

# SOCIAL AND ETHICS COMMITTEE REPORT



## INTRODUCTION

The Social and Ethics Committee (“the Committee”) assists the Board in ensuring that the Mediclinic Group is and remains a good and responsible corporate citizen, and to perform the statutory functions required of a social and ethics committee in terms of the Companies Act. This report is presented by the Committee to describe how it has discharged its statutory duties in terms of the Companies Act as well as its additional duties assigned to it by the Board in respect of the financial year ended 31 March 2015.

The Committee is satisfied that it has fulfilled all its statutory duties and duties assigned to it by the Board during the financial year under review, as further detailed below.

## COMPOSITION AND MEETINGS

The Committee consists of an independent non-executive chairperson, one non-executive director, the Group's Chief Executive Officer and the Group's Chief Clinical Officer who are suitably skilled and experienced. The Chief Executive Officers of the Group's operating platforms, the Executive: Group Services and the Group Risk Manager are invited to attend all Committee meetings. The composition and attendance of the Committee meetings during the period under review are included in the **Corporate Governance Report (Figure 6)** included in this integrated annual report.



## ROLE AND FUNCTION OF THE COMMITTEE

The responsibilities and functioning of the Committee are governed by a formal mandate approved by the Board, which is subject to regular review by the Board, but at least annually. The main objectives of the Committee are to assist the Board in ensuring that the Group is and remains a good and responsible corporate citizen by monitoring the sustainable development performance of the Group, which includes the following main responsibilities outlined below.

## POLICY REVIEW

The Committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance and for making recommendations to management and/or the Board in this regard. During the year, the Committee reviewed the Group's Code of Business Conduct and Ethics, Group Sustainable Development Policy, Group Environmental Policy and the Group Social Affairs Policy. The Board, upon recommendation of the Committee, approved the amendment of the Group Sustainable Development Policy to incorporate the materiality assessment process for the Group, and the Group Code of Business Conduct and Ethics to incorporate the provisions of the Group Social Affairs Policy, which was subsequently abolished. These policies are published on the Company's website at [www.mediclinic.com](http://www.mediclinic.com).

## MONITORING SUSTAINABLE DEVELOPMENT PERFORMANCE

The Committee performs a monitoring role in respect of the sustainable development performance of the Group, specifically relating to:

- stakeholder engagement;
- health and public safety, which include occupational health and safety as well as the clinical quality of the Group's services;
- broad-based black economic empowerment;
- labour relations and working conditions;
- training and skills development of our employees;
- management of the Group's environmental impacts;
- ethics and compliance; and
- corporate social investment.

The Committee is satisfied with the Company's performance in each of the areas listed above, as further reported on in the **Sustainable Development Report** published on the Company's website. A few highlights of the Group's performance against its key sustainability priorities are included in this integrated annual report.

The Committee's monitoring role also includes the monitoring of relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, as well as labour and employment. During the period under review, feedback on the Group's compliance management process, which is monitored through the Group's risk management process, was reviewed by the Committee.

## KEY SUSTAINABILITY PRIORITIES

The Committee is responsible for annually revising or determining, in conjunction with senior management, the Group's key sustainability priorities. The key sustainability priorities reported on in the **Material Sustainability Issues** included in this integrated annual report were confirmed by the Committee, as recommended by management.

## PUBLIC REPORTING AND ASSURANCE

The Committee is responsible for reviewing and approving the annual sustainability content included in the integrated annual report and/or published on the Company's website, and determining and making recommendations on the need for external assurance of the Group's public reporting in sustainable development performance. The Committee reviewed the **Clinical Services Report** and the **Material Sustainability Issues** included in the integrated annual report, as well as the **Sustainable Development Report** published on the Company's website. These reports were also approved by the Board, upon the recommendation of the Committee. The Committee is satisfied that the current level of combined assurance provides the necessary independent assurance over the quality and reliability of the information presented. The Committee will continue to monitor whether additional forms of assurance are required in future.

The Committee is also required to report through one of its members to the Company's shareholders on the matters within its mandate at the Company's annual general meeting. Shareholders will be referred to this report by the Committee, read with the **Sustainable Development Report**, at the Company's annual general meeting on 23 July 2015. Any specific questions to the Committee may be sent to the Company Secretary prior to the meeting.



## ASSESSMENT OF COMMITTEE'S PERFORMANCE

The functioning of the Committee was evaluated by the members of the Committee and reviewed by the Board, and will be done on an annual basis going forward. No significant issues that require improvement were highlighted during the evaluation conducted during the year.

The Board also assesses the functioning of the Committee and the level of feedback received from the Committee annually. The Board confirmed that the Committee functions effectively.



**N Mandela**

*Chairperson: Social and Ethics Committee*

Stellenbosch  
19 May 2015