period, despite growth in business in terms of increased bed days sold, full-time employees, square metre coverage and operational beds. This was achieved through initiatives regarding improved operational efficiency of technical installations and change in behaviour of staff within the group.
- During the year, the electricity consumption of Mediclinic Southern Africa increased slightly, as illustrated in Figure 36. Despite an increase in bed days sold, beds in operation, number of full-time employees and square metre coverage during the reporting period, the intensity of electricity consumption (per bed day sold) of the hospitals decreased by 4.84%.
- Continuous improvement of ISO 14001
 management standards had a positive effect on
 the reduction of energy consumption and also
 improves staff awareness and behaviour.
- During the year, the group invested in various energy conservation initiatives, including:
 - the replacement of fluorescent lights at seven hospitals at a cost of R8.6m;
 - the replacement of heat pumps at Mediclinic Sandton with new technology at a cost of R650 000;
 - the control systems of 13 air-conditioning plants were upgraded at a cost of R800 000 to maximise the efficiency of the units;
 - the 85 kWp photovoltaic installation at Mediclinic Gariep was completed in April 2015, while the installation at Mediclinic Windhoek is still under construction and the installation at Mediclinic Hoogland is in the planning phase;
 - the ageing and inefficient chiller plants at Mediclinic Welkom and Mediclinic Bloemfontein were replaced with more efficient multifunctional units while an ice-storage unit was installed at Mediclinic Morningside to reduce energy consumption at a total cost of R12.2m;

- R17m is budgeted for the next reporting period for the replacement of ageing air-conditioning plants to further improve energy efficiency; and
- additional monitoring systems are being installed to optimise electricity usage at a total cost of R958 000 at five hospitals within the group.
- The group's Energy Initiative Committee measures the energy use within the group to determine where savings can be achieved and it evaluates various new energy-efficient and renewable technologies. Application was made in terms of the Income Tax Act, 58 of 1962, as amended, for a rebate at four hospitals for energy-efficiency installations.

Switzerland

- Since January 2014, the electricity supply of the entire Hirslanden group (all 16 hospitals and the Corporate Office) was from 100% sustainable electricity generation mainly from hydropower plants, with a component also from wind turbines, solar photovoltaics and biomass plants. One of the group's hospitals, Hirslanden Klinik Belair, has gone further by switching its entire electricity consumption from January 2014 to CleanSolution StarPremium, a green electricity provider, which is certified to the most stringent specifications for the generation of green electricity in the world (www.naturemade.ch). The energy is free from nuclear power and CO₂.
- The kick-off of the implementation of the ISO 14001 environmental management standards in the pilot hospital, Hirslanden Klinik Belair, had a positive effect on the reduction of energy consumption and also improved staff awareness and behaviour.
- Some initiatives to reduce the group energy consumption include:
 - replacement of lighting with energy-efficient LED lighting;
 - replacement of old water pumps with new energy-efficient pumps;
 - insulation of uninsulated heating pipes;
 - replacement of old electric motors in ventilation systems; and
 - installation of energy-efficient building systems in new buildings.

UAE

Overall, Mediclinic Middle East's total energy consumption increased by 3.2% as a result of the opening of two new clinics and additional services such as Paediatric Intensive Care during the reporting period. Mediclinic Middle East continues to implement energy conservation measures such as replacing lights with more energy-efficient bulbs, installing motion sensors in designated areas and encouraging staff to be more aware about energy efficiency.

MATERIAL USE

Mediclinic Southern Africa hospitals are mercury free. Mercury is only used in isolated cases. In the procurement of new equipment mercury-free equipment is purchased. Mercury disposal is done according to a corporate environmental procedure, with records kept of all mercury disposals.

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 finally have an accurate database to manage its biodiversity impact. No new building projects in the financial year required an environmental impact assessment. The environmental impact assessment for one project at Mediclinic Tzaneen is still under review before the building project can commence.

None of the facilities of Hirslanden and Mediclinic Middle East are owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

COMPLIANCE

During the year, there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes applicable to the Group, with no significant fines being imposed, concerning the environment.

GRI G4 DISCLOSURE INDEX

The disclosure index below identifies the location of the general and specific standard disclosures required by the G4 Sustainability Reporting Guidelines developed by the Global Reporting Initiative ("GRI G4"), although all may not be entirely in accordance with the GRI guidelines. The Sustainable Development Report is aligned with the core "in accordance" option of the GRI G4 guidelines.

The references included in the index refer to sections of this Sustainable Development Report or the Company's integrated annual report in respect of the financial year ended 31 March 2015, also published on the Company's website at www.mediclinic.com.

Although many of the GRI G4 disclosures have been reported on by the Company, this disclosure index includes the Group's general standard disclosures and the material specific standard disclosures, based on the Company's materiality assessment referred to on page 4 to page 5.

Reference to the assurance of the various aspects is not included in this index. Please refer to the section in the Sustainable Development Report explaining the Group's combined assurance model, as referred to in the index below next to G4-32 and G4-33.

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
	GENERAL S	TANDARD DISCLOSURES	
	STRAT	EGY AND ANALYSIS	
G4-1	CEO statement on sustainability	Integrated Annual Report: Chief Executive Officer's Report Sustainable Development Report	22 2
G4-2	Description of key impacts, risks and opportunities	Integrated Annual Report: Strategic objectives Chief Executive Officer's Report Clinical Services Report Risk Management Report Social and Ethics Committee Report Sustainable Development Report: Material issues: Performance highlights	14 24 56 84 102
	ORGAN	IISATIONAL PROFILE	
G4-3 G4-4 G4-5	Name; primary brands, products and services; location of headquarters; countries where organisation operates;	Integrated Annual Report: Organisational overview	6
G4-6 G4-7 G4-8 G4-9	nature of ownership and legal form; markets served; scale of the organisation	Sustainable Development Report: Organisational profile	2
G4-10 G4-11	Workforce composition; percentage of workforce covered by collective bargaining agreements	Sustainable Development Report: Human capital: Employee composition and turnover rate	50
G4-12	Description of organisation's supply chain	Sustainable Development Report: • Access to and affordability of healthcare: Managing the supply chain	47
G4-13	Significant changes regarding size, structure, ownership or supply chain	None	-
Commitments t	o external initiatives		
G4-14	Description of how precautionary approach is addressed by the organisation.	Integrated Annual Report: Risk Management Report	84
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	Sustainable Development Report: Report profile Assurance	2 25
G4-16	Memberships of associations	Sustainable Development Report: Stakeholder engagement: Industry associations	32

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
	IDENTIFIED MATER	IAL ASPECTS AND BOUNDARIES	
G4-17	List of entities included in the organisations' consolidated annual financial statements	Integrated Annual Report: Report profile Sustainable Development Report: Report profile	1 2
G4-18	Process for defining report content	Integrated Annual Report: Report profile Sustainable Development Report: Report profile	1 2
G4-19	List all material aspects identified in the process for defining report content	All material aspects are listed in this index under Material Specific Standard Disclosures	-
G4-20 G4-21	Aspect boundary for each material aspect within and outside the organisation	This is dealt with in the reporting of each material aspect.	-
G4-22	Effect of any restatements of information provided in previous reports	Not applicable	-
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	None	-
	•	OLDER ENGAGEMENT	
G4-24 G4-25 G4-26 G4-27	List of stakeholder groups engaged by organisation; basis for identification and selection of stakeholders with whom to engage; approaches to stakeholder engagement; key topics and concerns that have been raised through stakeholder engagement and how organisation responded	Sustainable Development Report: • Material issues: Performance highlights • Stakeholder engagement	5 26
	RE	PORT PROFILE	
G4-28 G4-29 G4-30 G4-31	Reporting period; date of previous report; reporting cycle; contact point	Integrated Annual Report: Report profile Sustainable Development Report: Report profile	1 2
GRI content inc	dex		
G4-32	Report option, location of the GRI disclosures and reference to external assurance	Sustainable Development Report: Report profile Assurance	2 25
Assurance			
G4-33	Policy and practice regarding external assurance	Integrated Annual Report: Report profile Sustainable Development Report: Assurance	1 25
		GOVERNANCE	
Governance str	ucture and composition		
G4-34 G4-35 G4-36 G4-37 G4-38 G4-39 G4-40 G4-41	Governance structure of the organisation, including any committees responsible for decisions on economic, environmental and social impacts; process for delegating authority for economic, environmental and social topics; executive-level person responsible for economic, environmental and social topics; process for consultation between stakeholders and highest governing body on economic, environmental and social topics; composition of highest governance body and its committees; indication if Chairman is also executive; nomination and selection process for highest governance body; processes of highest governance body for management of conflicts of interest	Integrated Annual Report: Corporate Governance Report Social and Ethics Committee Report Sustainable Development Report: Management approach for sustainable development	90 102 4

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
Highest govern	ance body's role in setting purpose, value	es and strategy	
G4-42	Highest governance body's and senior executives' role in setting organisation's purpose, values, strategies, policies or goals related to economic, environmental and social impacts	Integrated Annual Report: Our vision Our values Social and Ethics Committee Report Sustainable Development Report: Management approach for sustainable development	12 13 102
Highest govern	ance body's competencies and performar	nce evaluation	
G4-43 G4-44	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics; processes for evaluating highest governance body's own performance, particularly with regard to economic, environmental and social topics	Integrated Annual Report: Corporate Governance Report: Board, committee and director evaluations Social and Ethics Committee Report	93 102
Highest govern	ance body's role in risk management		
G4-45 G4-46 G4-47	Highest governance body's role in identification and management of economic, environmental and social impacts, risks and opportunities; review of the effectiveness of the organisation's risk management processes; frequency of review of impacts, risks and opportunities	Integrated Annual Report: • Risk Management Report	84
Highest govern	ance body's role in sustainability reportin	g	
G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report	Integrated Annual Report: Social and Ethics Committee Report	102
Highest govern	ance body's role in evaluating economic,	environmental and social performance	
G4-49 G4-50	Process for communicating critical concerns and nature and total number of critical concerns	Integrated Annual Report: Social and Ethics Committee Report	102
Remuneration a	and incentives		
G4-51 G4-52 G4-53 G4-54 G4-55	Remuneration policies and linkage between performance criteria in remuneration policies and highest governance body's and senior executives' economic, environmental and social objectives; process for determining remuneration; how stakeholders' views are sought and taken into account regarding remuneration, including the results on the voting on remuneration policies; ratio of annual total compensation of highest paid individual to the median annual total compensation for all employees per country	Integrated Annual Report: • Remuneration Report	128
		CS AND INTEGRITY	
G4-56 G4-57 G4-58	Description of organisation's values and standards such as codes of conduct and codes of ethics; internal and external mechanisms for seeking advice on ethical and lawful behaviour, such as helplines; internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, such as escalation through line management or whistle-blowing mechanisms	Integrated Annual Report: • Corporate Governance Report: Ethics and compliance	98

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
MATERIAL SPE	CIFIC STANDARD DISCLOSURES		
	: Provide quality healthcare services		
	tional health and safety		
LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work- related fatalities by region and by gender	Sustainable Development Report: Human capital: Health and safety at work	58
Aspect: Custom	er health and safety		
PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Integrated Annual Report: Clinical Services Report Sustainable Development Report: Quality of care and facilities	56 35
Aspect: Product	and service labelling		
PR5	Results of surveys measuring customer satisfaction	Sustainable Development Report: Material issues: Performance highlights (patient satisfaction) Stakeholder engagement: Patients Quality of care and facilities: Patient satisfaction	8 27 37
Aspect: Custom		1	I
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Integrated Annual Report: Corporate Governance Report	90
Aspect: Complia	ance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Integrated Annual Report: Corporate Governance Report	90
Material issue 2	: Address shortage of healthcare practition	oners	,
Aspect: Employi	ment		
LA1	Total number and rate of new employee hires and employee turnover by age group, gender and region	Sustainable Development Report: Human capital: Employee composition and turnover rate	50
Aspect: Training	and education		
LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Sustainable Development Report: Training and skills development	60
Material issue 3	: Creating and sustaining shareholder val	ue	
Aspect: Econom	nic performance		
EC1	Direct economic value generated and distributed	Integrated Annual Report: • Value Added Statement	5
	: Responsible use of natural resources		
Aspect: Energy EN3	Energy consumption within the	Sustainable Development Report:	
EN5 EN6	organisation; energy intensity; reduction of energy consumption	Environmental performance: Energy conservation	73
Aspect: Emissio	ns		
EN15 EN16 EN17 EN18	Direct greenhouse gas (GHG) emissions (scope 1); indirect GHG emissions (scope 2); other indirect GHG emissions (scope 3)	Sustainable Development Report: • Environmental performance: Emissions/climate change; Waste management and recycling	68 71
Aspect: Product	s and services		
EN27	Extent of impact mitigation of environmental impact of products and services	Sustainable Development Report: • Environmental performance	67
Aspect: Complia	ance		
EN29	Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	Sustainable Development Report: • Environmental performance: Compliance	75

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
Material issue 5	: Governance and corporate social respon	sibility	
	y and equal opportunity		I
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Sustainable Development Report: Human capital: Employee composition and turnover rate Human capital: Diversity and equal opportunities	50 57
Aspect: Non-dis	crimination		
HR3	Total number of incidents of discrimination and actions taken	Sustainable Development Report: Human capital: Diversity and equal opportunities	57
Aspect: Local co	ommunities		
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	Sustainable Development Report: Stakeholder engagement: Community Investing in the community	34 65
Aspect: Anti-co	rruption		
SO5	Confirmed incidents of corruption and actions taken	Integrated Annual Report: - Corporate Governance Report	90
-	mpetitive behaviour		1
SO7	Total number of legal actions for anti- competitive behaviour, anti-trust and monopoly practices and their outcomes	Integrated Annual Report: Corporate Governance Report	90
Aspect: Complia	ance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Integrated Annual Report: Corporate Governance Report	90
	OTHER SPECIFI	C STANDARD DISCLOSURES	
CATEGORY: EC	ONOMIC		
-	nic performance	I	I
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Sustainable Development Report: Environmental performance: Environmental management and risk assessment; Emissions/climate change	67 68
EC3	Coverage of the organisation's defined benefit plan obligations	Integrated Annual Report: Remuneration Report Sustainable Development Report: Human capital: Employee recruitment, retention and remuneration	128 53
EC4	Financial assistance received from government	Sustainable Development Report: Stakeholder engagement: Government and authorities	31
Aspect: Market	presence		
EC5	Ratios of standard entry-level wage by gender compared to local minimum wage at significant locations of operation	Sustainable Development Report: Human capital: Employee recruitment, retention and remuneration	53
EC6	Proportion of senior management hired from the local community at locations of significant operation	Sustainable Development Report: Human capital: Diversity and equal opportunities	57
Aspect: Indirec	t economic impacts		
EC7	Development and impact of infrastructure investments and services supported	Sustainable Development Report: • Investing in the community	65
EC8	Significant indirect economic impacts, including the extent of impacts	Sustainable Development Report: Access to and affordability of healthcare Training and skills development Investing in the community	42 60 65
Aspect: Procure	ement practices		
EC9	Proportion of spending on local suppliers at significant locations of operation	Sustainable Development Report: • Managing the supply chain	47

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
CATEGORY: EN	VIRONMENTAL		
Aspect: Materia	ıls		
EN1 EN2	Materials used by weight or volume; percentage of materials used that are recycled input materials	Not reported	-
Aspect: Energy			
EN4 EN7	Energy consumption outside the organisation; reductions in energy requirements of products and services	Sustainable Development Report: • Environmental performance: Energy conservation	73
Aspect: Water			
EN8 EN9 EN10	Total water withdrawal by source; water sources significantly affected by withdrawal of water; percentage and total volume of water recycled and reused	Sustainable Development Report: Environmental Performance: Water consumption and recycling	72
Aspect: Biodive	ersity		
EN11 EN12 EN13 EN14	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas; description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas; habitats protected or restored; number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	Sustainable Development Report: Environmental performance: Biodiversity	75
Aspect: Emission	ons		
EN19 EN20 EN21	GHG emissions intensity; reduction of GHG emissions; emissions of ozone-depleting substances (ODS); NO _x , SO _x and other significant air emissions	Sustainable Development Report: Environmental performance: Emissions/climate change	68
Aspect: Effluen	ts and waste		
EN22 EN23 EN24 EN25 EN26	Total water discharge by quality and destination; total number and volume of significant spills; total weight of waste by type and disposal method; weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally; identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	Sustainable Development Report: • Environmental performance: Waste management and recycling	71
Aspect: Produc	ts and services		
EN28	Percentage of products sold and their packaging materials reclaimed	Not applicable	-
Aspect: Transpo			
EN30	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	Not applicable	-
Aspect: Overall			
EN31	Total environmental protection expenditures and investments by type	Not reported	-
	er environmental assessment		
EN32 EN33	Percentage of new suppliers that were screened using environmental criteria; significant actual and potential negative environmental impact in the supply chain and actions taken	Not reported	-

GRI G4 DISCLOSURE			PAGE
REFERENCE	DESCRIPTION	SECTION OF REPORT	REFERENCE
Aspect: Enviro	nmental grievance mechanisms		
EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	None	-
CATEGORY: SO	CIAL (LABOUR PRACTICES AND DECENT	WORK)	
Aspect: Employ			
LA2	Benefits provided to full-time employees, that are not provided to temporary or part-time employees, by major operations	Integrated Annual Report: Remuneration Report Sustainable Development Report: Human capital: Employee recruitment, retention and remuneration (Figure 20)	128
LA3	Return to work retention rates after parental leave	Sustainable Development Report: Human capital: Employee recruitment, retention and remuneration (Figure 21)	54
Aspect: Labour	r/management relations		
LA4	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Sustainable Development Report: Human capital: Labour relations and working conditions	53
Aspect: Occupa	ational health and safety		
LA5 LA7 LA8	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes; workers with high incidence or high risk of diseases related to their occupation; health and safety topics covered in formal agreements with trade unions	Sustainable Development Report: Human capital: Health and safety at work	58
Aspect: Trainin	g and education		
LA9 LA11	Average hours of training per year per employee by gender and employee category; percentage of employees receiving regular performance and career development reviews, by gender and employee category	Sustainable Development Report: Training and skills development	60
Aspect: Equal r	remuneration for women and men		
LA13	Ratio of basic salary and remuneration of men to women by employee category	Sustainable Development Report: Human capital: Employee recruitment, retention and remuneration	53
Aspect: Supplie	er assessment for labour practices		
LA14 LA15	Percentage of new suppliers screened using labour practice criteria; significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Not reported	-
Aspect: Labour	practices grievance mechanisms		
LA16	Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms	Not reported	-
CATEGORY: SO	CIAL (HUMAN RIGHTS)		
Aspect: Investr	nent		
HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening	Not reported	-
HR2	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Sustainable Development Report: • Broad-based black economic empowerment	40

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
Aspect: Freedo	om of association and collective bargaining	q	
HR4	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Sustainable Development Report: Human capital: Labour relations and working conditions	52
Aspect: Child I	abour and forced/compulsory labour		T
HR5 HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour; operations and significant suppliers identified as having significant risk for incidents of forced/compulsory labour, and measures taken to contribute to the elimination of all forms of forced/compulsory labour	Not applicable	-
Aspect: Securi	ty practices		
HR7	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	Not applicable	-
Aspect: Indige	nous rights		
HR8	Total number of incidents of violations involving rights of indigenous people and actions taken	See HR3 above	-
Aspect: Assess	ment		
HR9	Total number and percentage of operations that have been subject to human rights reviews and/or impact assessments	Sustainable Development Report: Broad-based black economic empowerment	39
Aspect: Suppli	er human rights assessment		
HR10	Percentage of new suppliers screened using human rights criteria	Not reported	-
HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Not reported	-
Aspect: Humai	rights grievance mechanisms		
HR12	Number of grievances related to human rights impact filed, addressed and resolved through formal grievance mechanisms	See HR3 above	-
CATEGORY: SO	OCIAL (SOCIETY)		
Aspect: Local			
SO2	Operations with significant potential or actual negative impact on local communities	Not applicable	-
Aspect: Anti-c		1.1	T
SO3 SO4	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified; communication and training on anti-corruption policies and procedures	Integrated Annual Report: Corporate Governance Report: Ethics and compliance (corruption)	99
Aspect: Public	-		
SO6	Total value of political contributions by country and recipient/beneficiary	Integrated Annual Report: Corporate Governance Report: Ethics and compliance (corruption)	99
Aspect: Suppli	er assessment for impacts on society		
SO9	Percentage of new suppliers screened using criteria for impacts on society	Not reported	-
SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Not reported	-

GRI G4 DISCLOSURE REFERENCE	DESCRIPTION	SECTION OF REPORT	PAGE REFERENCE
Aspect: Grievance mechanism for impacts on society			
SO11	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	None	-
CATEGORY: SOCIAL (PRODUCT RESPONSIBILITY)			
Aspect: Customer health and safety			
PR2	Total number of incidents of non- compliance with regulations and voluntary codes concerning health and safety impact of products and services during their life cycle, by type of outcomes	Integrated Annual Report: Corporate Governance Report: Compliance	100
Aspect: Product and service labelling			
PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant products and service categories subject to such information requirements	Not applicable	-
PR4	Total number of incidents of non- compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	None	-
Aspect: Marketing communications			
PR6	Sale of banned or disputed products	Not applicable	-
PR7	Total number of incidents of non- compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	Integrated Annual Report: Corporate Governance Report: Compliance	100