

Ramsay Australia Environment Report

Safety, Property & Environment / 2015



Overview

Ramsay Health Care recognises that protecting the environment is a critical issue and a key responsibility of the business and corporate community.

The benefits of environmental protection for current and future generations are clear, but Ramsay Health Care also acknowledges that reducing unnecessary waste and minimising consumption of scarce resources is consistent with ongoing financial sustainability in terms of meeting the expectations of our customers, reducing costs and minimising risks. Ramsay Health Care has invested significant resources into this area and is currently working on several important environmental initiatives that will lead to better outcomes for all.

Key Performance Indicators

- Compliance with relevant environmental legislation including regulatory obligations and reporting.
- Overall reduction in carbon emissions per patient day.

Scope

- ✓ Energy management
- ✓ Waste management
- ✓ Water management
- ✓ Training and awareness
- ✓ Compliance and risk management (from corporate through to site level)
- ✓ Reporting and communications

Major initiatives

Environmental Sustainability Strategic Plan

Ramsay Health Care developed its Environmental Sustainability Strategic Plan in 2012 spanning a three year period. The plan identifies the key areas of focus as well as priority initiatives and performance targets.

The key goal of the Environmental Sustainability Strategic Plan (ESSP) is to deliver targeted improvements across key areas of environmental sustainability and performance and to integrate sustainable business practices into Ramsay's activities.

Performance areas include:

- Reducing energy (all forms) consumption
- Reducing total emissions — vehicle use, emissions management
- Water efficiency management — recycle, reuse, reduce
- Eliminating unnecessary waste
- Resource conservation — limiting our use of raw materials and nonrenewable resources
- Monitoring, reporting and communicating in relation to the above areas
- Compliance with relevant laws, regulations, codes and standards

Energy efficiency audits

Ramsay Health Care has been undertaking energy efficiency audits at a large number of sites nationally. In 2015 a further three audits were completed for sites in Victoria, namely Mitcham, Beleura and Glenferrie.

These audits provide sites with quantified opportunities for reducing further improving energy efficiency and indicative costings for planning and budgeting purposes.

Efficient IT

Ramsay Health Care entered into a Managed Print Service agreement with HP whereby all printers older than five years will be replaced with new devices. Part of the specification around this contract is procuring equipment with improved energy efficiency ratings.

National energy data and performance reporting

Total energy data for Ramsay's Australian operations is published online.

Detailed reports are prepared annually for each individual site and this year were expended to providing greater trend data, breakdown of energy types and comparisons of site performance against peer groups and the rest of Ramsay Health Care. The data enables sites to better understand energy use and target energy efficiency opportunities.

Waste management

The first national waste contract commenced in August 2012 and has now rolled out across 71% Australian sites. In 2015 the majority of sites were under this new national contract representing the majority of the Company's general waste consumption in Australia. As a result detailed waste stream data including waste to land fill or recyclable is now available by site enabling sites to better understand and manage waste.

One of the areas of focus was on increasing the diversion of waste from landfill.

In the current financial year, Ramsay was able to increase the total amount of waste diverted to landfill under this national contract by 20% over the FY14 period.

Medical Equipment Donations Program – recycling for better communities

Ramsay Health Care has been partnering with Rotary Berrima for over 3 years in a joint medical equipment donations program. This program diverts safe, working medical equipment from waste streams and recycles it for further use by developing communities.

In 2015 over 100 items of surgical or medical equipment were donated in addition to patient furniture and uniforms to countries including Philippines, Cambodia, Mozambique, Papua New Guinea and Sierra Leone and Democratic Republic of Congo (Rotary).

Equipment included 27 patient beds, training bed and ICU bed, operating table, patient mattresses, anaesthetic machines and an ECG machine.

Environmentally conscious supply and development contracts

Supply and development policies and contracts now include consideration of environmental issues e.g. energy efficiency, waste minimisation, water efficiency etc. in the decision making process

The Ramsay Code of Conduct for Suppliers, Agents and Manufacturers was enhanced to include requirements around Environmental Impact Management. This includes preference for building relationships with suppliers who value the natural environment and are committed to environment and resource sustainability — specifically suppliers that:

- meet legal obligations in relation to environmental performance including any necessary permits, approvals, registrations and reporting requirements;
- establish objectives, targets and key performance indicators that strive for continuous improvement of their environmental performance;
- maintain management systems to plan, document, measure, monitor and regularly review their environmental performance;
- implement systems to ensure materials presenting a hazard to the environment are handled, managed, stored and disposed of appropriately;
- identify and assess the environmental hazards which arise from their activities, products and services; and
- effectively manage the risk by applying best practice principles to the prevention of pollution.

Achievements in fiscal year 2015

Achievements

- ✓ Ongoing inclusion in the FTSE4Good index scoring
- ✓ 100% compliance with relevant environmental legislation
- ✓ Reduction in total energy consumption on previous years (see table below)
- ✓ Enhancement of detailed energy reports and analysis for individual sites to support decision making and energy management
- ✓ A number of sites have replaced building management systems and redesigned the operation of major plant to optimise efficiency
- ✓ Managing peak currents and loads on the energy distribution network for improved community benefit.
Two of our largest facilities, Joondalup and Greenslopes entered into arrangements to permit hospital generators to be run at times of peak network demand, to assist in reducing peak strain on the network and limit the use of greater cost energy sources. Whilst there are some cost advantages to the company, the primary consideration is in contributing to the broader community benefit by reduced peak currents, and therefore the cost of infrastructure. Apart from reducing cost, there are also benefits to the sites by reducing currents within on site infrastructure .
- ✓ Enhancement of detailed energy reports and analysis for individual sites to support decision making and energy management.

Reduction in total energy consumption on previous years

Period	Energy Consumed GJ	MJ/Patient day	CO2e Tonnes	kgCO2e/Patient Day
2008/09	839,292	400	162,190	77
2009/10	867,738	402	166,331	77
2010/11	858,870	395	168,663	77
2011/12	862,279	381	165,342	73
2012/13	873,224	378	165,367	72
2013/14	913404	387	166.092	70
2014/15	938073	372	171095	68

Case studies

CASE STUDY 1

Facility LED upgrade

Northside Clinic is part of the Psychiatric benchmark group and has been performing better than the average for this peer group for Total Energy (including fuels and gas) at least since Jul 2012 when data collection at a national level commenced.

The Clinic has relatively stable patient days and has had no significant change in activity, scope of the clinical procedures, building works etc occurring in the last 2.5 years.

Prior to LED install, relatively small electricity use efficiencies were being achieved in the lead up to the LED upgrade — average improvement on prior years of 8% in FY12, 6% in FY13 and 7% in FY14.

Commencing around Dec13 and substantially completed by 14 February, LEDs were installed throughout the facility.

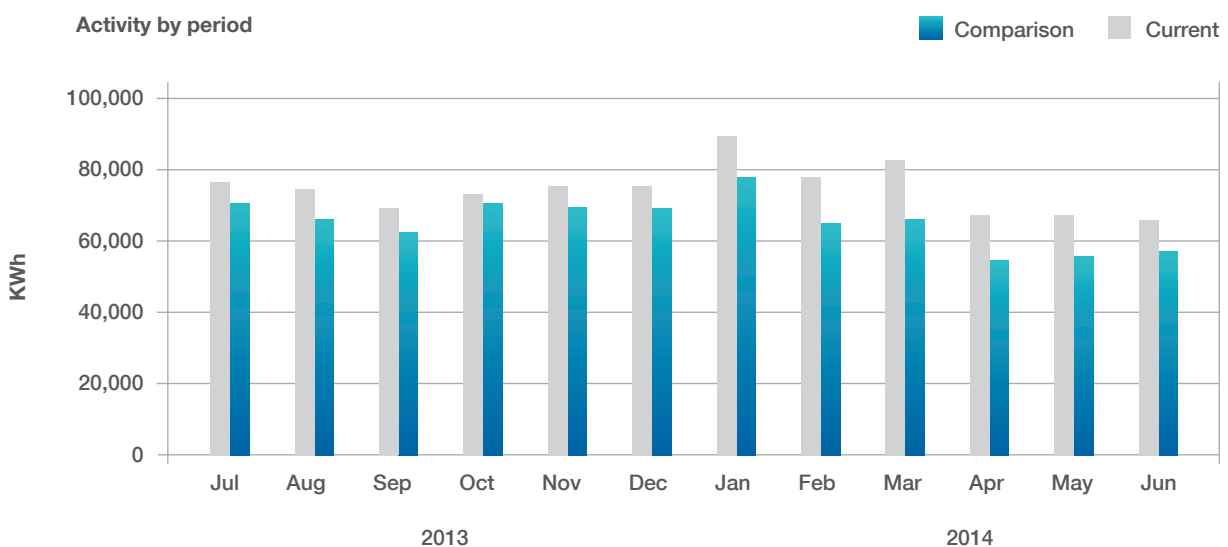
CASE STUDY 2

Electricity use results

Comparing the same period to previous years, there was an obvious improvement in total electricity use commencing in January from when the LED upgrade commenced — remembering that lighting is just one part of total electricity use.

According to supplier's analysis, the annual KWhr/day (14 hours) decrease predicted was 839 GJ. Based on January–June14 electricity usage compared to FY13, the actual annualised decrease was 616 GJ.

Feedback from the site is positive confirming that whilst the financial savings achieved are not quite at the level estimated in the proposal, there are savings coming through and directly related to the LED upgrade.





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