



## Netcare's Sustainability Journey

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**Section 1**  
**Governance**

CARE • DIGNITY • TRUTH • PARTICIPATION • PASSION

Sustainability is a key strategic imperative of Netcare and is embedded in:

- Governance structures
- Ownership by senior management
- Dedicated team
- Integration
- 5 year strategy and plan
- Financial evaluation / Business Case
- Measurement and Verification
- Awareness Campaigns



# GOVERNANCE FRAMEWORK

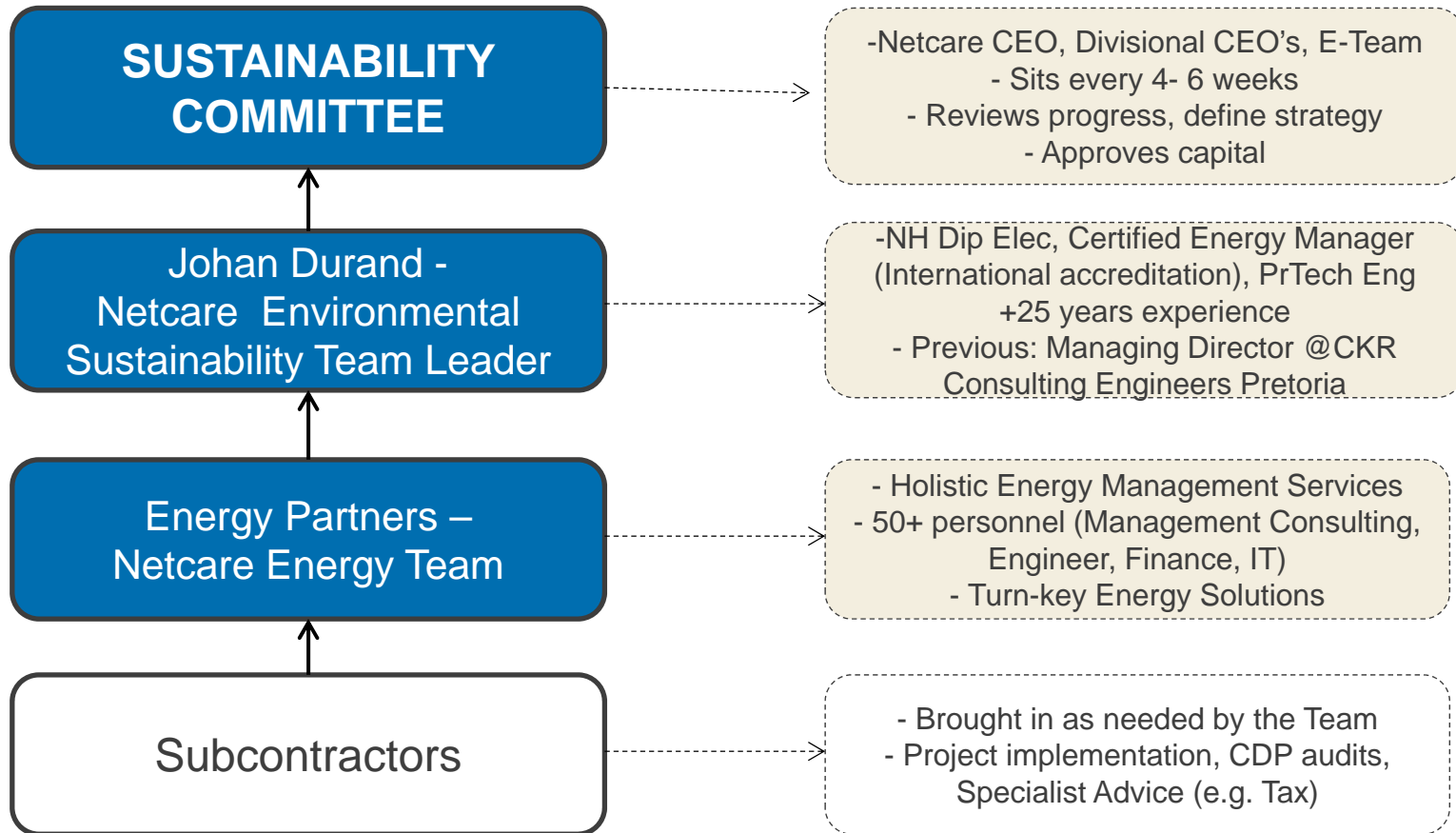
## OUR GOVERNANCE STRUCTURE



Note:  
The Sustainability Committee is chaired by the CEO to demonstrate the importance to the rest of the business.



## EXECUTION UNDER COMMITTEE OVERSIGHT





# IMPLEMENTATION TOOLS

## Known industry standards

- PAS 55 / ISO 55000 – Asset management system
- ISO 14001 – Environmental management system
- ISO 50001 – Energy management system
- Environmental policy drafted in accordance with best practice

## The Process:

**Plan:** Conduct the energy review and establish the baseline, energy performance indicators, objectives, targets and action plan necessary to deliver results in accordance with opportunities to improve energy performance and the organisation's energy policy.

**Do:** Implement the energy management action plans.

**Check:** Monitor and measure processes and the key characteristics of its operations that determine energy performance against the energy policy and objectives and finally report the results.

**Act:** Take action to continually improve performance and the Energy Management System. Qualitative targets remain a key focus.



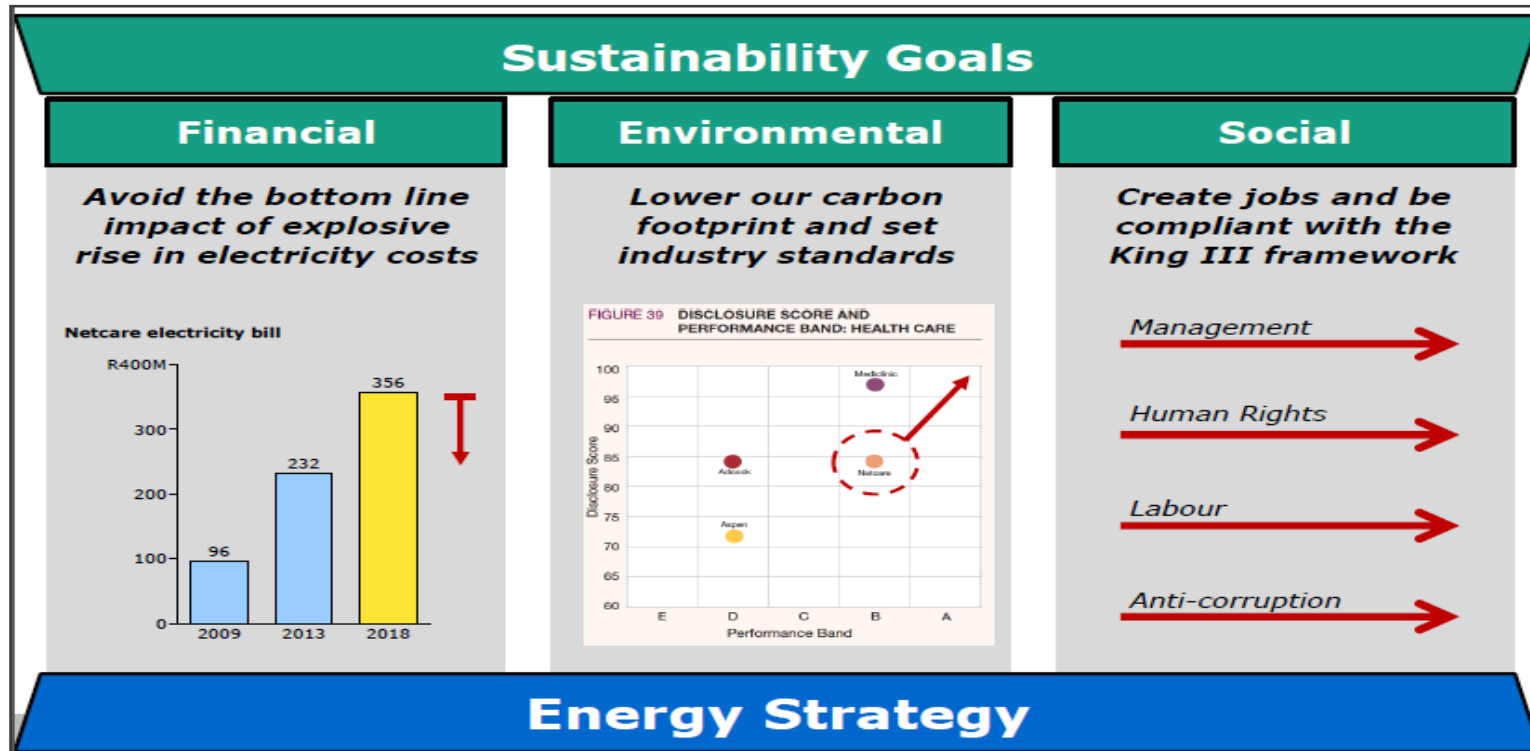
## VOLUNTARY REPORTING

Netcare voluntarily participates in the following environmental and sustainability associated reporting structures:

- Carbon Disclosure Project (Carbon as well as water disclosure)
- JSE-SRI
- Dow Jones SI
- UN – Global
- Environmental Policy which outlines commitment to public reporting



# WHAT DO WE EXPECT FROM THE ENVIRONMENTAL SUSTAINABILITY INITIATIVE IN NETCARE?



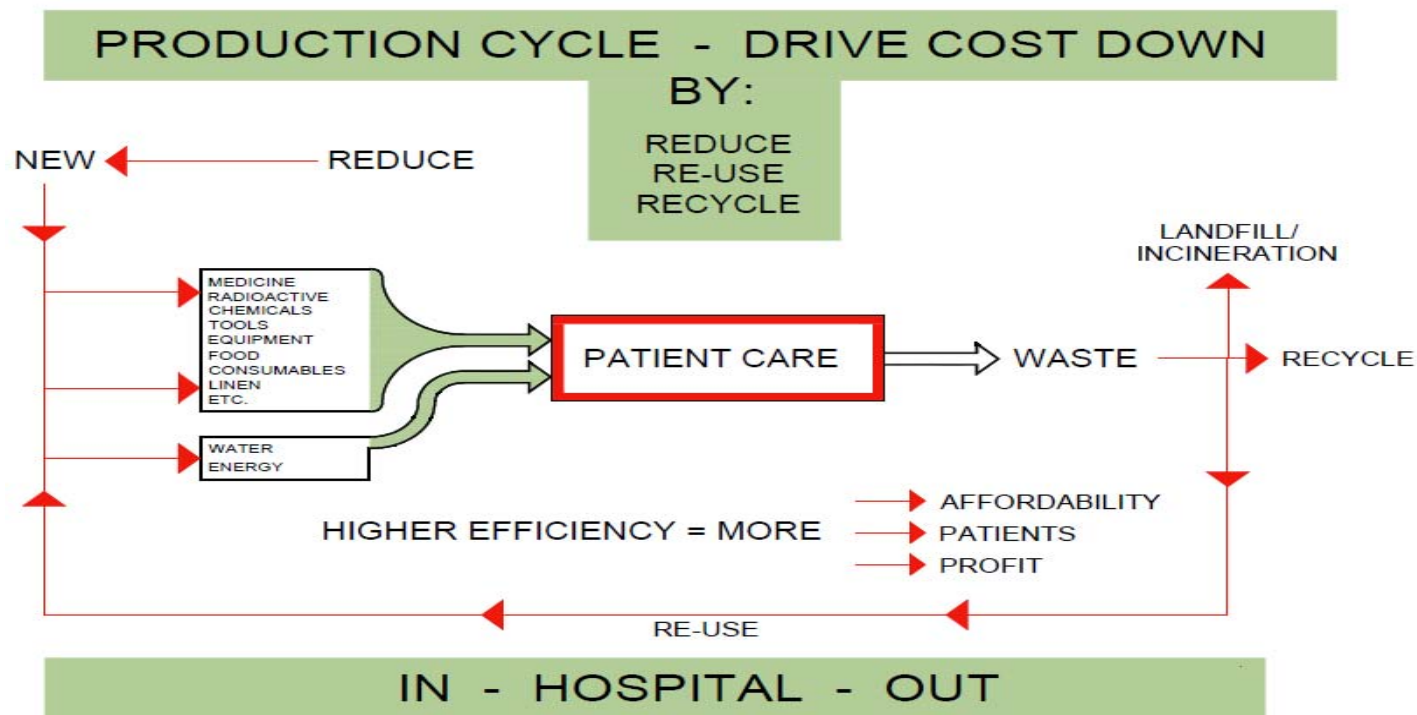




**Section 2  
Operations**

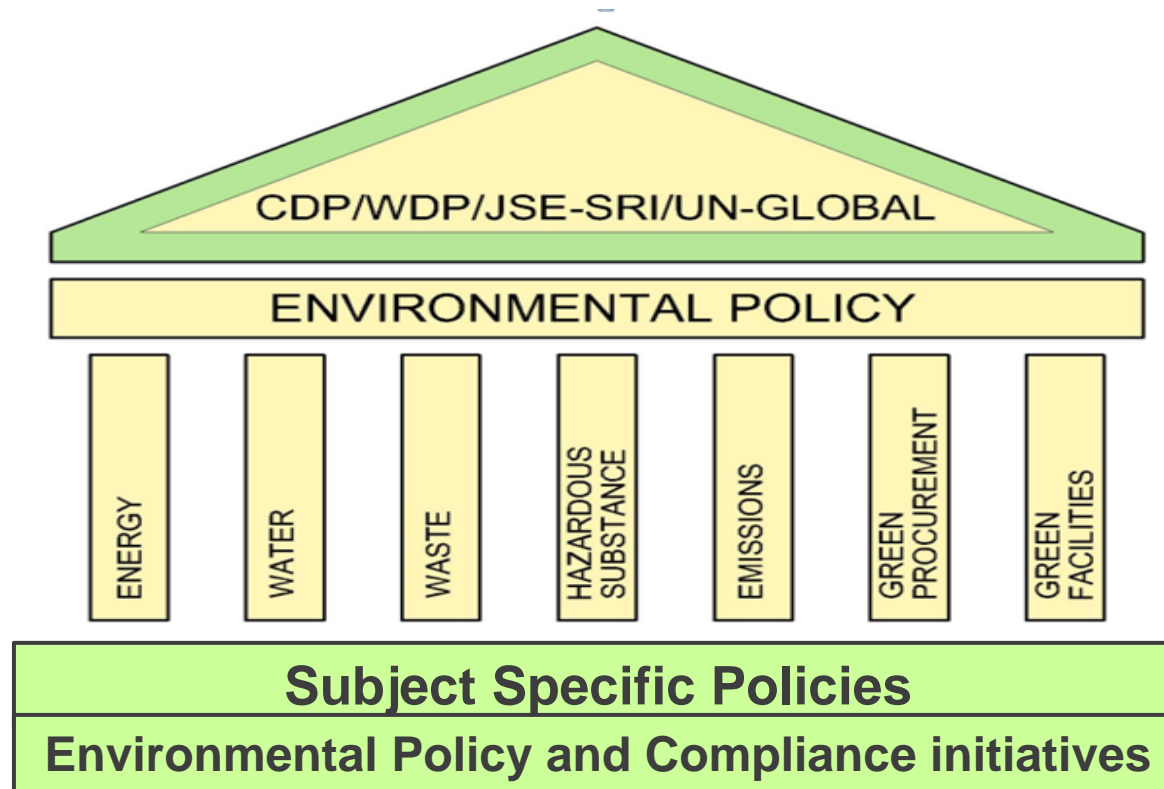
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## WHAT IS INFLUENCED BY OUR OPTIMISATION – THE SIMPLIFIED VIEW



## ENVIRONMENTAL MANAGEMENT SYSTEM:

The Policies to govern and guide operations and initiative implementation



## MAIN DRIVERS

**(1<sup>st</sup> priority is to adhere to statutory compliance)**

The following list is not exhaustive, but merely an indication of main drivers:

- **WASTE STRATEGY:**

- › Healthcare Risk Waste
- › General Landfill Waste
- › Recycling
- › Segregate

- **ENERGY STRATEGY: Key targets for 2015**

- › Fossil fuels
- › Electricity (Scope 2 emissions)



## **MAIN DRIVERS cont.**

**(1<sup>st</sup> priority is to adhere to statutory compliance)**

- **WATER STRATEGY:** Focus on reduce, re-use and what is the impact of our effluent to water bodies.
  - › Harvesting of rain water
  - › Re-use suitable used water in grey water systems and applications
  
- **EMISSIONS STRATEGY :** GHG Protocol with a focus on the following contributors:
  - › Medical gasses
  - › Refrigerant gasses
  - › Fossil fuels as energy, both direct and indirect
  - › Waste
  - › Fuels in transportation (excluding commuting to and from work)



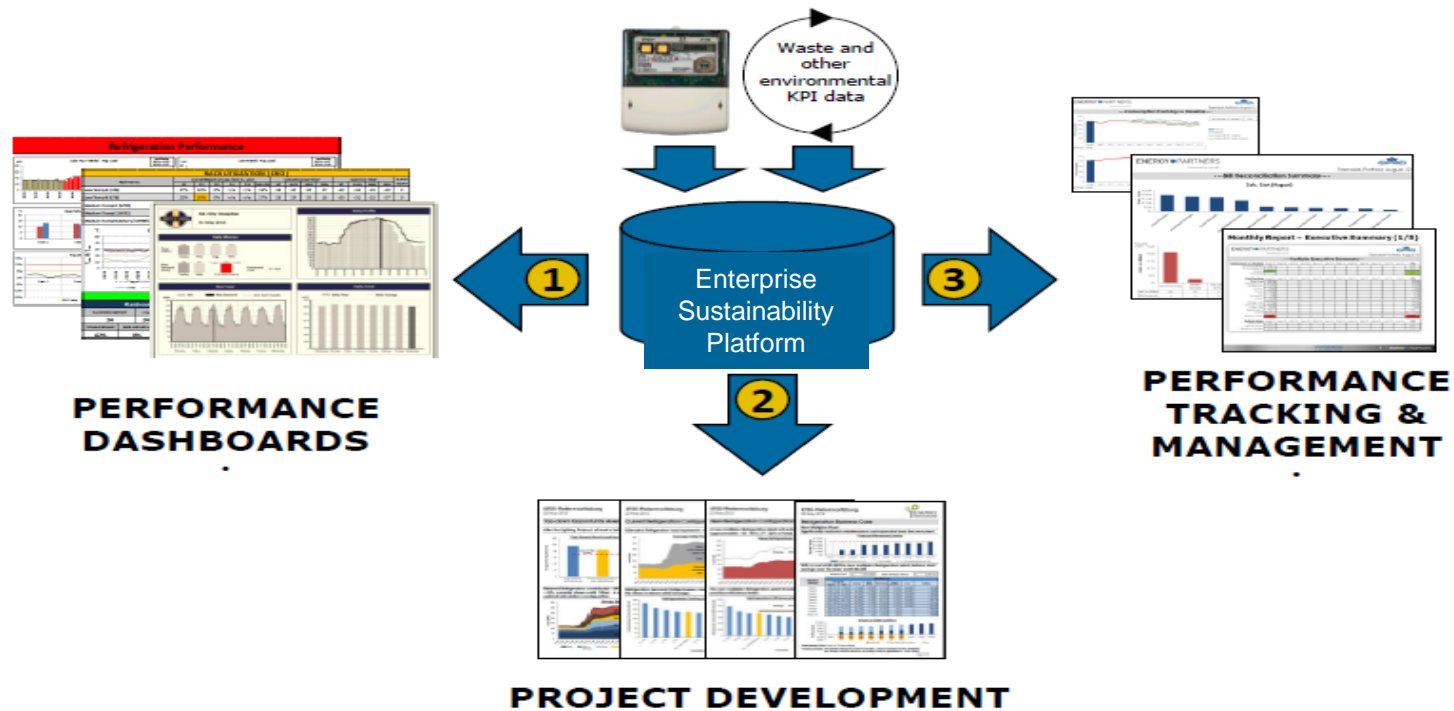
## ENTERPRISE SUSTAINABILITY PLATFORM

- Netcare strategically engaged Energy Partners to assist and contribute to the in-house sustainability team
- The Enterprise Sustainability Platform was developed in 2013 to enable the following:
  - › A database to collect data for reporting purposes
  - › Provide daily and monthly dashboards to measure and track
  - › Providing basic measurement and verification capability
  - › Enabling quicker and easier reporting to CDP, WDP, JSE-SRI, etc.

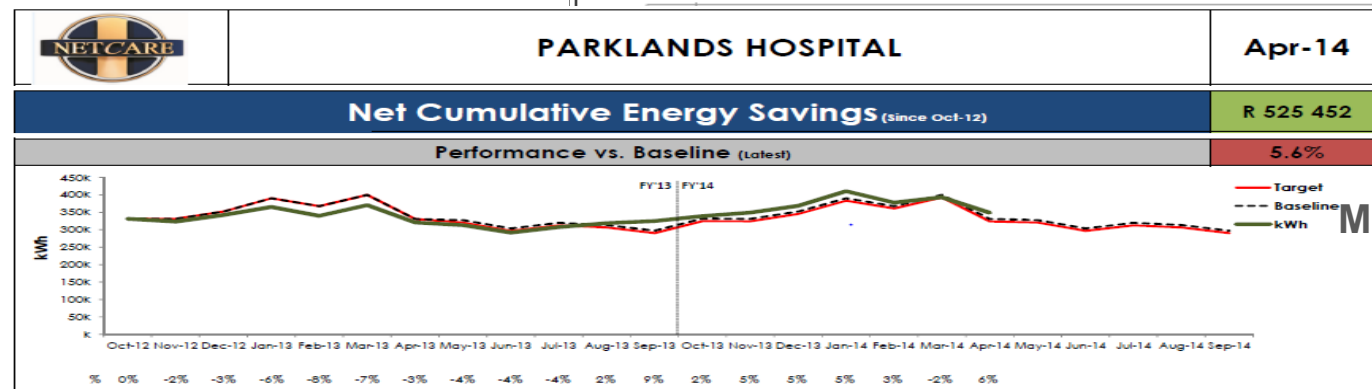
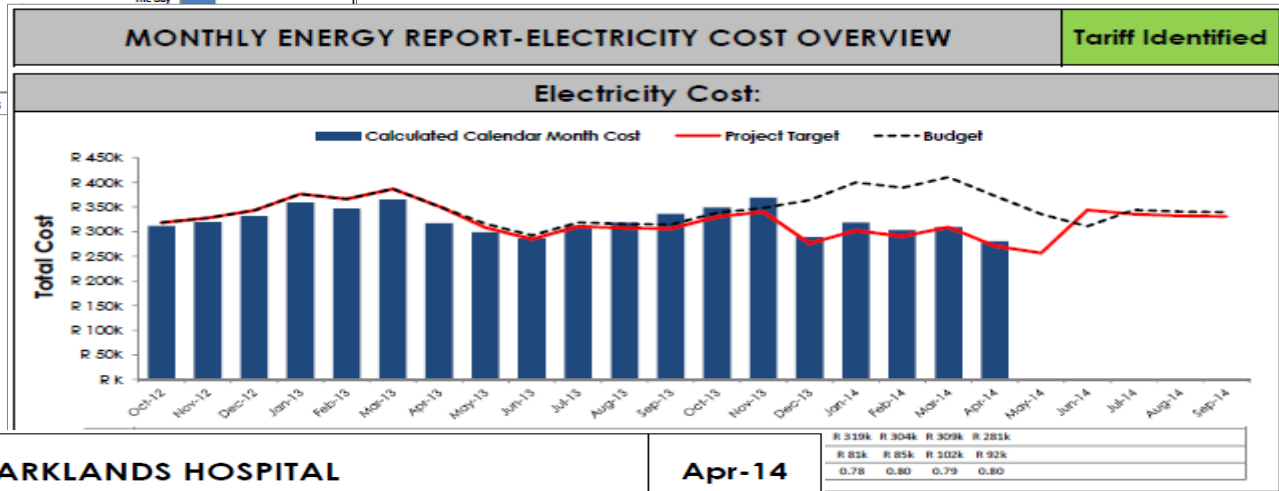
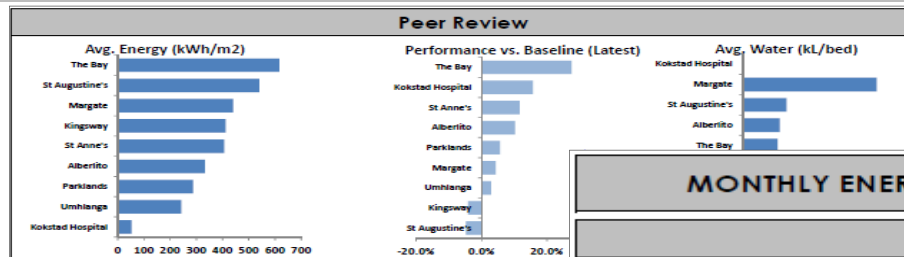




# ENTERPRISE SUSTAINABILITY PLATFORM



# DASHBOARD AT FACILITY LEVEL

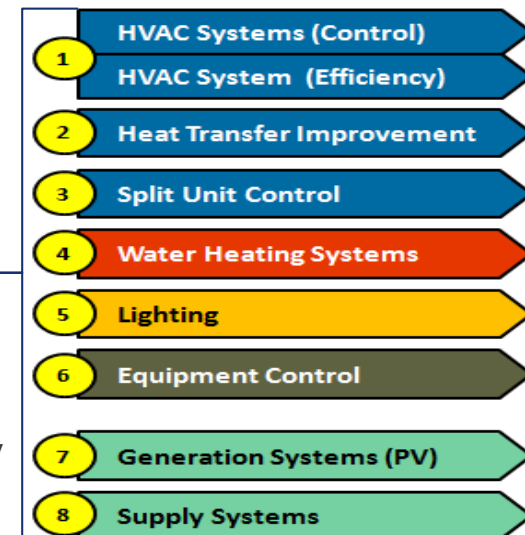


WHAT YOU CANNOT  
MEASURE YOU CANNOT  
MANAGE!



## TECHNOLOGIES AND MAIN SOLUTION CATEGORIES

- **Energy Partners assist in the following:**
  - › Developing and ongoing maintenance and development of the Enterprise Sustainability Platform
  - › Auditing of our sites
  - › Developing solutions and strategies
  - › Project execution
- The 8 strategies developed to the optimise energy dependency





**Section 3**  
**Cost Management**

## WHAT DID THE TEAM DO IN THE 1<sup>ST</sup> 18 MONTHS?

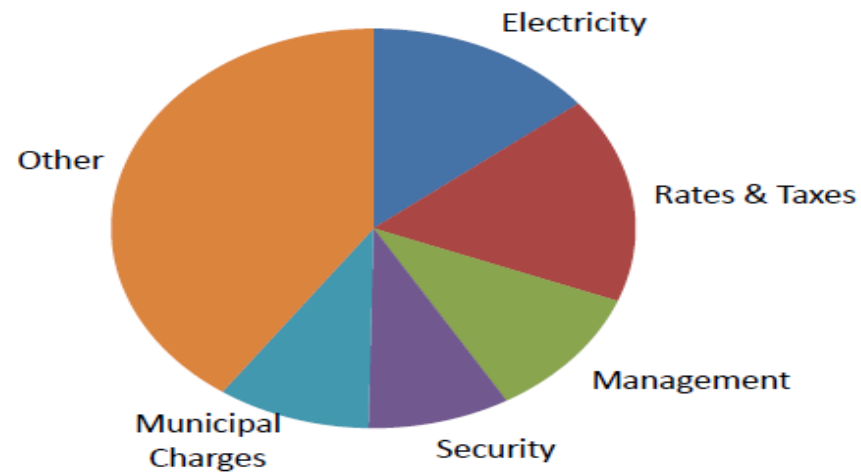
- Build the Enterprise Sustainability Platform
- Build a baseline
- Identified targets
- Audited >40% of the hospitals
- Audited >25% of the Mediacross facilities and other supporting facilities
- Designed a strategy, a plan, and in the process, identified 90 projects in different stages of execution *(It is expected that in the first 5 years this team will have to deal with 250 - 500 projects)*
- Report at the CDP, WDP, JSE-SRI, UN-Global, Dow Jones SI, etc.
- Published a new Environmental Policy
- Started with the Environmental Management System to prepare the business for a roll-out similar to ISO14001
- Started (similar to electricity) a review of the water and waste optimisation opportunities
- Embark on regular training exercises as the main component of Awareness to empower the technical and management team
- Developed a Life Cycle Analysis Tool to evaluate the technical projects
- **Committed to saving set target of savings in the 1<sup>st</sup> year and banked in the 1<sup>st</sup> 6 months 80 of that target**



## WHAT WAS FACILITY COSTS IN SOUTH AFRICA IN 2002?

### Operating cost components

2002



Source: IPD Income & Costs Digest 2012



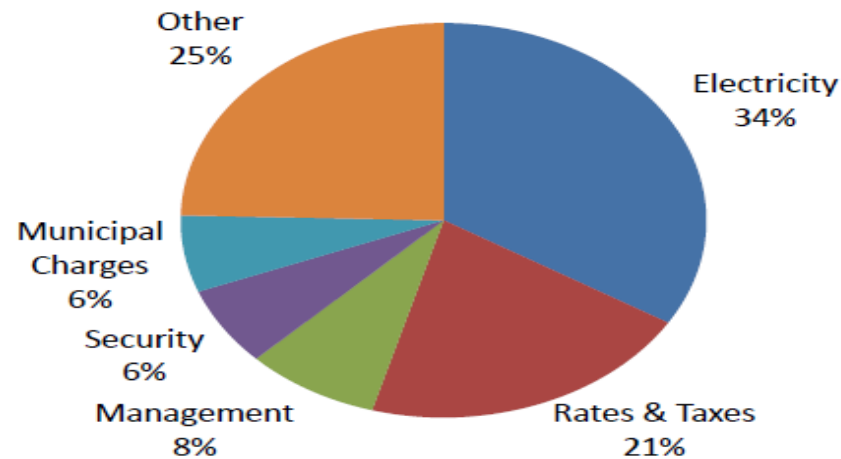


## WHAT HAPPENED TO FACILITY COSTS IN SOUTH AFRICA BY 2012

Key business disruptor which requires an innovative response

### Operating cost components

2012

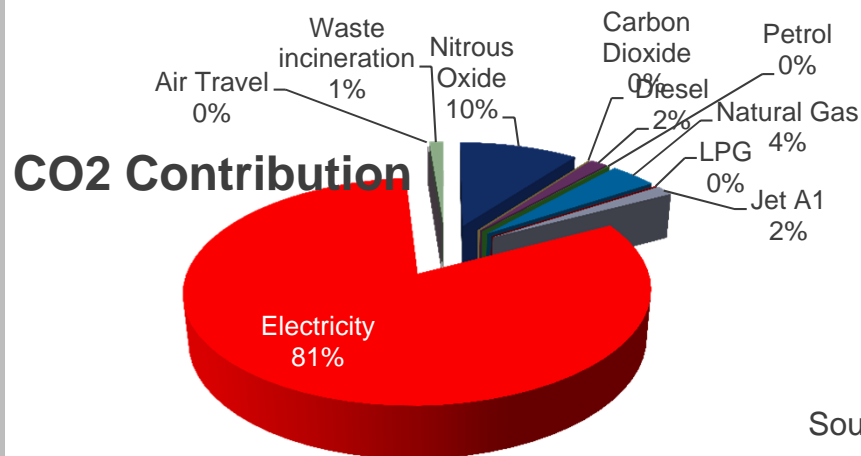
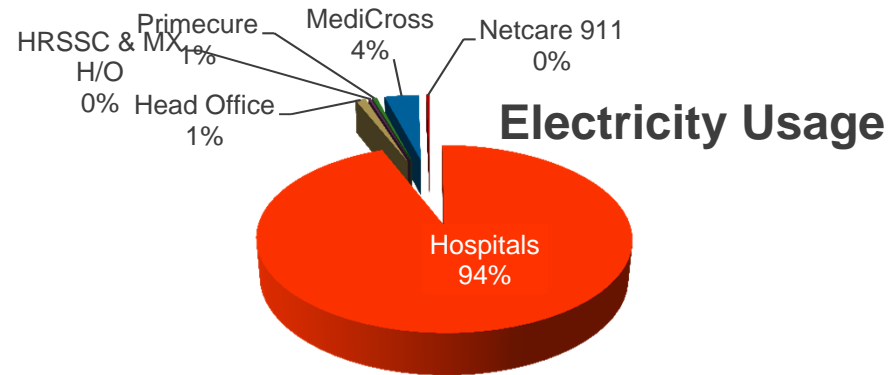


Source: IPD Income & Costs Digest 2012

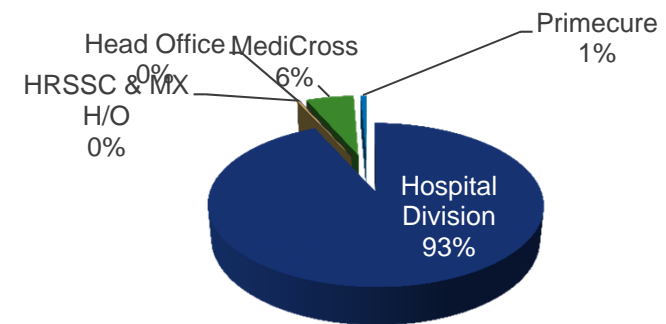


## WHERE DO HOSPITALS FIND THEMSELVES?

The nature of Netcare's business is highly dependent on water and electricity.



## Water Usage

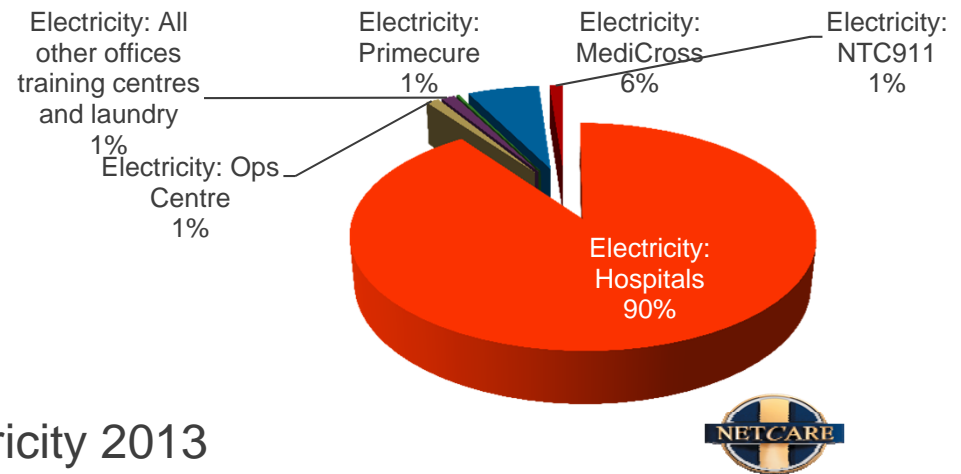
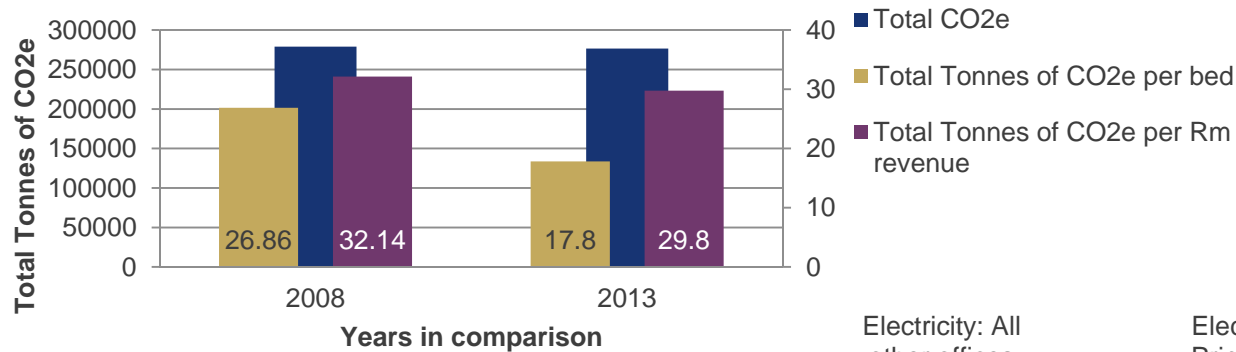


Source: 2012 sustainability data



## CHANGES FOUND AND RESULTS OF THE PREVIOUS 5 YEARS

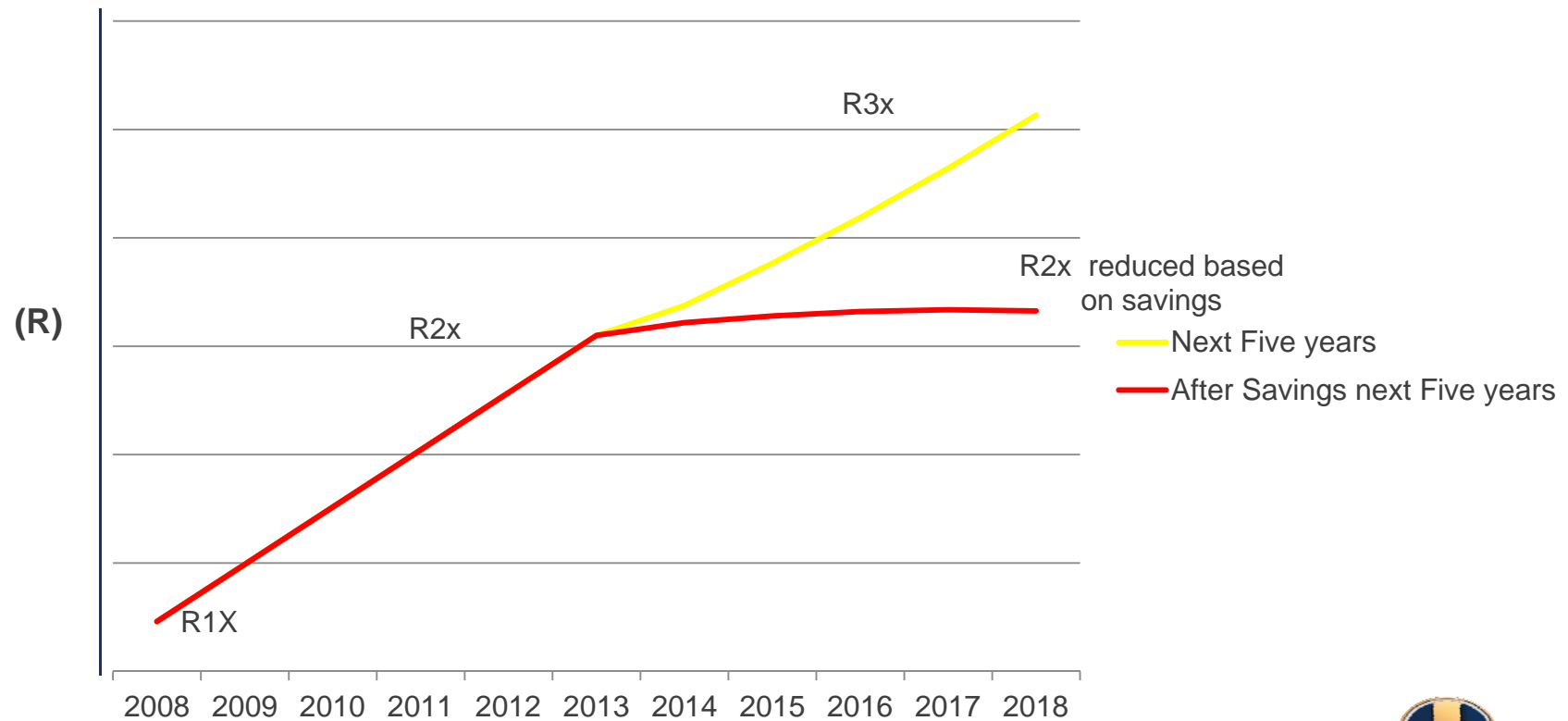
### FY2013 compared to base year 2008



Electricity 2013



## WHAT HAPPENED THE LAST 5 YEARS AND WHAT IS IN THE FUTURE?



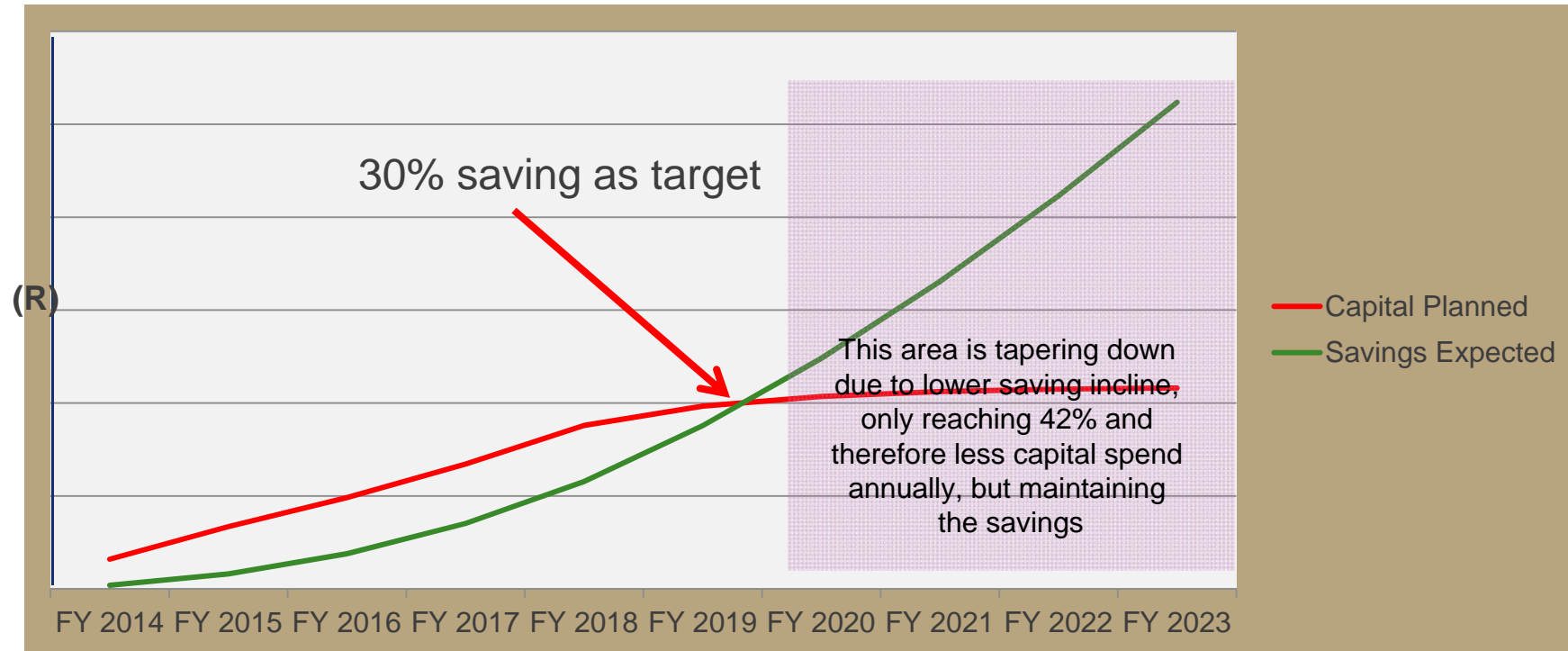
## WHAT DOES THIS MEAN IN SAVINGS FOR THIS YEAR?

✓SAVINGS ENVISAGED FOR THE NEXT 5 YEARS THROUGH ENERGY INITIATIVES

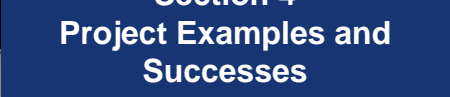
✓CASH FLOW AND SUMMARY OF THE IMPACT



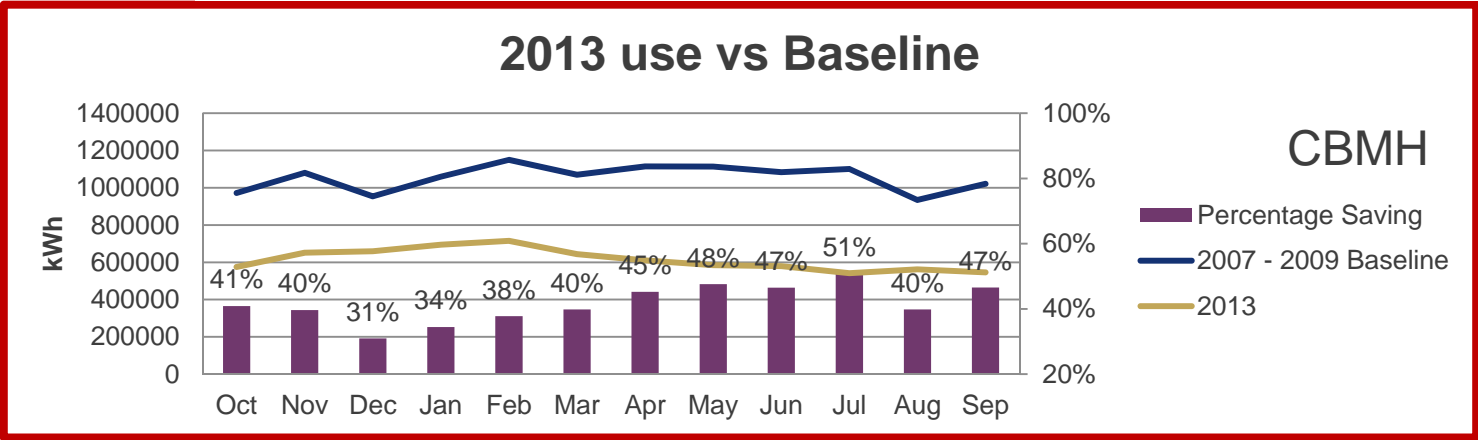
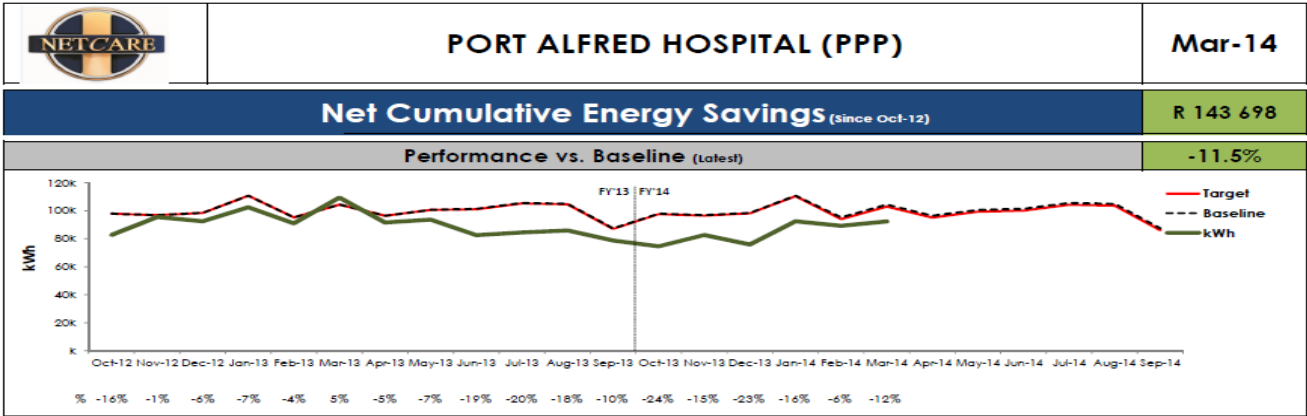
## THE 10 YEAR PLAN - THE BENEFIT IS EXCEEDING THE COST



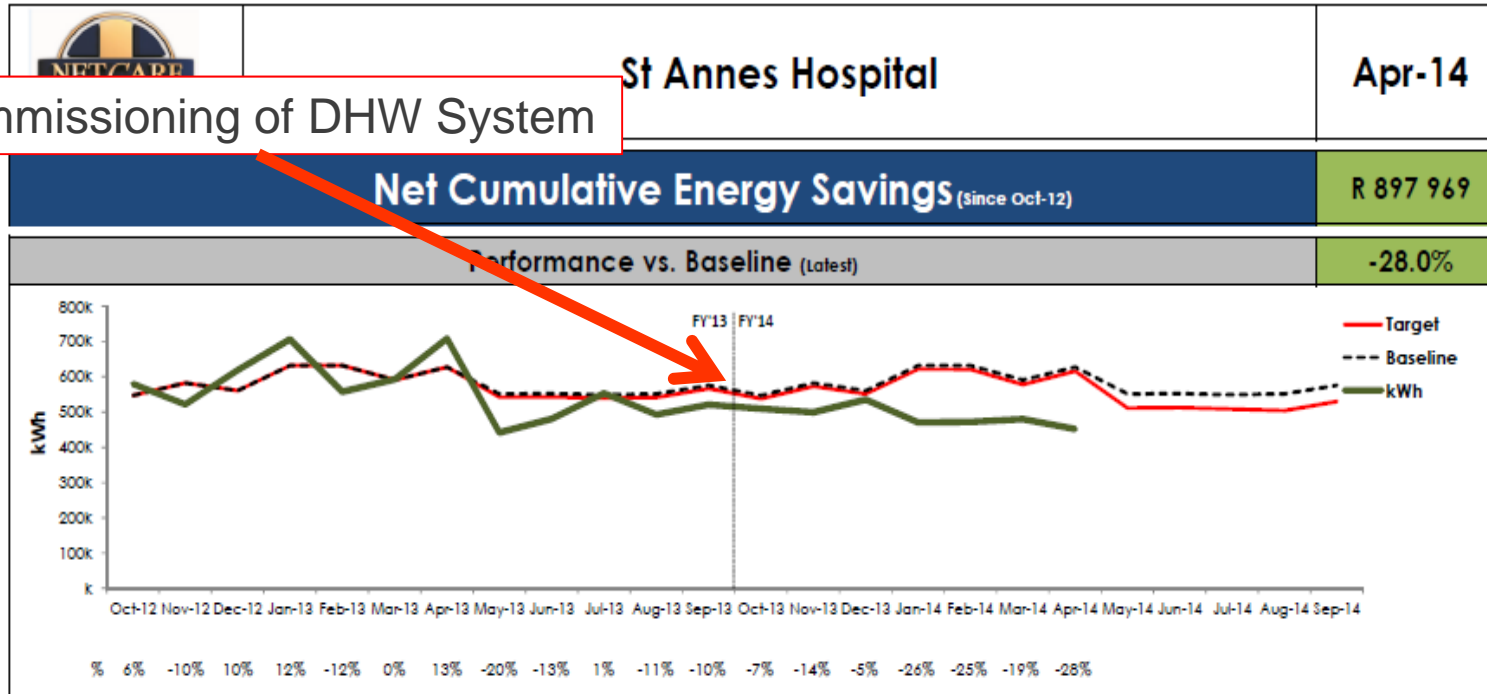




# SOME HISTORICAL SUCCESSES



## LATEST PROJECT COMMISSIONED AND SOME INITIATIVES OR SPECIAL LEARNINGS



## **LATEST PROJECT COMMISSIONED AND SOME INITIATIVES OR SPECIAL LEARNINGS cont.**

- Theatres can consume between 40k and 120k of kWh/a depending on the HVAC system installed.
- Old non-inverter Split Unit air conditioning can also be upgraded and its load can be reduced by 30%.
- Lighting sensors in office areas are highly effective
- Huge opportunities exist in integrating HVAC and DHW
- Upgrading old lighting can have a significant impact
- Detailed BMS
- PV is becoming a viable alternative and enhanced metering



## **IN CONCLUSION**

**Appropriate governance structure**

**Follow known and tested processes and avoiding a blanket approach**

**Business case**

**Consistent Monitoring**

**Measure and Verification**

## **THANK YOU**

