

NMC Health plc

**Environmental, Social and
Governance Report**

2017

Table of Contents

About this Report 3

- About this Report
- About NMC Healthcare

Environment 5

- Water Consumption
- Electricity Consumption
- Fuel Consumption
- Waste Management
- GHG Emissions

Social 9

- Dedication to our Patients
- Our Employees
- Responsible Supply Chain
- Local Community

Governance, Compliance & Risk Management 17

About this Report

NMC Healthcare is committed to operating sustainably, ensuring the implementation and measurement of sustainable practices across our environmental, social and governance performance. As a publicly listed organisation, we always seek to share updates on our practices in a transparent manner to highlight the value we create for all our stakeholders.

Reporting Scope

The report covers our performance for the calendar year 2017 and is focused on highlighting our ESG performance across our seven biggest hospitals listed in the table below. While the report excludes entities beyond these hospitals, there are sections which cover performance for the Group as a whole, including entities beyond the seven biggest hospitals. These sections have disclaimers that indicate so.

Hospital	In Patient Count	Out Patient Count
	2017	
NMC Specialty Hospital Abu Dhabi	40,444	1,892,046
NMC Specialty Hospital Al Nahda	19,729	822,760
NMC Specialty Hospital Al Ain	23,605	1,021,872
NMC Royal Hospital DIP	10,255	388,161
NMC Royal Women's Hospital Abu Dhabi	14,317	255,748
NMC Royal Hospital Khalifa City	19,432	944,204
Al Zahra Hospital, Sharjah	12,890	387,947


About NMCHealthcare

NMCHealthcare is the largest private healthcare company in the UAE and ranks amongst the leading fertility service providers in the world. Over the last forty- three years, NMC has earned the trust of millions, thanks to its personalized care, genuine concern and a sincere commitment to the overall well-being of the patient.

NMC was the first company from Abu Dhabi to list on the London Stock Exchange and is now part of the premium FTSE 100 Index, an elite club of top 100 blue- chip companies by market cap. NMC's strategic acquisitions coupled with its legacy institutions have allowed us to fill the service gap in our healthcare delivery system and offer a continuum of care to patients.

At NMCHealthcare, we guarantee personalised care, genuine concern and a sincere commitment to the overall well-being of society. We believe that healthcare is simply not about detecting, diagnosing, informing or treating an individual but it is about helping people to lead a wholesome and healthy life. We are committed to serving the communities where we do business and pledge to provide our customers with hope - Hope of a Healthy and Happy Life.

Our mission is to be the trusted healthcare provider across the globe, driven by excellence in innovation, quality, teamwork, advanced technologies, patient safety and customised care offerings.



ENVIRONMENTAL

As a leading organisation in the healthcare industry, we fully understand our responsibility towards the environment and its impact on all our stakeholders, which is why we are committed to and encourage, recycling, reuse and the reduction of consumption across the Group. Therefore, our internal process, policies and guidelines ensure we run our daily operations in an environmentally-responsible manner. We monitor our energy consumption resulting from fuel consumption, electricity, air travel and other sources. This ensures we have effective measures in place to control carbon emissions and manage our overall carbon footprint. As for water, and since we operate in mostly water-scarce regions, we monitor our water consumption and instil practices, tools and technologies that would ensure a culture of conscious preservation and consumption.

Water Consumption

Hospital	Utility Water (Litres)			Drinking Water (Litres)		
	2016	2017	Change %	2016	2017	Change %
NMC Royal Women's Hospital Abu Dhabi	14,019	12,869	(8%)	2,776	8,989	-
NMC Royal Hospital Khalifa City	161,675,000	198,421,000	23%	301,225	472,098	56%
NMC Specialty Hospital Abu Dhabi	45,881,653	43,982,859	(4%)	563,276	557,606	(1%)
NMC Specialty Hospital Al Ain	17,015,000	24,744,670	45%	406,428	358,248	(12%)
NMC Specialty Hospital Al Nahda	33,247,575	31,871,635	(4%)	319,307	308,937	(3%)
NMC Royal Hospital DIP	11,025,632	16,141,802	46%	171,158	189,529	11%
Al Zahra Hospital, Sharjah	12,988,800	14,766,840	14%	-	420,000	-

* NMC Royal Women's hospital only tracked data for 9 months in 2016

Electricity Consumption

Hospital	Electricity (KWH)		
	2016	2017	Change %
NMC Royal Women's Hospital Abu Dhabi	3,815,212	3,537,510	(7%)
NMC Royal Hospital Khalifa City	17,505,753	23,081,097	32%
NMC Specialty Hospital Abu Dhabi	13,402,756	12,053,936	(10%)
NMC Specialty Hospital Al Ain	9,647,316	10,149,804	5%
NMC Specialty Hospital Al Nahda	7,261,147	7,352,823	1%
NMC Royal Hospital DIP	3,284,704	3,682,743	12%
Al Zahra Hospital, Sharjah	9,850,680	9,694,200	(2%)

Fuel Consumption

Hospital	Vehicles (Litres)		Diesel Generator (Litres)
	Petrol	Diesel	
	2017		
NMC Specialty Hospital Abu Dhabi	93,823	-	1,028
NMC Specialty Hospital Al Ain	89,887	-	120
NMC Royal Women's Hospital Abu Dhabi	70,368	-	-
NMC Royal Hospital Khalifa City	196,845	54,480	111,508
NMC Specialty Hospital Al Nahda	51,331	5,462	973
NMC Royal Hospital DIP	51,888	6,294	690
Al Zahra Hospital, Sharjah	19,513	-	-

Waste Management

Hospital	Medical Waste (Kgs)			General Waste (Kgs)			Recycled Waste (Kgs)			Food Waste (Kgs)		
	2016	2017	Change %	2016	2017	Change %	2016	2017	Change %	2016	2017	Change %
NMC Royal Women's Hospital Abu Dhabi	49,372	62,225	26%	104,452	111,163	6%	9,284	13,288	43	5,330	13,920	161
NMC Royal Hospital Khalifa City	89,119	201,943	127%	303,056	563,236	86%	45,804	70,150	53	97,260	149,336	54
NMC Specialty Hospital Abu Dhabi	175,041	177,618	1%	463,178	333,491	(28%)	80,833	80,232	(1%)	28,165	35,646	27
NMC Specialty Hospital Al Ain	106,560	98,640	(7%)	269,755	224,089	(17%)	23,495	54,165	131	NA	3,422	NA
NMC Specialty Hospital Al Nahda	139,646	143,996	3	219,398	306,650	40%	13,486	23,511	74	28,625	9,362	(67%)
NMC Royal Hospital DIP	47,620	68,689	44	136,840	266,870	95%	-	7,989	-	-	5,120	-
Al Zahra Hospital, Sharjah	5,225	5,881	13	11,593	11,796	-	-	-	-	-	-	-

GHG Emissions

For the 12 months to 30 September	Healthcare (excluding the acquired entities)		Healthcare (all entities)		Distribution		Total	
	2016	2017	2016	2017	2016	2017	2016	2017
Scope 1 emissions	7,699	7,090	9,666	8,966	3,917	4,351	13,579	13,318
Scope 2 emissions	29,829	44,144	43,361	50,091	5,230	7,367	48,591	57,457
Total GHG emissions	37,528	51,235	53,027	59,057	9,147	11,718	62,174	70,775
GHG emissions intensity – tonnes CO ₂ e/1,000 patient	11.3	11.8	12.5	11.6	-	-	-	-
GHG emissions intensity – tonnes CO ₂ e/1,000 orders		-	-	-	20.97	25.62	-	-
GHG emissions intensity by revenue – tonnes CO ₂ e/1,000 dollar	0.073	0.073	0.065	0.051	0.022	0.024	0.051	0.044

Scope 1 = direct emissions from fuel combustion and industrial processes. At these sites this takes the form of gas for heating, diesel and petrol for the fleet and diesel for generators.

Scope 2 = indirect emissions from the generation of purchased electricity and cooling.

Notes:

1. The GHG emissions reporting is in line with the GHG Protocol developed by the World Business Council for Sustainable Development, and additional guidance issued by the UK Government. The emissions have been calculated using carbon conversion factors published by the UK Government in October 2016.
2. The total Scope 2 emissions have been reported in accordance with the 'location based' method which uses grid average emissions factors. There are no energy certificates or supplier-specific information available in the UAE, therefore, the 'market based' method is not applicable here.
3. Conversion factors applicable to the UAE for Scope 2 have been obtained from the publication "IEA CO₂ Emissions from Fuel Combustion" (2012 edition).
4. A conversion factor for Sevoflurane was not available from the UK Government so an epa.gov GHG reporting figure was used.
5. During FY2017 period, one of the acquired entities, Fakhiv IVF, started GHG reporting. For comparison, we have excluded acquired entities which started reporting from FY16 and FY17. These entities include: Fakhiv IVF, Clinica Eugin, ProVita, Dr Sunny Healthcare Group and Americare.

Dedication to our Patients

Health, Safety, & Quality Standards

NMC Healthcare is dedicated to offering the highest quality in healthcare. Our hospitals are governed by internal policies, producers and controls, that cater to patient safety, quality of healthcare, facilities management, prevention and control of infection, handling hazardous waste material and many others.

Patient Safety Statistics

Each NMC facility has a set of detailed reporting KPIs for patient experience and safety, which they report on a monthly/quarterly bases to the regulating authority. Below is a snapshot of some of our Health & Safety Statistics for 2017.

Hospital	CAUTI rate			
	Q1	Q2	Q3	Q4
NMC Royal Women’s Hospital Abu Dhabi	0	0	0	0
NMC Royal Hospital Khalifa City	0	0	0	0
NMC Specialty Hospital Al Ain	1.5	0	0	0
NMC Specialty Hospital Al Nahda	1.47	3.47	0	0
NMC Royal Hospital DIP	0	0	0	1.52
CAUTI Numbers				
NMC Royal Hospital Khalifa City	0			
Al Zahra Hospital, Sharjah	3			

Hospital	CLABSI rate			
	Q1	Q2	Q3	Q4
NMC Royal Women's Hospital Abu Dhabi	0	0	0	0
NMC Royal Hospital Khalifa City	0	1.93	0	0
NMC Specialty Hospital Al Ain	0	0	0	0
NMC Specialty Hospital Al Nahda	4.89	0.00	0	0
NMC Royal Hospital DIP	0	0	0	0
CLABSI Numbers				
NMC Royal Hospital Khalifa City	1			
Al Zahra Hospital, Sharjah	3			

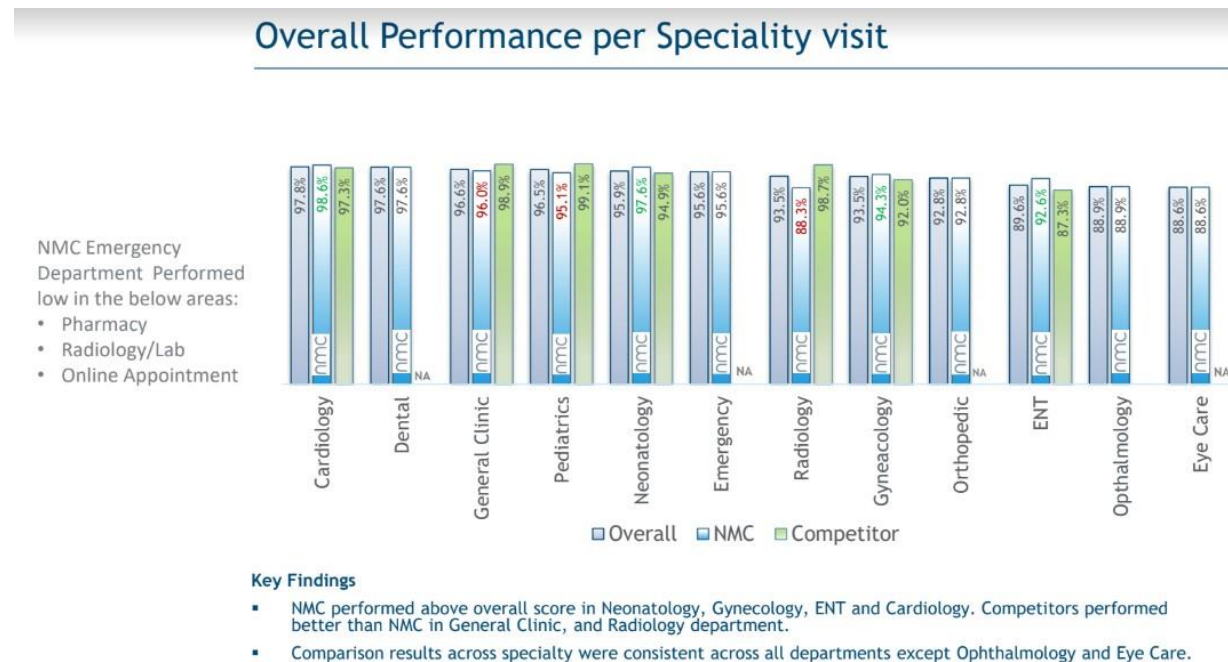
Hospital	surgical site infection (SSI) rate			
	Q1	Q2	Q3	Q4
NMC Royal Women's Hospital Abu Dhabi	0	0	0	0
NMC Royal Hospital Khalifa City	0	0	0	0
NMC Specialty Hospital Al Ain	0	0	0.70	0
NMC Specialty Hospital Al Nahda	0.31	0.09	0.34	0.16
NMC Royal Hospital DIP	0.13	0.00	0.21	0.27
surgical site infection (SSI) Numbers				
NMC Royal Hospital Khalifa City	5			
Al Zahra Hospital, Sharjah	0			

Patient Quality

We take a proactive approach to always ensure that our patients are met with the highest level of quality of healthcare that is an alignment with national and international best practices, certifications and guidelines. To ensure this we routinely conduct mystery shopping visits to our facilities to evaluate the performance of all our hospitals.

Another important initiative to mention, is the extra care we put forward when dealing with their treatment. NMC invests a lot in understanding the needs and situations of their patients, which is why we provide a personal chauffer service to and from treatment to our cancer patients.

Q4 2017 Mystery Shopping Results Snapshot



Our mystery shopping surveys consists of a detailed set of performance indicators that are compiled together to give the hospital an overall score on its performance. The scored are then matched against general industry performance and competitors to provide an assessment of NMC is performing within those areas. The evaluation criteria's are as follows:

- Online Appointment

- Call Center
- OP Front Desk
- Nurse/Paramedical
- Consultation/Doctor
- Consultation Room
- Consultation
- Payment
- Pain Management
- Hospital Facility

Responsible Marketing

We understand the role we play in communicating our products and services, as well as the responsibility and importance of providing our patients with key and timely information to help them make decisions. Although all our marketing collateral have to be reviewed and approved by the relevant regulatory authorities, we take our commitments one step further to refine our messages and ensure that we are honouring the trust of our patients.

We are proud to announce that during the year 2017, zero marketing collaterals have been rejected by regulating authorities. Furthermore, we have placed an Authority Matrix and Budget Rules for the department which gets reviewed, audited and updated on a time to time basis.

Patient Confidentiality

In the healthcare sector, doctors invest a significant amount of time in building trust with patients. This relationship is the foundation and pillar of the healthcare sector. To ensure that trust is never broken, we place internal governing policies that protect the private details of every patient. Every employee is trained and made well-aware of all aspects of patient confidentiality.

During 2017, there have been zero reported cases on the breach of patient confidentiality.

Complaints and Grievances

Our complaints and grievance policies detail the channels and methods by which a patient can raise complaints. All our hospitals maintain their own service level metrics to raising, assessing, resolving as well as the turnaround time to address grievances. NMCH healthcare also has implemented a Group-wide Service recovery policy to enable us to proactively care for patients that have voiced complaints.

Our Employees

Diversity & Inclusion

As one of the leading healthcare providers in UAE and internationally, we recognise the importance of maintaining a diverse work environment in the creation of a strong and healthy workplace that fosters innovation and shared learning experiences. We celebrate differences and do not tolerate any discrimination against any employee based on race, colour, religion, gender, age or nationality. To demonstrate our commitment to diversity, we have in place an anti-discrimination policy, that educates the workforce on discrimination and harassment topics, as well as how to address them. Below is a representation of our diversity as per our seven hospitals.

Job Categories – By Gender	2016	Total	% of Total	2017	Total	% of Total	% Change between 2016 & 2017
Male Doctors	603	961	62.75%	622	1013	61.40%	(1.35%)
Female Doctors	358		37.25%	391		38.60%	1.35%
(Male Nurses	452	2631	17.18%	438	2656	16.49%	(0.69%)
Female Nurses	2179		82.82%	2218		83.51%	0.69%
Male Pharmacists	128	282	45.39%	164	330	49.70%	4.31%
Female Pharmacists	154		54.61%	166		50.30%	(4.31%)
Male Technicians	309	665	46.47%	301	641	46.96%	0.49%
Female Technicians	356		53.53%	340		53.04%	(0.49%)
Male Others	4065	5,757	70.61%	4051	5783	70.05%	(0.56%)
Female Others	1692		29.39%	1732		29.95%	0.56%

During the year 2017, the only notable change is the 4% decrease in female technicians, the rest of the job categories witnessed a minimum change in diversity pattern.

Top Management – by Gender	2016	2017
Males	30	36
Females	5	5
Total	35	41

Over the course of 2017, NMC has employed 67 different Nationalities. The table below is a representation of the top 20 nationalities

Top 20 Nationalities							
Rank	Nationality	Total	%	Rank	Nationality	Total	%
1	India	6688	62.62%	11	Morocco	44	0.41%
2	Philippines	1689	15.81%	12	South Africa	31	0.29%
3	Pakistan	667	6.24%	13	Yemen	29	0.27%
4	Egypt	394	3.69%	14	Lebanon	26	0.24%
5	Nepal	349	3.27%	15	United Kingdom	24	0.22%
6	Jordan	126	1.18%	16	Palestine	23	0.22%
7	Sudan	123	1.15%	17	Iraq	21	0.20%
8	Sri Lanka	89	0.83%	18	Thailand	21	0.20%
9	Bangladesh	87	0.81%	19	Nigeria	19	0.18%
10	Syria	51	0.48%	20	United Arab Emirates	13	0.12%

Retention, Learning, & Development

In 2017, NMC was recognised as one of the “Top Companies to Work For” in the UAE by the Great Place to Work Institute. One of our success factors leading to this recognition is the investment we make in our employees. We understand the importance that each employee plays in a patient's healthcare journey and equip them with the necessary tools to perform their role with utmost professionalism.

Turnover rate (%)	2016	2017
All 7 Hospitals	10.66%	11.34%

Accordingly, over the period in time, the overall attrition has come down in the Knowledge Capital category as under:

2012 Voluntary Attrition among Doctors, Nurses, Pharmacists and Technicians as a group was 10.3%.

2017 Voluntary Attrition among Doctors, Nurses, Pharmacists and Technicians as a group was 8.4%.

From the time an employee joins any NMC Healthcare facility, they are given a thorough and intensive induction, after which they are handed employee manuals as a guiding reference. Furthermore, a central training resource was created to encourage sharing practices and proactive learning. Our Continuing Development Programme provides in-house facilities as well as education and training programmes conducted internally and by external qualified experts.

NMC also has a dedicated Learning and Development Centre called: Dr. C.R. Shetty center for simulation and interactive learning for skill development and behavioural engineering, which all hospital units across can access and take advantage of a variety of non-medical and medical training needs.

2017 Training Hours	
NMC Royal Women's Hospital Abu Dhabi	2,297
NMC Royal Hospital Khalifa City	2,841
NMC Specialty Hospital Abu Dhabi	8,674
NMC Specialty Hospital Al Ain	5,384
NMC Specialty Hospital Al Nahda	4,448
NMC Royal Hospital DIP	3,239
Al Zahra Hospital, Sharjah	807

Employee Engagement

Providing safe and quality healthcare around the clock is a challenging commitment. Our employees invest a lot of their time ensuring the very best is provided to every patient. We are able to provide this kind of service by listening to our employees through our various engagement programmes. Our most notable programme is our NMC Foundation, which takes place in August of every year. In this programme, all our role players gather and get recognised for their high performance. The NMC Foundation is attended by the CEO who makes a personal address to acknowledge all achievements of the year. Further to our NMC foundation day, our CEO makes an address to all employees on a bi-monthly basis sharing his latest thoughts and next strategies. Each employee is also provided with a channel of direct access to the CEO to raise questions through the employee portal and is granted a 100% response rate.

Health & Safety

NMC Healthcare strives to foster a healthy and safe work environment. We do this by routinely conducting training as well as awareness programmes around the areas of fire and safety, occupational safety, infection prevention control and health talks. Each NMC hospital has an assigned Health and Safety Committee coordinating with the Health and Safety Manager to ensure that goals and KPIs are met. We also have policies, guidelines and risk management mechanisms to consistently monitor our health and safety performance.

Responsible SupplyChain

Suppliers' Selection & Risk Assessment

A key factor to organisational success is having a sound and robust supply chain management system. We understand the important role our suppliers play in achieving our vision and have put in place a set of internal policies and governance systems to ensure business sustainability. Our Suppliers must adhere to the assessments measures, technical requirements, and compliance policies, procedures, local laws and regulations, all of which are monitored through a strict Vendor Selection Process. Our selected suppliers then go through an induction process to ensure adherence to our quality and delivery standards. Our suppliers are encouraged to give us feedback to help us to continuously assess our internal processes, communications and technical expertise.

Green Purchasing

It is our policy to purchase products that are proven to reduce carbon emissions, wastage and limit exposure to harmful and hazardous products.

Local Community

For over 40 years, the Group has been using its medical and non-medical infrastructure along with our expertise globally to positively impact the wellbeing of local communities. By implementing the concept of Creating Shared Value, we identify resources, assets and experiences that can create a long-lasting social impact on thousands of community members. Our responsibility towards communities is usually fulfilled through two main focus areas:

Public Health Awareness

We believe that the best approach to health care is prevention. Using our wealth of knowledge and expertise, we give back to the communities we operate in by raising awareness on important public health topics. We do this on a yearly basis by conducting free health screenings, awareness workshops, corporate outreach programs and have even taken our initiatives and efforts online to create greater exposure on the most pressing and urgent topics.

Continuous Medical Education

We believe that it is our role to invest in medical education, and to contribute to the creation of a well-educated and trained talent of healthcare professionals. It is from this belief that we created the Continuous Medical Education Programme, which constitutes of a series of workshops offered to all doctors outside of NMC Healthcare facilities free of charge. It is important for doctors serving patients to keep up to date with the latest discoveries and practices and through this knowledge-sharing platform, we can bring together expertise together to promote sharing and growth.

Governance, Compliance & Risk Management

As a publicly listed company in the London Stock Exchange, we adhere to all governance and compliance required. We issue an annual Corporate Governance report that is included as part of our Annual Report. It details activities relating to our Board of Directors and key decisions made across the year along with their justifications. You can access this report by following [this link](#).

NMC Healthcare's Board of Directors has four committees:

- Remuneration Committee
- Audit Committee
- Nomination Committee
- Clinical Governance Committee

The Board and its Committees are responsible for the creation and approval of Group-wide policies that ensure our practices are in compliance with local and global best practices. Among these policies are:

Whistle-Blowing Policy

To ensure NMC Healthcare is held accountable to its operating principles and values, a whistleblowing policy was developed along with the necessary confidential channels for reporting incidents. This gives power to the employees to raise concerns of possible misconducts.

Anti-Bribery, Anti-Corruption, Gifts & Entertainment Policy

Our Group-wide Anti-Bribery, Anti-Corruption, Gifts and Entertainment Policy covers a wider range of topics, as well as specific guidance, reporting mechanism and delegated roles and responsibilities. We communicate our policy on a regular basis to all members of the NMC Healthcare workforce and ensure all newcomers receive a full induction of these policies and procedures.

To for more information on the above policies please visit our [website](#)

Risk Management

Risk Management plays an integral part of NMC's operations. The group plays a proactive role in identifying, assessing and mitigating risks across various levels of four operations. We have created a set of risk management frameworks and a strategic risk register as an approach to identifying, controlling and mitigating risks. Further to that, our Board plays an important role in the Group's overall risk management and internal controls systems, while our senior management team manages operational risks.

KEY THEMATIC RISKS THE BIG PICTURE - 2017

SERVICES EXCELLENCE

7. A Data Security (e.g. VVIP patient records) breach due to either intentional malicious cyber-attack or unintentional data or system loss resulting in reputational damage, operational disruption or regulatory breach.
8. Failure to comply with multi regulatory and standards bodies' requirements could result in financial fines, inability to renew licenses, as well as NMC reputation damage.
9. Failure to comply with internationally recognised clinical care and quality standards, clinical negligence, the mis-diagnosis of medical conditions or pharmaceuticals and the supply of unfit products across both divisions.

CUSTOMER CENTRICITY

1. Delays in completion of new strategic expansion projects due to contractor or potential cash flow interruption and bad investment decisions may result in poor return on Investment (ROI), decreased margins and market share.

FINANCIAL HEALTH

2. Increased competition due to high private and public investments in the healthcare sector and to associated investments coming from new entrants or existing player.
3. Failing to innovate and effectively deliver new services. Inexperience of operating in new markets/offering leads to missed opportunity or poor delivery.
4. Potential inability to improve NMC's margin due to medical inflation and pressure and bargaining from key insurance providers.
5. Potential instability in revenue impairing cash flow and working capital health as a result of global and regional demographic, macro economic and geopolitical factors.
6. Failure to maximise the opportunity or acquisitions through successful integration strategies or through ineffective management structure or operating model.



PEOPLE ENABLEMENT

10. Failure to retain/acquire key professionals or inability to acquire sufficient Medical staff could potentially lead to inability to deliver required healthcare services and execute growth strategy.

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