

Ramsay Australia Environment Report 2018



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Ramsay Australia Environment Report

Overview

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

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 is not only an expectation of our customers but necessary to ensure responsible financial sustainability.

Ramsay Health Care has invested significant resources into this area and continues to work on several important environmental initiatives that will lead to better outcomes for all.

Scope

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

Key Performance Indicators

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

Major Initiatives

Environmental Sustainability Strategic Plan

Ramsay Health Care originally developed its Environmental Sustainability Strategic Plan in 2012 spanning a three year minimum period. We have continued this plan to the current financial year. 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

Sustainable Building Development

Ramsay Health Care have high sustainability aspirations and which were implemented in our greenfield development “Northside St Leonards”. This building is designed to achieve a high sustainability outcome, even with the functional constraints of operating as a mental health facility. We are on track to achieve this goal.

We remain committed and accountable to our independent customised certification process. The benefits of natural light, access to ample outdoor space and good indoor air quality including the creation of spaces that promote wellness have been intrinsically designed new buildings where possible and appropriate. We will ensure governance around the implementation of sustainable initiatives, to ensure the design is upheld and delivered for the benefit of our future patients, their careers, our staff and ultimately the environment.

Sustainable buildings contain a number of environmental benefits including the following:

- Sustainable buildings produce fewer greenhouse gas emissions than average Australian buildings;
- Sustainable buildings use less potable water than average buildings;
- Sustainable buildings recycle over 80% of their construction and demolition waste.
- Green Buildings provide higher Indoor Environment Quality than average Australian buildings.

Lighting Efficiency

Lighting continues to constitute a significant proportion of our energy consumption at around 15-20%. This makes lighting efficiency a continuous key priority of total consumption.

Because considerable lighting is in use during daylight, lighting efficiency also has a bearing on peak demand. We now have 17 sites that have been fully refitted with LED lighting replacing some 23,157 lights across those hospitals. We are continuing the program across the group.

SITE NAME	DOWNLIGHTS	LS TUBES	CFL'S	OTHER	TOTAL	INSTALLATION DATE
KAREENA PRIVATE HOSPITAL	495				495	Dec-12
WESTMEAD PRIVATE HOSPITAL	1054				1054	Feb-13
KAREENA PRIVATE HOSPITAL	110	1113			1423	Oct-13
WESTMEAD PRIVATE HOSPITAL	84	3878			3962	Nov-13
STRATHFIELD PRIVATE HOSPITAL	350	815	77		1242	Jan-14
MT WILGA PRIVATE HOSPITAL	280	975	401		1656	Feb-14
ST GEORGE PRIVATE HOSPITAL	188	296	196		680	Feb-14
ST GEORGE PRIVATE HOSPITAL	138		664		802	Mar-14
ST GEORGE PRIVATE HOSPITAL	97	150	294		541	Apr-14
HUNTERS HILLS PRIVATE HOSPITAL	64	482	22	71	649	May-14
NORTHSIDE CLINIC	410	429	18	72	927	May-14
ST GEORGE PRIVATE HOSPITAL	372	2001	354		2727	Jun-14
NOWRA PRIVATE HOSPITAL	80	796	76	94	1046	Jun-14
LAKE MACQUARIE PRIVATE HOSPITAL	534	2432	521	108	3595	Jul-14
WENTWORTHVILLE PRIVATE HOSPITAL	410	429	18	72	927	Aug-14
LAWRENCE HARGREAVES PRIVATE HOSPITAL	9	497	286	0	772	Sep-14
SARINGA PRIVATE HOSPITAL	113	488	88		689	Nov-14
	4768	14991	2991	407	23157	

We are continuing a program of replacing lighting with more efficient types throughout the group, and are investigating ways of providing the smaller sites with the advice needed to enable them to participate more easily.

Energy Efficient Infrastructure

The Business Development department of Ramsay Australia ensure that whole of life costing is a primary factor in choices of infrastructure to be installed in new projects and major redevelopments. With increasing costs of energy and greenhouse gas emissions, this ensures that energy efficiency is of significant influence in all new projects including sites undergoing redevelopment.

Energy Efficiency Initiatives is also an ongoing program of replacing equipment with more efficient types, including lighting and cooling plant.

Alternative Energy Sources

Hospitals are energy intensive facilities with high exposure to risk should energy be unavailable, so we are taking a conservative approach to the more radical concepts of alternative energy. However some forms such as solar are suitable as a supplement to mains electricity, however are unlikely to provide more than 10% of consumption with available space. However there are side benefits in peak demand, to go with the energy production.

A few sites have also entered into demand management arrangements, where existing generators are used at times of extreme demand (and high cost) to reduce load on the grid.

Ramsay is nationally considering renewable power sources across the group in conjunction with its plant upgrade program and general environmental initiatives.

Efficient IT

Ramsay Health Care entered into a Managed Print Service agreement in 2016 whereby all printers older than five years are replaced with new devices. Part of the specification around this contract was procuring equipment with improved energy efficiency ratings.

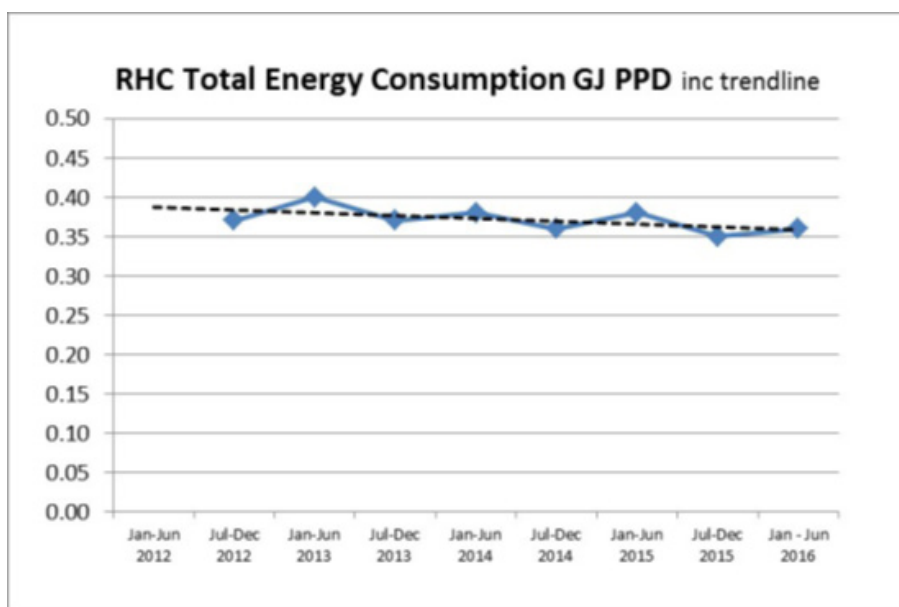
Ramsay continually invests in its IT systems ensuring that older, more power intensive equipment is replaced with lower power devices. Many systems are configured to go to 'sleep' when not in use, thus reducing the power consumption footprint.

National Energy Data & Performance Reporting

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

Detailed reports are prepared annually for each individual site and include 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.

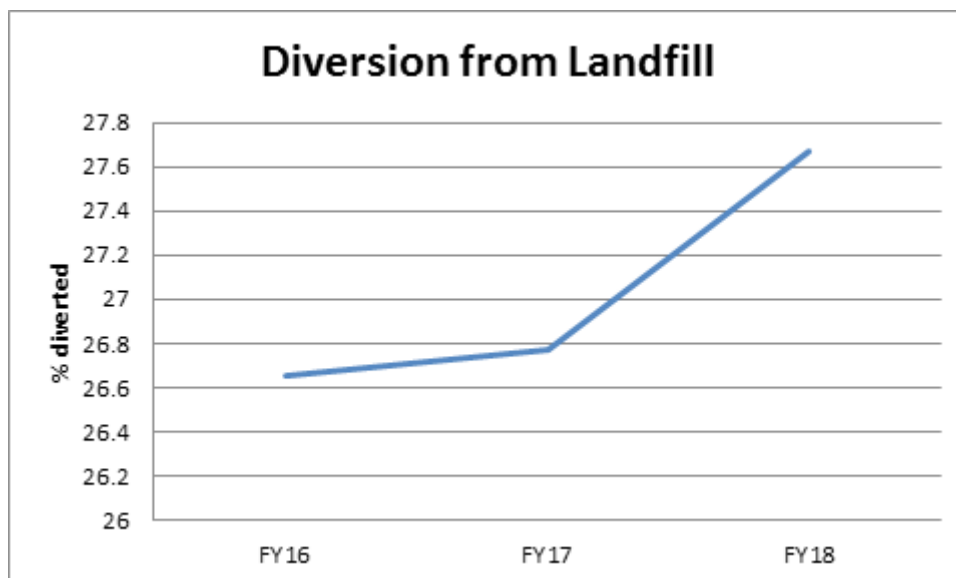
An example of our largest facility, Joondalup, is below. It outlines a downward overall trend.



Waste management

The first national waste contract commenced in August 2012 and has now rolled out across 88% Australian sites. 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. You can see the percentage of waste diverted from landfill has increased each year.



Year	Diversion (Tons)	Diversion %	Landfill (Tons)	Total (Tons)
FY16	3,307.6	26.7%	9,104.8	12,412.4
FY17	3,441.7	26.8%	9,414.1	12,855.8
FY18	3,738.8	27.7%	9,775.8	13,514.6

Medical Equipment Donations Program – Recycling For Better Communities

Ramsay Health Care has been partnering with Rotary Berrima for over 5 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.

A total of 25 consignments were shipped during the year, seven of them direct shipments organised from start to finish by MAFO. The remainder were donated mostly to other Rotary Australia World Community Service (RAWCS) projects in all regions. All shipments combined helped to fill 22 shipping containers and one air freight consignment.

The cost of the direct shipments was approximately \$16,000 with another \$5,500 spent on contributions to other shipments and local transport costs.

Destinations during the year for both direct and indirect shipments have included PNG, Samoa, Fiji, Vanuatu, Solomon Islands, East Timor, Cambodia, Nepal, Sri Lanka, Democratic Republic of Congo, Burundi, Liberia and Sierra Leone.

Supplies donated by Ramsay Health Care included some 500 beds, an ENT microscope, operating theatre table and equipment, birthing kits, wheelchairs and medical consumables.

Donating hospitals included Southern Highlands, Thirroul, Lawrence Hargrave, Wollongong, Mount Wilga, Westmead and Hunters Hill (NSW); Glenferrie (Vic), Greenslopes (Qld), and Glengarry (WA).

Recycling Initiative

It totals 60,000 kg's of PVC IV Bags and 29,000 (30 cubic metres) aluminium bottles. PVC oxygen tubing and oxygen masks also formed part of the program.

As a general guide savings to the hospitals are approximately \$300 per tonne as a waste disposal cost saving, or \$25 per cubic metre. There are variances however in each state and region.

Our Environment Committee is also looking at new recycling initiatives focussing on single use water bottles and other similar products.

Scope 1 Greenhouse Gas Emissions

Generating and using electricity and heat by burning fossil fuels like coal, natural gas and oil produces greenhouse gas (GHG) emissions. We track GHG and have seen a reduction in emissions intensity (kgCO₂e per patient day) in FY17 over FY16. There has been a rise in Scope 1 kgCO₂e per patient day in FY18 as there was a shift in ratio of external combustion (purchased electricity) to internal combustion (Natural Gas) but the Scope 1+2 kgCO₂e per patient day has continued to reduce.

FY18

GREENHOUSE GAS EMISSIONS (t CO ₂ -e)						
Carbon Dioxide CO ₂	Methane CH ₄	Nitrous Oxide N ₂ O	Perfluorocarbons PFCs	Hydro Fluoro Carbons HFCs	Sulphur Hexafluoride SF ₆	Total
16,217	22	6	—	—	—	16,245

FY17

GREENHOUSE GAS SCOPE 1 EMISSIONS BY GAS (t CO₂-e)

GREENHOUSE GAS EMISSIONS (t CO ₂ -e)						
Carbon Dioxide CO ₂	Methane CH ₄	Nitrous Oxide N ₂ O	Perfluorocarbons PFCs	Hydro Fluoro Carbons HFCs	Sulphur Hexafluoride SF ₆	Total
15,690	25	7	—	—	—	15,722

FY16

GREENHOUSE GAS SCOPE 1 EMISSIONS BY GAS (t CO₂-e)

GREENHOUSE GAS EMISSIONS (t CO ₂ -e)						
Carbon Dioxide CO ₂	Methane CH ₄	Nitrous Oxide N ₂ O	Perfluorocarbons PFCs	Hydro Fluoro Carbons HFCs	Sulphur Hexafluoride SF ₆	Total
15,306	22	6	—	—	—	15,334

Environmentally Conscious Supply & 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

- 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.
- Completion of 'green build' facility – Northside St Leonards.
- Ramsay Health Care recognised in the 2012 Global 100 Most Sustainable Corporations; winner of the prestigious 'GS1 Healthcare Best Provider Implementation Case Study Award' in the GS1 Healthcare Provider Advisory Council (HPAC) awards (2016).
- Two of our largest facilities, Joondalup and Greenslopes continue their 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.
- New focus on recycling by the Environment and Sustainable Development Working Party.

Achievements in fiscal year 2018

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	77.3
2009/10	860,498	399	166,331	77.1
2010/11	858,870	395	168,663	77.6
2011/12	863,279	381	165,342	73.1
2012/13	873,364	378	164,074	71.6
2013/14	906,360	392	164,474	71.2
2014/15	936,098	369	170,617	67.1
2015/16	958,253	369	172,173	66.2
2016/17	981,715	388	173,140	69.9
With a new activity indicator (IPDA replacing PD)				
2015/16	958,253	367	172,173	65.9
2016/17	981,715	363	173,140	64.0
2017/18	990,547	363	172,594	63.2

