



CLEOPATRA HOSPITALS  
GROUP



## Sustainability Report 2019

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# Message from the CEO



At Cleopatra Hospitals Group (CHG), we have revolutionized the Egyptian Healthcare industry by bringing high quality, integrated healthcare solutions to a large base of patients across an expanded geographic footprint in Greater Cairo. While we have expanded our asset base and product offering and integrated our platform to achieve higher efficiencies – we have prioritized elevating patients’ quality of life and putting our patients and their families first every step of the way. Sustainability is part of what we do every day, throughout all processes and in every facility we operate. We take seriously our responsibility within the healthcare ecosystem and are proud to demonstrate our progress across environmental, social and governance indicators.

This year, we launched the new CHG Medical Council which, amongst multiple other responsibilities, will work towards improving the overall patient experience and care quality standards across all existing and new hospitals, delivering on our commitment to elevate the quality of care across Cleopatra Hospitals Group facilities. The new body will work under the direct supervision and guidance of the Board’s quality committee and will be composed of renowned specialized consultants from across the Group’s hospitals. In addition, this year, CHG enhanced its collaboration with the Ministry of Health on the rollout of the National Health Insurance. We are working to provide the same policies, processes and operational manuals we use in CHG to the National Health Insurance hospitals. Our initiative trains employees of public sector hospitals on both medical and non-medical protocols in addition to oversight on implementation. We continue to expand this program and view this as our responsibility to share our knowledge and experience to improve healthcare accessibility across the country.

As COVID-19 continues to spread across the globe, we have put in place a business continuity plan to ensure the safety of our patients, staff and surrounding communities. The plan covers the CHG Medical Council’s step by step guidelines on how to prevent/deal with COVID-19 in any CHG facility as well as a business continuity plan for all back office functions and key departments including: Finance, Supply Chain, HR, IT, Revenue Cycle Management, Call Center Management, Engineering and Operations. We have strict infection control and prevention protocols in place to protect our staff and healthcare workers. These measures are enabling us to continue to provide best-in-class care and treatment to our patients. Additionally, we have formed a COVID-19 response team to continuously monitor the evolution of the outbreak and the impact it has on our business, staff and supply chains.

Despite the unpredictable environment of the COVID-19 situation, we have built a sustainable business that can withstand such events and have reinforced our commitment to patient care, safety and to supporting our employees during this critical time. We will continue to raise the bar for ourselves and the entire healthcare sector, adhering to the highest international standards on patient safety and outcomes and integrating environmentally sustainable practices into our operations. Our success is led by the best team of professionals, medical and administrative staff I am proud to have as my colleagues as we work together to positively transform the industry.

**Ahmed Ezz El-Din**

*Group Chief Executive Officer*

# Chairman's Note



We hope you and your families are all well in these turbulent times of the COVID-19 pandemic.

Since our initial investment in the healthcare sector in 2014 under the flagship Cleopatra Hospital, I am proud that we have consistently demonstrated our commitment to being a responsible corporate citizen and the integration of sustainability in our business strategy, focusing not only on our financial performance, but also managing and utilizing environmental and social resources efficiently to ensure a sustainable business in the long term.

While growth, profitability and creating shareholder value are major strategic drivers in ensuring the sustainability of CHG's business, it cannot be achieved unless the Group is committed to value its employees by following fair labor practices, offering competitive remuneration, and providing training and development opportunities, follow ethical business practices, and contribute to the wellbeing of society. Our sustainability reporting is therefore focused on developing an engaged and productive workforce and being an ethical and responsible corporate citizen.

The Group remains confident about its long-term prospects. The demand for quality healthcare services is continuously growing driven by a variety of factors such as an ageing population, new technology, growing middle class and consumerism. Furthermore, affordability of healthcare needs to be factored in to ensure long-term sustainability of the industry. CHG is well-positioned to deliver long-term value to its shareholders through a diversified portfolio and a relentless focus on patient safety and excellent clinical performance along with attractive growth opportunities to further expand the Group.

As we prioritize the improvement of patient care and overall experience, we have adopted an integrated approach to medical and non-medical oversight. To that end, we have invested in excess of EGP 500 million in structural upgrades and renovation at our facilities since 2014 that have significantly reduced fire safety risks within the Group.

In the age of COVID-19, we salute our front-line staff for the resilience they have shown in the face of this invisible enemy. Thanks to our strategy of future-proofing ourselves, we already have the necessary digital set-up and tools to work and collaborate remotely. In addition, we have strict meeting restrictions and encourage video conference meetings rather than physical as much as possible. Due to our large scale and financial capacity, we are confident of our future ability to capitalize on growth opportunities as they arise in the coming years, while at the same time being a reliable and dependable partner to all our stakeholders in times of stress.

As Egypt's largest healthcare group, we are pleased to be able to retain the best talent in the healthcare industry, which combined with our state-of-the-art facilities and high functioning management team, has enabled us to become pioneers in propelling a model structure which will seek to transform Egypt's healthcare sector.

**Ahmed Badreldin**

*Chairman*

## About Us



Since its establishment in 2014, CHG has been committed to taking a lead in the healthcare development story of Egypt in order to make quality healthcare services widely available across the country. As Egypt's leading hospital group, CHG has long established itself as part of the community in which it does business. Over the last five years, the Group has revolutionized the Egyptian healthcare industry by bringing high quality, integrated healthcare solutions to a growing number of patients across a constantly expanding geographical footprint, while simultaneously introducing, for the first time in Egypt, a 360-degree approach to the running of day-to-day operations at its hospitals.

Throughout its facilities, CHG works to positively impact the lives of patients by ensuring that they are provided with medical services of the highest quality, in keeping with international best practices. The Group has been instrumental in bringing the latest technology in healthcare to the country, thereby creating access to the best possible treatments as it works to improve quality of life for the communities in which it operates.

CHG has worked over the past year to expand its operations to continue to serve our communities. In addition to acquiring new hospitals and expanding the capacity of its existing hospitals, CHG has opened two new polyclinics to extend its reach into outpatient services. In addition, CHG has invested in strengthening its Centers of Excellence (CoEs), adding new specialized facilities to its existing ones, putting quality specialized medical services within reach of its patients.

The Group leverages its position as a market leader in the sector to improve the quality and accessibility of healthcare in Egypt not only through its standard operations, but also by building strategies and establishing key partnerships to develop the sector. At the same time, CHG has built long-lasting partnerships with both state and private institutions to assist other hospitals to meet these same standards in line with its strategy to institutionalize the sector and its commitment to ensuring that high quality healthcare and highly trained medical practitioners are accessible across the country.

# 2019 Sustainability Update

This report provides an overview of the Group’s ESG initiatives. Group-level data and initiatives are included, where such information is available.

## Governance



34 Board meetings held in 2019 in all subsidiaries



55% of **Independent** Board Members

18% **Women** Board Members



## Social



5,159 Employees across all our hospitals and polyclinics



US\$110.4m Total turnover from CHG Group hospitals and polyclinics



3 Philanthropic projects backed

72% of employees **receive an annual performance review**



33% of employees **have long term contracts**



24% of management employees are women



18% of employees receive annual training

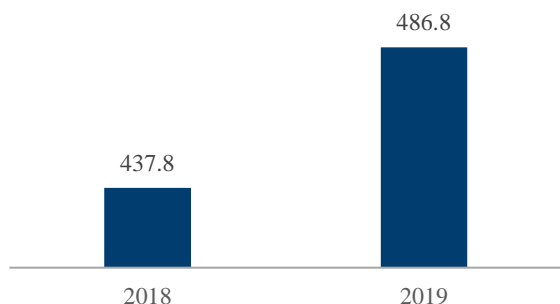


# Environmental Impact

At CHG, we recognize the values instilled in environmental responsibility and resource efficiency, accordingly our operations are infused with sustainable practices, ensuring a preservative footprint in the environment. Continuously aiming to comply to IFC Performance Standards and World Bank Group EHS Guidelines, the Group fully meets local environmental practices and regulations. The Group has implemented resource efficiency measures at various facilities including an LED replacement program, progressive replacement of HVAC air cooling units, and installation of solar panels. Additionally, the Group aims to seek JCI accreditation, addressing the findings of previous assessments across the board.

## Water Consumption

Water Usage '000s m<sup>3</sup>



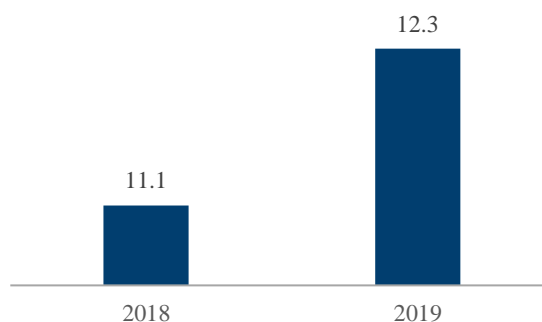
Water quality and availability are both essential to protecting patient health and critical to daily hospital operations. Because water quality is a public health issue and poses a special concern for the healthcare community, we at CHG take a clear stand on water consumption and preservation. Furthermore, since the consumption of water, electricity and the generation of hydrocarbon-fuel are all interlinked, we track the utilisation of all the three precious resources carefully.

## Electricity Consumption

Our electricity consumption is needed to power our Operating Rooms, the high-end medical technology, light up our facilities and operate medical devices. We are aware of our high dependence on electrical

consumption and thus carefully monitor and measure it to identify the avenues of energy preservation. We purchase electricity from local authorities and receive monthly bills detailing our consumption. In some of our facilities, we use generators to generate our own electricity as backup methods to ensure continuous and uninterrupted care for our patients. We are also using solar power for water heating wherever possible.

Electricity Usage (millions KWh)

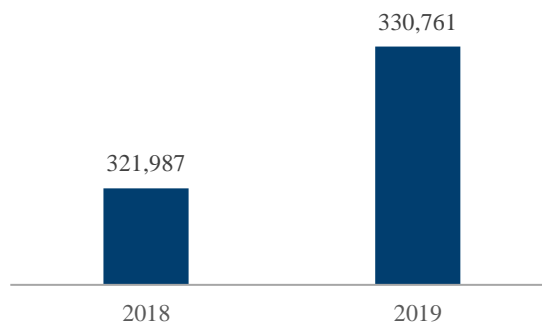


Note: KWh (millions) across all hospitals

## Waste Management

Hospitals produce medical waste that, if not handled correctly, could potentially pose serious health and environmental impacts. At CHG, we take this topic very seriously by putting in place an effective management system of healthcare waste which addresses the basic elements of waste minimization, segregation and proper identification into key categories including medical, general, recycled and food waste.

Medical & Hazardous Waste Disposal (KGs)

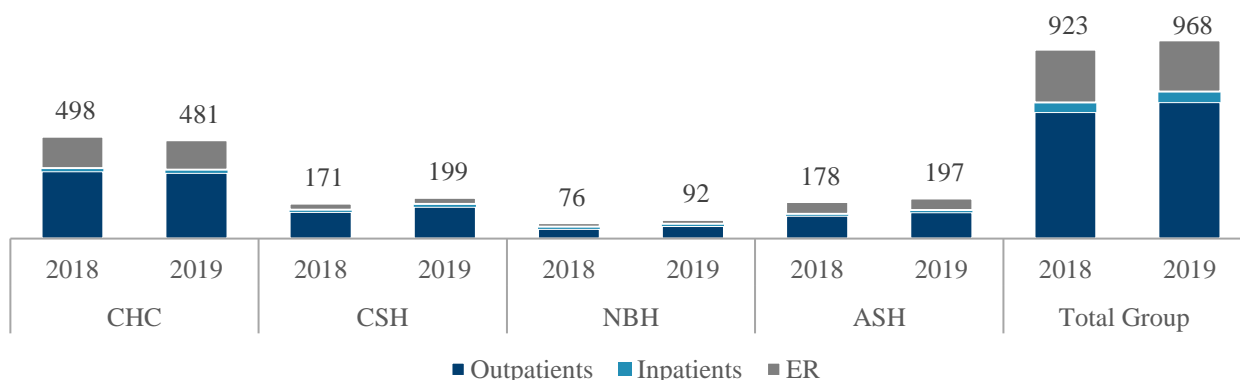


# Social Responsibility

Our patients are among our key stakeholders and our practices aim to grant them with services that contribute to their health, wellbeing and overall happiness. It is in our ethos to operate in a way that places the patient at the

core of everything we do, which ultimately helps us offer new innovations, technologies, processes and provide the highest quality of care.

Total patient count 2019 vs 2018



### Patient Confidentiality

Every day, patients entrust us with their most personal and confidential information. We hold ourselves accountable to safeguarding this information and guaranteeing our patients with the best international standards of information safety and security. All our employees are trained and made well-aware of all aspects relating to patients’ confidentiality. Staff involved in face to face interaction with patients, including doctors, nurses, pharmacists and technicians/paramedics fully understand that it takes time to build trust with patients, and that trust is one of the key foundations that make the healthcare sector thrive. Due to these practices, we have not had any reported cases on breach of patient confidentiality during the current reporting period.

### Complaints and Grievances

Our complaints and grievance policies detail the channels and methods for an effective redressal of patients’ complaints and concerns. All our hospitals maintain their own service level metrics to raising, assessing, resolving as well as the turnaround time to address grievances. CHG has also implemented a Group-wide service recovery policy to enable us to proactively care for patients that have voiced complaints. In addition, all complaints submitted on our website go directly to the CEO’s office for an efficient and quick resolution.

### Ethical Marketing

We have policies on marketing ethics that guide all related activities and ensure their alignment with local regulations. We abide by these policies as we market our facilities, solutions and products to ensure that our patients and stakeholders receive accurate and relevant information that helps them with their health decisions. Each marketing department across our facilities identify activities that require prior approval from regulatory bodies. They then obtain approval from the concerned medical experts, submit required documents and then execute campaigns accordingly. Due to our adherence to this process, none of our marketing collaterals or campaigns were rejected by regulating authorities during this year.

### Patient Health & Safety

Each CHG hospital has a set of detailed KPIs for patient experience and safety, which they report on a monthly/quarterly basis to the relevant regulating authorities.



## Employees

The healthcare sector is a human capital-intensive industry. It requires adopting a compassionate approach in the provision of treatment and care for all patients. The emotional commitment of our healthcare professionals forms a critical aspect in providing our patients with the best care possible. Therefore, at CHG we heavily invest in the wellbeing and prosperity of our employees.

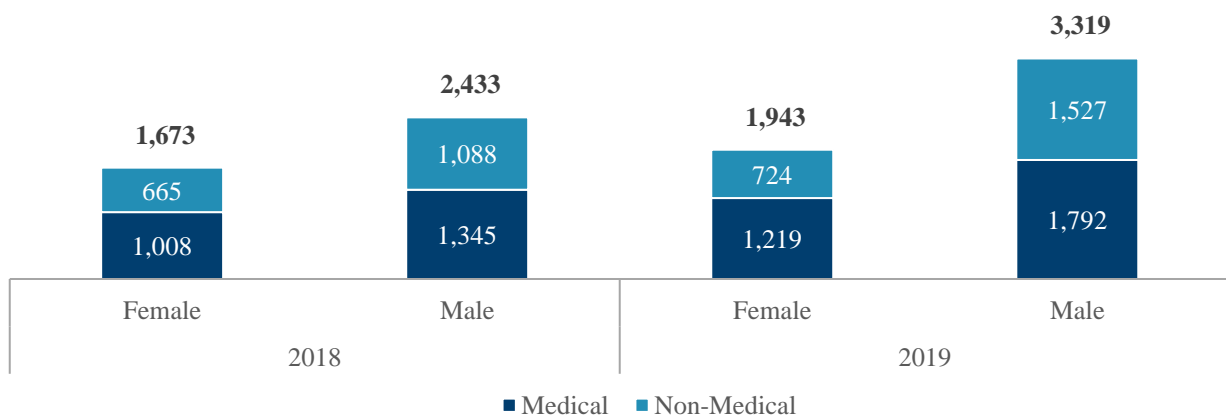
The relationship we have with our employees is based on mutual respect. We are committed to full compliance with legislative workplace requirements in Egypt. The health and safety of our people is also a key priority and is tied to the Group’s overall performance. Thus, we maintain the highest level of health and safety as we understand that it lays the foundation towards providing high quality healthcare services.

We regard our employees as valuable assets and we strive to create a safe, stimulating and rewarding work environment for them. We are proud of our ability to attract a talented pool of highly competent individuals who contribute to our long-term success and viability.

### Diversity & Inclusion

As the leading healthcare provider in Egypt, we recognize the importance of maintaining a diverse work environment through the creation of a strong and healthy workplace that fosters innovation and shared learning experiences. Our anti-discrimination policy educates employees on discrimination and harassment topics, as well as how to address them and report them shall they occur. Diversity metrics are monitored on an ongoing basis, and appropriate measures are in place. We provide equal employment opportunities that allow all individuals to maximise their capabilities and thereby enrich our work environment.

Female vs male doctors and nurses 2018, 2019



Employees by age distribution 2018, 2019

Group	Female				Male				Total Less than 30	Total 30 to 50	Total More than 50	Grand Total
	Less than 30	30 to 50	More than 50	Total Female	Less than 30	30 to 50	More than 50	Total Male				
Dec 2018	506	973	194	1,673	750	1,453	230	2,433	1,256	2,426	424	4,106
Dec 2019	639	1,094	210	1,943	1,114	1,935	270	3,319	1,753	3,029	480	5,262

### Continuous Education

Complementing the policies of our Human Resources department, we continue to invest in the career paths of our employees by conducting a variety of courses, workshops and seminars as a continued form of investing in our employees. Accordingly, in 2019, 932 employees have taken part in trainings we provide to improve the

caliber of the Egyptian healthcare industry’s employees in Egypt, in addition to the overall skillsets of CHG workers.

### Performance Management

A consistent performance management system is applied throughout the Group, which allows us to identify and manage the training needs of individual employees, and

to discuss career development. Performance tracking discussions take place on a continuous basis throughout the Group. There is a dedicated commitment to optimize the quality of these discussions where expectations regarding performance and development are shared and personal development plans compiled accordingly. These discussions also provide the opportunity to translate the organizational strategic goals to individual employee objectives, activities and deliverables.

## Community

As a leading, committed and proactive corporate community partner, CHG believes in community involvement where we work and serve. Collectively, our healthcare facilities help improve the lives of our patients, their families and the overall community. Through our community engagement programmes, we can partner with organisations to deliver measurable long-term impact. We invest in public health awareness campaigns and continuous medical education programmes designed to promote healthy lifestyles and increase access to health services.

### **Skills Enhancement Program with The Ministry of Health And Population**

Under the auspices of the Egyptian government, 2019 has seen CHG's collaboration with the Ministry of Health and Population through The Skills Enhancement Program. This partnership takes place under the ministry's new Health Insurance Initiative, currently in its first phase, and set to be rolled out across the nation

The Skills Enhancement Program aims to transform the sector and ensure the accessibility of high-quality public healthcare across the nation. The program complements the 2019 Universal Health Insurance Initiative, equipping employees of public hospital with essential training to enhance their medical, technical, and managerial skills. Through managing and implementing the trainings, CHG has taken initiative to conduct medical, non-medical, practical and non-practical trainings that comply to the standards of JCI and National Safety Requirements, enabling employees to advance the quality of services in facilities under the initiative.

The Group also supports that ministry's initiatives through the management of three hospitals in the governorate of Port Said (El Tadamon Hospital, El Nasr Specialized Hospital, and El Nesa Hospital). CHG has provided employees with medical and administrative

workshops, implanting the best practices that CHG instils in its own facilities.

Cleopatra Hospitals Group is committed to the development of both medical and non-medical employees. Accordingly, the Group has invested in a series of technical trainings targeting doctors and nurses through a variety of practical experiences including job shadowing. Additionally, medical staff have received CHG's official medical form system as means of ensuring that operations are streamlined and efficient.

Additionally, a specialized team from CHG has delivered trainings in administrative fields such as Supply Chain, Human Resources, and Facility Management. The Group is intent on implementing its leading administrative protocols in the hospitals participating in the National Healthcare Act, and has designed their upgraded organizational structures, in addition to implementing the first attendance system in Egyptian public hospitals.

As a result, the Skills Enhancement Program has been host to the fundamental training of over 600 employees in medical and administrative functions. In addition to standardizing procedures across all functions in the three hospitals.

One of CHG affiliated hospitals, El Nasr Specialized Hospital, was inaugurated by the President of Egypt, AbdelFatah El Sisi as part of the Health Insurance Project in November 2019.

Key milestones of the partnership include:

- Training 600+ employees on the fundamentals of Medical and Nonmedical Functions
- Training the staff on the requirements of Health and Safety across the three hospitals.
- Designing Hospital Organizational Structure To be rolled out across all National Healthcare Act Hospitals
- Implementing CHG medical forms across the three hospitals
- Training Medical Staff on the CHG Medical Forms for efficient operations
- Continuous monitoring and evaluation for frequent improvement in the efficiency of operations of hospitals
- Standardizing procedures in all functions across the three hospitals through implementation of SOPs and KPIs

- Implementing the 1st Attendance System in Public Hospitals Using fingerprint to track attendance of staff across Port Said Hospitals
- Assisting in the development of a financial system for the 8 public hospitals under the new healthcare insurance project.
- Initiating the 1st Orthopedic Surgery in Tadamon Hospital in 10 years

### **Floating Hospital**

CHG was selected as Rotary Egypt's primary partner to establish a floating hospital in Aswan governorate. Fully aligned with the Group's commitment to ensure that quality healthcare is accessible across the nation, the hospital, originally a cruise ship, has been equipped with a variety of clinics and facilities, such as an X-ray unit, a laboratory, and a pharmacy. During its first week of operation that floating hospital ventured down the Nile river, visiting eight different governorates, and serving 10,000 female and children patients residing in underserved communities.

# Governance

At Cleopatra Hospitals Group, we ensure that the structures of our corporate governance meet best practices on an International scale; the Group adheres to an ethical and transparent framework. Totalling eleven board directors, our two female directors take part in the Group's effort to reform gender equality in the Egyptian workplace, supporting women in leading positions. With five independent members indicate CHG's dedication in complying to the highest of governance standards in order to serve our patients with healthcare that is unmatched in quality. Our Board of Directors encompass backgrounds in different industries, including pharmaceutical, engineering, medical, finance, and economics. Their experience brings forth a unique, diverse blend of expertise that contributes to effective decision making, organizational efficiency and operations that are both sustainable and profitable.

In efforts to ensure that all our stakeholders are best served, the CHG Board of Directors created, with their own guidelines and charters, three integral committees to ensure that the Group is driven by transparent purpose and intention.

## Audit Committee

Consisting of three non-executive directors, two of which independent, the Audit Committee assists the Board in its oversight of financial statements and disclosures, ensuring that they adhere to the recommendations of both the auditor and the EFSA.

## Medical Ethics & Quality Committee

The Medical Ethics & Quality Committee, consisting of three members, two of which non-executive directors, supervises the development and implementation of the Group's quality control programs, monitoring performance indicators and accordingly provides recommendations on the development strategy of the Group's practices.

## Nomination and Remuneration Committee

The Nominations and Remuneration committee is comprised of three members, one of which is a non-executive director, providing recommendations regarding the remuneration of senior management. The committee also reviews the Group's bonus schemes and develops employment succession plans.

**INVESTOR RELATIONS CONTACTS**

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**SHAREHOLDER INFORMATION**

EGX: CLHO.CA

Listed: June 2016

Shares Outstanding: 1.6 billion



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