



SUSTAINABILITY
REPORT

2018

GRI APPENDIX



JOSÉ DE MELLO · SAÚDE

INTRODUCTION


This document concerns the eighth annual edition of José de Mello Saúde sustainability report for the fiscal year ended on 31 December 2018, and is an integral part of the 2018 Integrated Report.


It is intended to provide detailed information to the stakeholders of José de Mello Saúde, concerning the economic, social and environmental performance of the company in its material topics. This report should be read in conjunction with the information concerning value creation conveyed by the Integrated Report.

José de Mello Saúde has been defining a set of management approaches (GRI 103) of its material sustainability topics whose results are reported by a set of indicators in accordance with the 2016 GRI Standards.

Material Topics	Management Approach (GRI 103)
Financial sustainability	José de Mello Saúde carries out its activity based on the maintenance of a capital structure that is solid and suitable to the growth strategy of José de Mello Saúde, through an active management of the debt profile, concerning the diversification of the finance sources as well as the extension of their maturity.
Involvement with the community	José de Mello Saúde maximises the social impact of its activity, by investing in communities where its healthcare units are located, creating relationships of trust and positioning itself as a partner for local health.
Attraction and retention of talent	By the nature of its business, José de Mello Saúde believes that employees are a key element in realising its vision, systematically promoting the identification, evaluation, development and retention of its employees, with the intention of being recognised as one of the best companies to work for in Portugal.
Innovation	Innovation is one of the values of José de Mello Saúde, being seen as an essential asset to maintain a competitive offer and explore new solutions that generate value and differentiation for José de Mello Saúde's customers and professionals. Starting from the five strategic pillars of the organisation, several activities are promoted in terms of fostering incremental, planned, exploratory and scientific activity innovation.
Eco-efficiency	José de Mello Saúde invests in the minimisation of the environmental impact associated with its activity, seeking to assert itself as a reference operator in this area. The improvement of the environmental footprint of José de Mello Saúde is focused on the field of eco-efficiency of the energy consumption of its hospital buildings.
Ethics and transparency in the value chain	José de Mello Saúde recognises the importance of its suppliers in the business of providing healthcare. In addition to requiring maximum quality and safety from its suppliers, José de Mello Saúde considers it essential that they have and promote principles of ethics, transparency and respect for society.
Quality of healthcare services	José de Mello Saúde believes that clinical quality is the core element of its value proposition, and remains focused on highlighting its clinical outcomes by participating in evaluation and external recognition systems.

GRI TABLE

2016 GRI INDICATOR		LOCATION	SDG																																																				
STRATEGY AND ANALYSIS																																																							
102-14	Message from the Chairman	2018 Integrated Report: 1. Message from the Chairman																																																					
102-15	Main impacts, risks and opportunities	2018 Integrated Report: 4. Strategy, achievements and goals; 6. Risk management																																																					
ORGANISATIONAL PROFILE																																																							
102-1	Name of the organisation	2018 Integrated Report: Profile of the Report																																																					
102-2	Main products and services	2018 Integrated Report: 2. About José de Mello Saúde																																																					
102-3	Location of the organisation's headquarters	2018 Integrated Report: Profile of the Report																																																					
102-4	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	2018 Integrated Report: 2. About José de Mello Saúde																																																					
102-5	Nature of ownership and legal form of the organisation	2018 Integrated Report: 2. About José de Mello Saúde																																																					
102-6	Markets in which the organisation operates	2018 Integrated Report: 2. About José de Mello Saúde																																																					
102-7	Size of the organisation	2018 Integrated Report: 2. About José de Mello Saúde																																																					
102-8	Total number of employees per type of job, employment contract, gender and region.	<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div></div> <table><tr><td>Total Number of Employees</td><td>8.919</td></tr><tr><td>Male</td><td>1.880</td></tr><tr><td>Female</td><td>6.385</td></tr><tr><td>Total Employees per type of contract</td><td>3.916</td></tr><tr><td>Fixed Term</td><td>1.958</td></tr><tr><td>Masculino</td><td>378</td></tr><tr><td>Female</td><td>1.580</td></tr><tr><td>Indefinite Term</td><td>458</td></tr><tr><td>Male</td><td>91</td></tr><tr><td>Female</td><td>367</td></tr><tr><td>Open-ended Contract</td><td>6.503</td></tr><tr><td>Male</td><td>1.411</td></tr><tr><td>Female</td><td>5.092</td></tr><tr><td>Part-Time</td><td>516</td></tr><tr><td>Male</td><td>131</td></tr><tr><td>Female</td><td>385</td></tr><tr><td>Full-Time</td><td>8.403</td></tr><tr><td>Male</td><td>1.749</td></tr><tr><td>Female</td><td>6.654</td></tr><tr><td>Total employees per region and gender</td><td>8.919</td></tr><tr><td>North</td><td>3.753</td></tr><tr><td>Male</td><td>853</td></tr><tr><td>Female</td><td>2.900</td></tr><tr><td>South</td><td>5.166</td></tr><tr><td>Male</td><td>1.027</td></tr><tr><td>Female</td><td>4.139</td></tr></table> <p>José de Mello Saúde also has 1071 service providers that include 999 doctors, 26 nurses and 46 senior health technicians and diagnostics and treatment technicians.</p>		Total Number of Employees	8.919	Male	1.880	Female	6.385	Total Employees per type of contract	3.916	Fixed Term	1.958	Masculino	378	Female	1.580	Indefinite Term	458	Male	91	Female	367	Open-ended Contract	6.503	Male	1.411	Female	5.092	Part-Time	516	Male	131	Female	385	Full-Time	8.403	Male	1.749	Female	6.654	Total employees per region and gender	8.919	North	3.753	Male	853	Female	2.900	South	5.166	Male	1.027	Female	4.139
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2016 GRI INDICATOR		LOCATION	SDG
102-41	Percentage of employees covered by collective employment agreements	There are no collective negotiation agreements	
102-9	Supply chain of the organisation	2018 Integrated Report: 2. About José de Mello Saúde	
102-10	Significant changes during the reporting period regarding the organisation's size, structure, shareholding, or its supply chain	2018 Integrated Report: 4. Strategy, achievements and goals	
102-11	Charters, principles or other externally developed economic, environmental and social initiatives that our organisation subscribes to or which it endorses	<p>José de Mello Saúde is a member of BCSD Portugal – Business Council for Sustainable Development, the largest national business organisation dedicated to sustainability, with more than 100 global companies engaged in promoting sustainable development and of GRACE – Grupo de Apoio e Reflexão à Cidadania Empresarial (Support and Reflection Group for Corporate Citizenship), dedicated to the promotion of corporate social responsibility, integrating its management in the current mandate. In December 2018, JMS joined the “Pact for Conciliation” initiative, at the invitation of the State Department for Citizenship and Equality. Considering that the companies have a contribution to the achievement of the Sustainable Development Goals (SDG) of the United Nations, JMS carried out an exercise to identify the SDG that it considers priorities given their impact potential due to the organisation's specific activity.</p> <p>More information on external accreditations of José de Mello Saúde units can be found in the 2018 Integrated Report, under “Clinical performance”</p>	
102-13	Main memberships in sector organisations	<p>Portuguese Association of Private Hospitals (Associação Portuguesa de Hospitalização Privada - APHP – The Portuguese Association of Private Hospitals (Associação Portuguesa de Hospitalização Privada – APHP) is a non-profit, apolitical and secular organisation, that, since 1974, has represented the interests and values of private Portuguese healthcare units. It advocates the creation of a healthcare system that assumes characteristics of plurality of supply, competitiveness, efficiency and freedom of choice of healthcare unit. That is, a guarantee by the Government with the market's intervention.</p> <p>More information at: http://www.aphp-pt.org/</p> <p>The Health Cluster Portugal - As a health competitiveness hub, it has as its main objective the promotion and performance of initiatives and activities designed to consolidate a national hub for competitiveness, innovation and technology with an international outlook and, moreover, bearing in mind requirements of quality and professionalism, to promote and encourage cooperation between companies, organisation, universities and public authorities, with a view to increasing their turnover, exports and qualified employment in economic areas related to the healthcare sector, and the improvement of the provision of healthcare. For more information: http://healthportugal.com/</p>	

2016 GRI INDICATOR	LOCATION	SDG
102-13	Main memberships in sector organisations	Portuguese National Strategic Health Council – Business Confederation of Portugal (CIP) – is a CIP advisory body whose aim is to prepare recommendations and opinions on matters of interest to the healthcare area, as an important economic sector, and submit them to the general council and/or to the management.
102-45	List of all entities included in the organisation's consolidated financial statements or equivalent documents	2018 Financial Statements Report
102-46	Process adopted for the definition of the report's content and limits of the aspects	2018 Integrated Report: Profile of the Report and indicator 102-47

IDENTIFIED MATERIAL ASPECTS AND LIMITS

102-47	List of the material topics identified in the process of defining the report's content	2018 Integrated Report 2.5 Dialogue with stakeholders
102-48	Reformulation of information provided in previous reports, and the reasons for such reformulations	2018 Integrated Report Profile of the Report
102-49	Significant changes in relation to previous reporting periods in the scope and aspect boundaries	2018 Integrated Report 2. About José de Mello Saúde In 2018, José de Mello Saúde reinforced its aspirations to consolidate the CUF network, inaugurating CUF Coimbra Hospital, CUF Descobertas 2 Hospital and CUF Nova SBE Clinic. The reinforcement of the growth strategy was also materialized in the building of the future CUF Tejo and CUF Sintra hospitals, as well as in the expansion of CUF Torres Vedras and CUF Santarém hospitals and of CUF Almada Clinic.

STAKEHOLDER ENGAGEMENT

102-40	List of the organisation's stakeholder groups	2018 Integrated Report: 2.5 Dialogue with stakeholders
102-42	Basis for identification and selection of stakeholders	2018 Integrated Report: 2.5 Dialogue with stakeholders
102-43	Type of approach adopted to involve stakeholders, including the frequency of involvement per stakeholder type and group	2018 Integrated Report: 2.5 Dialogue with stakeholders
102-44	Key topics and concerns identified by the stakeholders as a result of the involvement process and measures adopted by the organisation to handle them	2018 Integrated Report: 2.5 Dialogue with stakeholders. José de Mello Saúde performs regular surveys to customers who have visited its units in the previous month, through an independent platform. These surveys include the Net Promoter Score, the Secure Customer Index, questions concerning the evaluation of the different teams, and priority areas concerning customer experience. CUF's overall satisfaction results in 2018 have an average value of 82%

2016 GRI INDICATOR

LOCATION

SDG

PROFILE OF THE REPORT

102-50	Period covered by the report	2018 Integrated Report – Profile of the Report
102-51	Date of the most recent previous report	2018 Integrated Report – Profile of the Report
102-52	Reporting cycle	2018 Integrated Report – Profile of the Report
102-53	Contacts for questions regarding the report or its contents	2018 Integrated Report – Profile of the Report
102-54	Option “agreed” chosen by the organisation and respective GRI content index	In 2017, the transition to the 2016 GRI Standards was carried out for the option “Agreed-Essential”, with the respective correspondence found on this table. The indicators presented in this report refer to the companies whose management is controlled by José de Mello Saúde
102-55	GRI Index	Sustainability Report table from page 4 to page 14
102-56	Current policy and practice adopted by the organisation to submit the report to external assurance	The information reported in the report – whether resulting from measurements, calculations or estimates – was subjected to external verification by an independent entity, Ernst & Young Audit & Associados - SROC, SA. The declaration of verification from this entity is present at the end of this document

GOVERNANCE

102-18	Governance structure of the organisation, including committees at the highest level of governance responsible for specific tasks, such as setting strategy or organisational oversight	2018 Integrated Report – Corporate Governance: 1. Governance model; 2. Make-up and powers of the governing and supervisory bodies
102-19	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	2018 Integrated Report: 2.5 Dialogue with stakeholders
102-22	Composition of the Board of Directors and of its committees	2018 Integrated Report – Corporate Governance: 1. Governance Model
102-23	Chairman of the Board of Directors is also an executive officer (and, in that event, his or her function within the organisation's management and the reasons for this arrangement)	2018 Integrated Report – Corporate Governance: 1. Governance Model. 2. Make-up and powers of the governing and supervisory bodies



ETHICS AND INTEGRITY

102-16	Organisation's values, principles, standards and norms of behaviour, such as codes of conduct and ethics	2018 Integrated Report: 2. About José de Mello Saúde. Corporate Governance: 2. Make-up and powers of the governing and supervisory bodies
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MATERIAL TOPIC: FINANCIAL SUSTAINABILITY

Form of Management (103):

103-1) 2018 Integrated Report - 2.5. Dialogue with stakeholders

103-2 e 103-3) 2018 Sustainability Report - Introduction; 2018 Integrated Report - 2.3 José de Mello Saúde in figures; 3.1 Economic performance

2016 GRI INDICATOR	LOCATION	SDG
ASPECT: ECONOMIC PERFORMANCE		
201-1 Direct economic value generated and distributed	2018 Sustainability Report	    
201-2 Financial implications and other risks and opportunities for the organisation due to climate change	2018 Sustainability Report	
201-4 Significant financial benefits received from the Government	2018 Sustainability Report	
ASPECT: MARKET PRESENCE		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage in the most significant locations of operation	2018 Sustainability Report	  
202-2 Proportion of senior management hired from the local community at significant locations of operation	2018 Sustainability Report	

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MATERIAL TOPIC: ETHICS AND VALUE CHAIN

Form of Management (103):

103-1) 2018 Integrated Report - 2.5 Dialogue with stakeholders

103-2 e 103-3) 2018 Sustainability Report - Introduction;

ASPECT: PROCUREMENT PRACTICES		
204-1 Proportion of expenditures with local suppliers	2018 Sustainability Report	
ASPECT: SOCIAL ASSESSMENT OF SUPPLIERS		
414-1 New suppliers evaluated according to social criteria	2018 Sustainability Report	 






MATERIAL TOPIC: ECO-EFFICIENCY

Form of Management (103):

103-1) 2018 Integrated Report - 2.5. Dialogue with stakeholders

103-2 e 103-3) 2018 Sustainability Report - Introduction; 2018 Integrated Report - 2.3 José de Mello Saúde in figures; 3.4 Environmental performance

ASPECT: ENERGY		
302-1 Energy consumption within the organisation	2018 Sustainability Report	   

2016 GRI INDICATOR		LOCATION	SDG
302-3	Energy intensity	2018 Sustainability Report	   
302-4	Reduction of energy consumption	2018 Sustainability Report	   
ASPECT: WATER			
303-1	Total water consumption segmented by source	2018 Sustainability Report	
303-3	Percentage and total volume of water recycled and reused	2018 Sustainability Report	  
ASPECT: EMISSIONS			
305-1	Direct GHG emissions (Scope 1)	2018 Sustainability Report	    
305-2	Indirect GHG emissions (Scope 2)	2018 Sustainability Report	    
305-4	Carbon intensity	2018 Sustainability Report	   
305-7	NOx, SOx, and other significant air emissions by type and by weight	2018 Sustainability Report	    
ASPECT: EFFLUENTS AND WASTE			
306-2	Total waste by type, destination and disposal method	2018 Sustainability Report	    

MATERIAL TOPIC: ATTRACTION AND RETENTION OF TALENT

Form of Management (103):

103-1) 2018 Integrated Report – 2.5. Dialogue with stakeholders

103-2 e 103-3) 2018 Sustainability Report – Introduction; 2017 Integrated Report – 2.3. José de Mello Saúde in figures; 3.3 Social performance

2016 GRI INDICATOR	LOCATION	SDG
ASPECT: EMPLOYMENT		
401-1 Total number and rates of new employee hires and employee turnover by age group, gender and region	2018 Sustainability Report	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant operating units	2018 Sustainability Report	
401-3 Return to work and retention rates after parental leave, by gender	2018 Sustainability Report	 
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
403-1 Employees represented in safety committees that help to monitor and advise on health and safety programmes	2018 Sustainability Report	
403-2 Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender	2018 Sustainability Report	 
403-3 Health and safety topics covered in formal agreements with trade unions	2018 Sustainability Report	
ASPECT: TRAINING AND EDUCATION		
404-1 Average hours of training per year, per employee, by gender, and by category	2018 Sustainability Report	  
404-3 Percentage of employees who regularly receive performance reviews	2018 Sustainability Report	 
ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES		
405-1 Composition of the governance bodies and breakdown of employees per category, according to gender, age group, minority group membership and other diversity indicators	2018 Sustainability Report	 
405-2 Ratio of base salary and remuneration of women and men by employee category and by significant operation units	2018 Sustainability Report	  

MATERIAL TOPIC: INVOLVEMENT WITH THE COMMUNITY

Form of Management (103):

103-1) 2018 Integrated Report – 2.5 Dialogue with stakeholders

103-2 e 103-3) 2018 Sustainability Report – Introduction; 2018 Integrated Report – 2.3 José de Mello Saúde in figures; 3.3 Social performance

2016 GRI INDICATOR	LOCATION	SDG
ASPECT: INDIRECT ECONOMIC IMPACTS		
203-2 Indirect economic impacts, including the extent of the impacts	2018 Sustainability Report	     
ASPECT: LOCAL COMMUNITIES		
413-1 Operations with the local community, impact assessments and development programmes	2018 Sustainability Report	  
413-2 Operations with significant actual and potential negative impacts on the local	2018 Sustainability Report	 
ASPECT: SOCIO-ECONOMIC COMPLIANCE		
419-1 Monetary value of significant fines and non-pecuniary sanctions for non-compliance with laws and regulations in the economic and social area	2018 Sustainability Report	
MATERIAL TOPIC: QUALITY OF HEALTHCARE SERVICES		
Form of Management (103):		
103-1) 2018 Integrated Report – 2.5. Dialogue with stakeholders		
103-2 e 103-3) 2018 Sustainability Report – Introduction; 2018 Integrated Report – 2.3 A José de Mello Saúde in figures; 3.2 Clinical performance		
ASPECT: CUSTOMER HEALTH AND SAFETY		
416-1 Evaluation of the health and safety impacts of the products and services categories	2018 Sustainability Report	
ASPECT: LABELLING AND MARKETING		
417-1 Information and labelling requirements of products and services	2018 Sustainability Report	 
ASPECT: CUSTOMER PRIVACY		
418-1 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	2018 Sustainability Report	



GRI Indicators

All of the 2016 GRI Standards indicators were subjected to external assurance. The generic management forms of the indicators can be consulted via indicators 103 – management approaches – in the introduction of this document, as well as via the information indexed in the GRI Table.

ECONOMIC CATEGORY

Aspect: Economic Performance

201-1 Direct economic value generated and distributed (Million Euros)

	2018	2017
Economic value generated	683,1	637,7
Revenues	683,1	637,7
Direct economic value distributed	656,4	618,1
Remunerations	225,4	202,6
Dividends	17,7	20,6
Payments to the Government	25,7	31,8
Communities	0,2	0,29
Operating costs	387,4	363,1
Direct economic value retained	26,7	19,6

201-2 Financial implications and other risks and opportunities related to climate change

José de Mello Saúde has been undergoing exposure to external events which hindered its activity, such as periods of drought and heat waves, with a direct reflection in the regular activity of its healthcare services. Thus, José de Mello Saúde recognises that climate change will increasingly be a driving factor for these external events.

201-4 Significant financial benefits received from the Government

José de Mello Saúde did not receive any significant financial support from the Government during the 2018 financial year.

Aspect: Market presence

202-2 Ratios of standard entry level wage by gender compared to local minimum wage in the most significant locations of operation

Given the existence of a wide range of times, for the purposes of calculation, only the three most representative times in the existing population (35, 36 and 40 hours) and the following work regimes were considered: "mixed regime"; "permanent"; "contract staff", "public servants" and "governing bodies".

Working hours	35		36		40	
Gender	Female	Male	Female	Male	Female	Male
Lowest wage in the organisation	507,5	507,5	522	522	580	580
NMW adjusted for the NPW	507,5	507,5	522	522	580	580
Ratio	1,00	1,00	1,00	1,00	1,00	1,00

We conclude from the analysis that for the most representative working hours, the minimum wage earned corresponds to the national minimum wage (NMW), taking as a reference a normal working week of 40 hours.

Fórmulas:

The calculation of the Portuguese national minimum wage (NMW) is adjusted for normal period of work (NPW), according to Article 271 of the labour code.

Calculation of the hourly rates: The hourly rates are calculated according to the following formula: $(Rm \times 12) : (52 \times n)$, where "Rm" is the monthly wage and "n" the normal working week, defined in average terms in case of adaptability.

202-2 Percentage of senior management hired from the local community at significant locations of operation

José de Mello Saúde has 100% of its activity located in Portugal and, as such, the country is understood as "local" in this context. The entire Board of Directors of José de Mello Saúde is of Portuguese nationality.

Aspect: Indirect Economic Impacts

203-2 - Significant Indirect Economic Impacts, including the extent of the impacts

José de Mello Saúde considers itself to be an enabler for mostly positive direct and indirect impacts in the communities.

Aspect: Procurement Practices

204-1 - Proportion of expenditures with local suppliers

José de Mello Saúde has 2,440 suppliers, among which 2,347 have a Portuguese taxpayer number, corresponding to 96% of the suppliers. The volume of spending with local suppliers is 575,605,562.76 euros, representing 99% of the total volume.



ENVIRONMENTAL CATEGORY

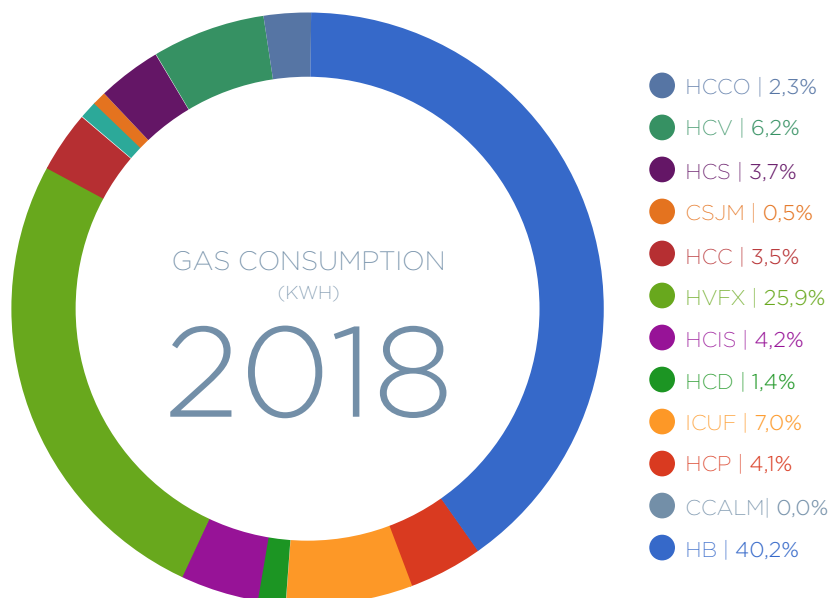
Aspect: Energy

302-1 - Energy consumption within the organisation

In 2018, the total energy consumption of José de Mello Saúde was 90,103 MWh: 58% concern electricity consumption, 33% gas consumption and 9% enthalpy, with the total representing an increase of 12% in comparison with 2017. The determined amounts exclude the energy consumptions related to the consumption of diesel fuel in the testing of the emergency generators and the fuel consumption associated with the fleet controlled by José de Mello Saúde.

Natural Gas

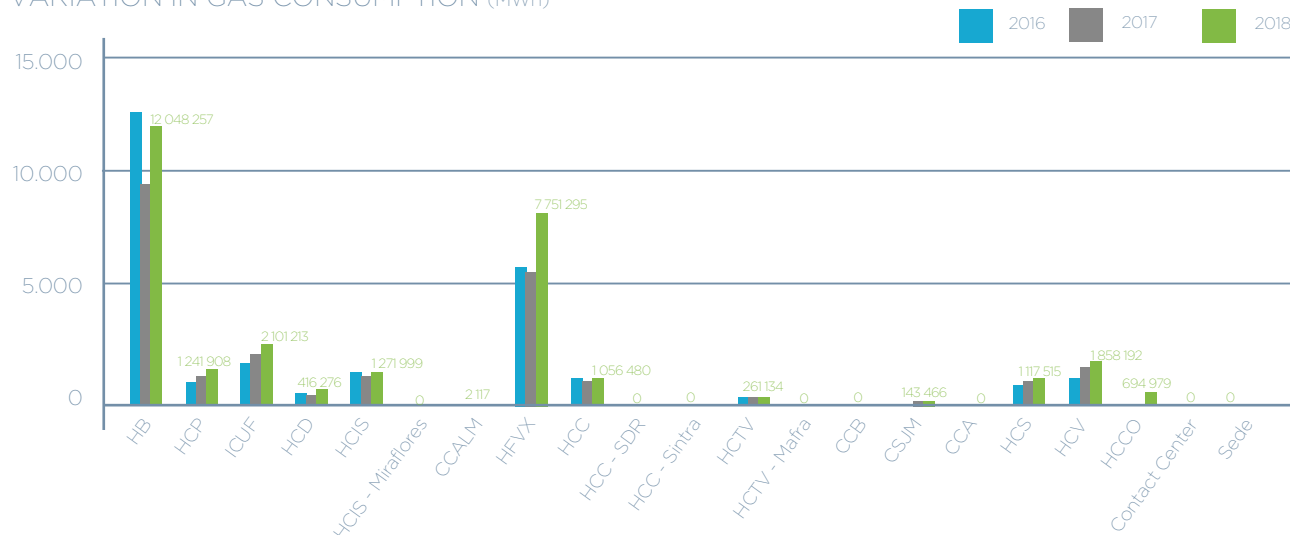
Natural gas is the main energy source used in the air conditioning systems in the José de Mello Saúde units, and is mainly used for heating hot water, for the HVAC system, and for supplying the kitchens. The overall consumption of natural gas in 2018 was 29,964 MWh, which represented an increase of 30.6% from the previous year. This significant increase is justified by the fact that 2018 was an abnormally cold year and the systematic temperature increase in the hot water supplies.



Braga Hospital continued to be the largest gas consumer amongst all José de Mello Saúde units, representing 40.2% of total consumption in 2018. Vila Franca de Xira Hospital increased, in comparison with the previous year, its percentage weight to 25.9%, in spite of the expansion of the José de Mello Saúde Group.

The following chart shows the variation of gas consumption in the different group units:

VARIATION IN GAS CONSUMPTION (MWh)



The increase in consumption in almost all units stands out. However, in Braga Hospital, which the largest consumer, the total kWh of gas remained below the values of 2016 and 2015.

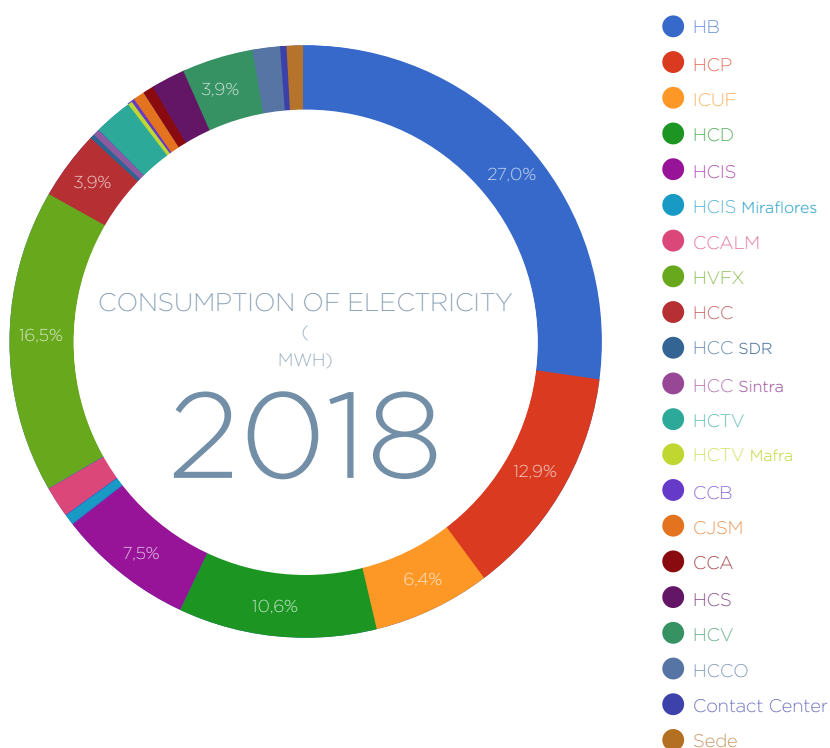
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Electricity

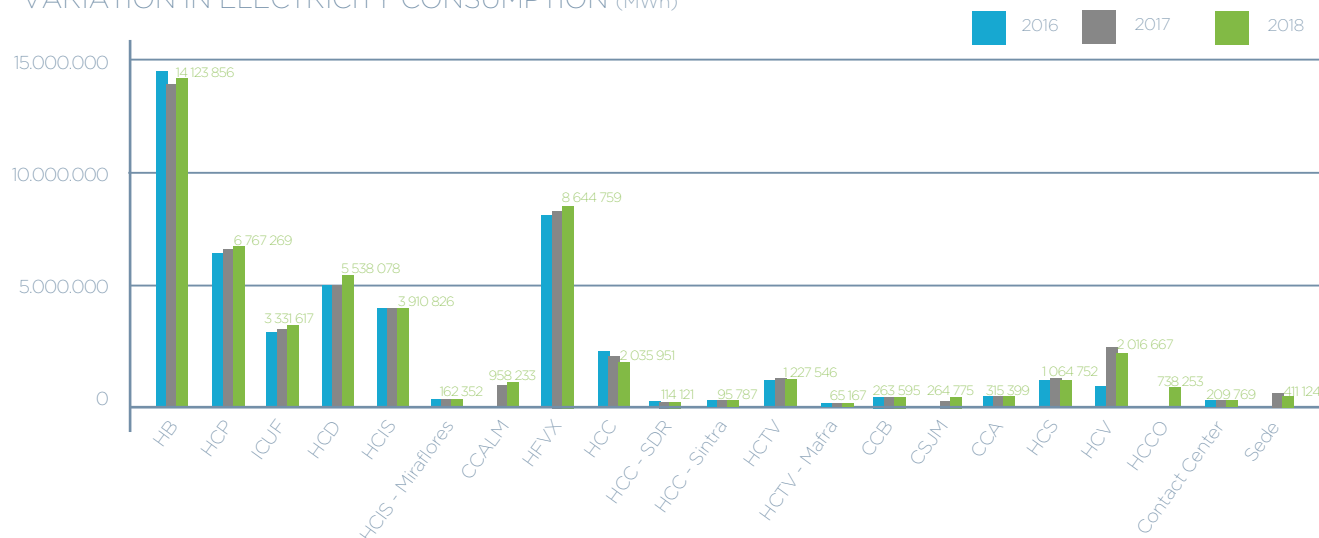
Electricity is the main source of energy used in the José Mello Saúde's units. The overall consumption of indirect primary energy in 2018 was 52,259 MWh.

The largest electricity consumers in 2018 were Braga Hospital (27.0%) and Vila Franca Xira Hospital (16.5%).

The following chart shows the variation of electricity consumption in the different group units:



VARIATION IN ELECTRICITY CONSUMPTION (MWh)



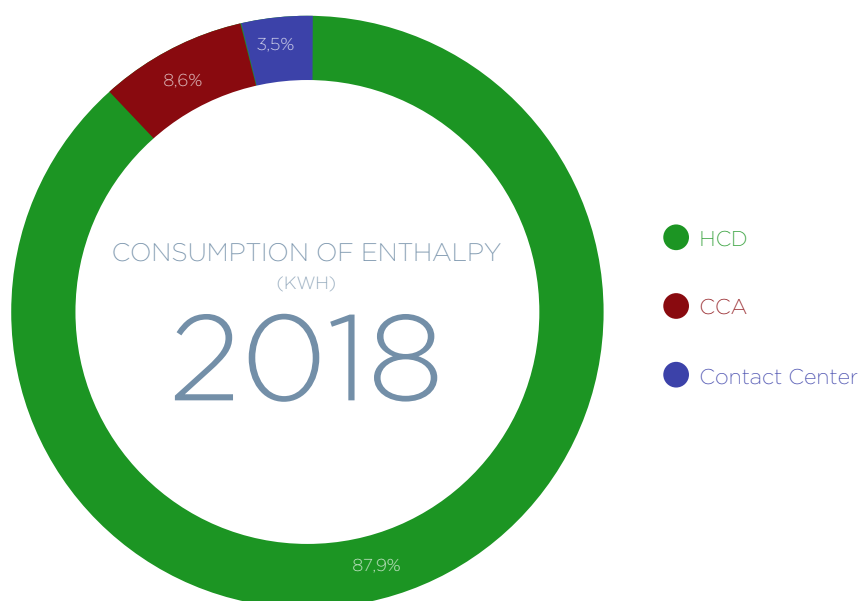
In 2018, CUF Coimbra Hospital became part of the José de Mello Saúde Group, and, in the second half of that year, so did the expansion of CUF Descobertas Hospital. The absolute increase in electricity consumption amounted to 4.0% in comparison with 2017, however, comparing the performance in equivalent conditions – identical periods of operation in the same units – the difference falls to 2.6%.

The intensification of the various units' activity and, in absolute terms, the entry into operation of CUF Descobertas Hospital's Building 2 and of CUF Coimbra Hospital contributed to this effect.

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Enthalpy

Concerning enthalpy – usage of hot and cold water in the HVAC and hot water circuits, existing only in CUF Descobertas Hospital, in CUF Alvalade Clinic and in the Contact Centre – total consumption in 2017 was 7,878 MWh, recording an increase of 12.4%, solely due to the opening of CUF Descobertas Hospital's Building 2 in July 2018. At the end of the first half of the year, there was a slight reduction vis-à-vis 2017 (-0.3%).



302-3- Energy intensity

The energy intensity of José de Mello Saúde, in 2018, was 282.9 kWh/m² of usable area. For the calculation of this indicator, we used the consumption of electricity, gas and heat in the group as the numerator and, as denominator, the usable area air-conditioned according to the values calculated in the several units' energy certificates. The value remains similar to that of 2017.

Although other analyses of ratios are presented in this report, the usable area is the only common denominator to all units that was used in this analysis. It should also be noted that only the energy consumed within the organisation was considered.

302-4- Reduction of energy consumption

José de Mello Saúde established a plan for the development and implementation of projects to improve the reduction of energy consumption and sustainability in its units. With this plan, awarded the previous year in the largest unit managed by the group, Braga Hospital, and with the gradual introduction of technologies – GTC, EC-type direct coupling engines, chillers with heat recovery, to name only a few – it was possible to achieve systematic reductions that enabled taking in, in the long run, the less positive results of years of great demand such as 2018. It is of the utmost importance that the integration of efficient technologies begins during the buildings' design phase. Due to this fact, in 2018, following the previous work, the development of the projects for the company's future units – CUF Tejo Hospital and CUF Sintra Hospital – and the new buildings for the expansions of CUF Descobertas and CUF Torres Vedras, it has taken into account all the experience developed in this area to strengthen, not only in the short term, but also in the medium and long terms, José de Mello Saúde's commitment to the sustainability of its buildings.

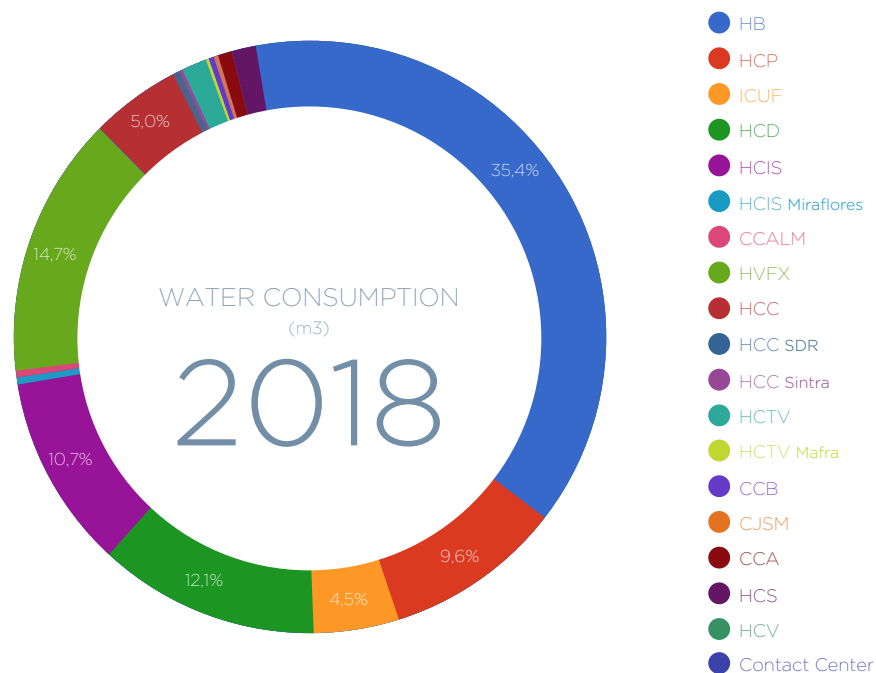
Aspect: Water

303-1- Total water consumption segmented by source

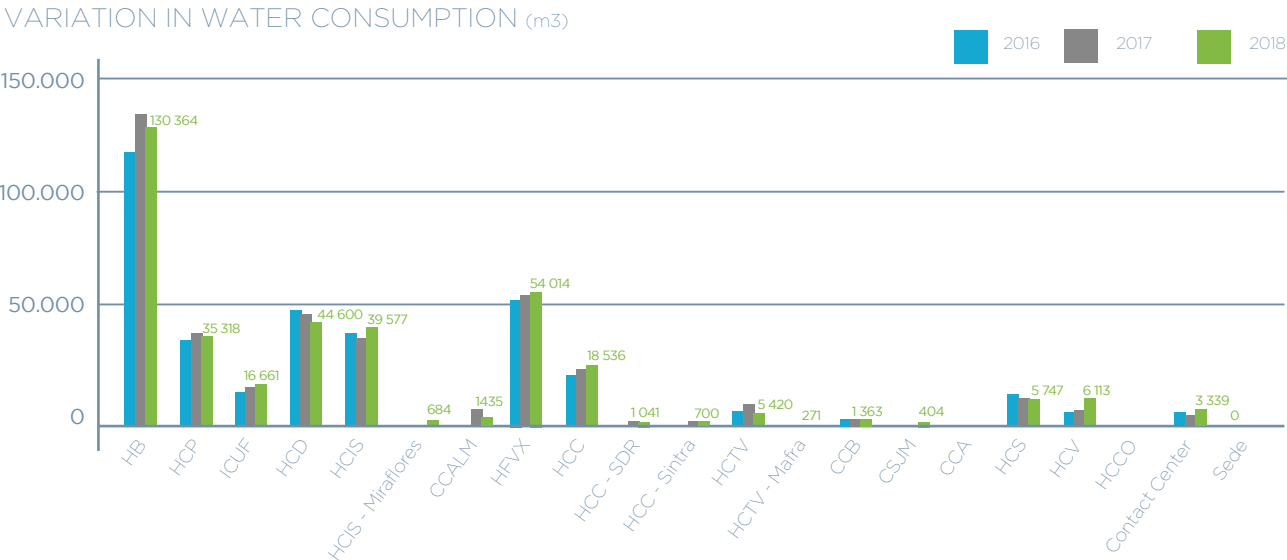
In 2018, the total water consumption in José de Mello Saúde's units was 371,196 m³.

The units with the most weight were Braga Hospital (35%), Vila Franca de Xira Hospital (15%) and CUF Descobertas (12%).

Water consumption happens mostly through the supply network, with sporadic consumption of groundwater being of little significance and thus not accounted.



The following chart shows the variation of water consumption in the group's different units:



Overall, there was a decrease in water consumption of approximately -0.3%. The intensification of the maintenance actions in the cold and hot water networks, seeking to prevent microbiological development, poses the challenge of ensuring water safety at the lowest possible cost.

303-3 - Percentage and total volume of water recycled and reused

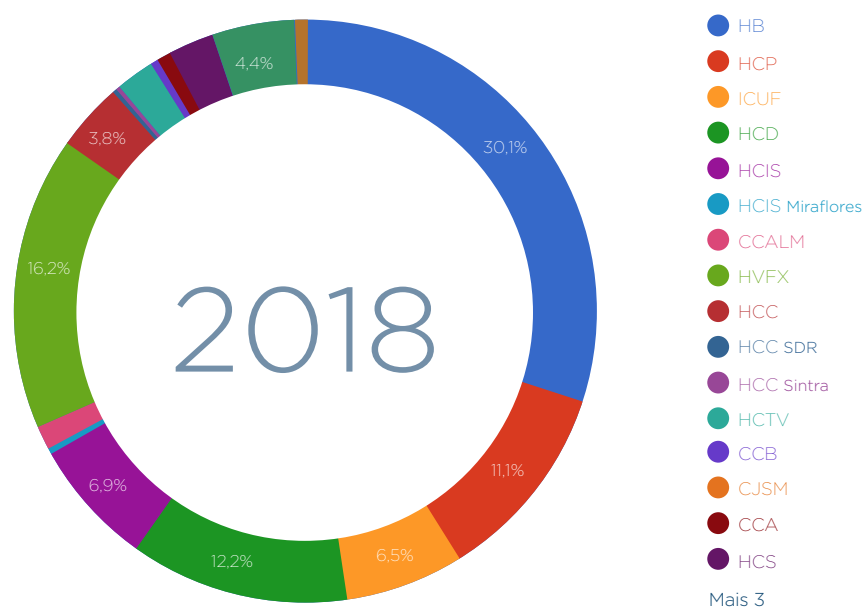
Braga and Vila Franca de Xira hospitals have reservoirs where part of the volume of water collected in the rainwater collection system is re-routed. This same water is later used for irrigation. The reservoirs' capacity, 170 m³ and 132 m³ respectively, enable roughly three-day' worth of irrigation water to be stored in summer time.



Aspect: Emissions

305-1 e 305-2 - Direct GHG emissions (Scope 1) and Indirect GHG emissions (Scope 2)

The total amount of greenhouse gas emissions by José de Mello Saúde in 2018 was 25,834 tCO₂.

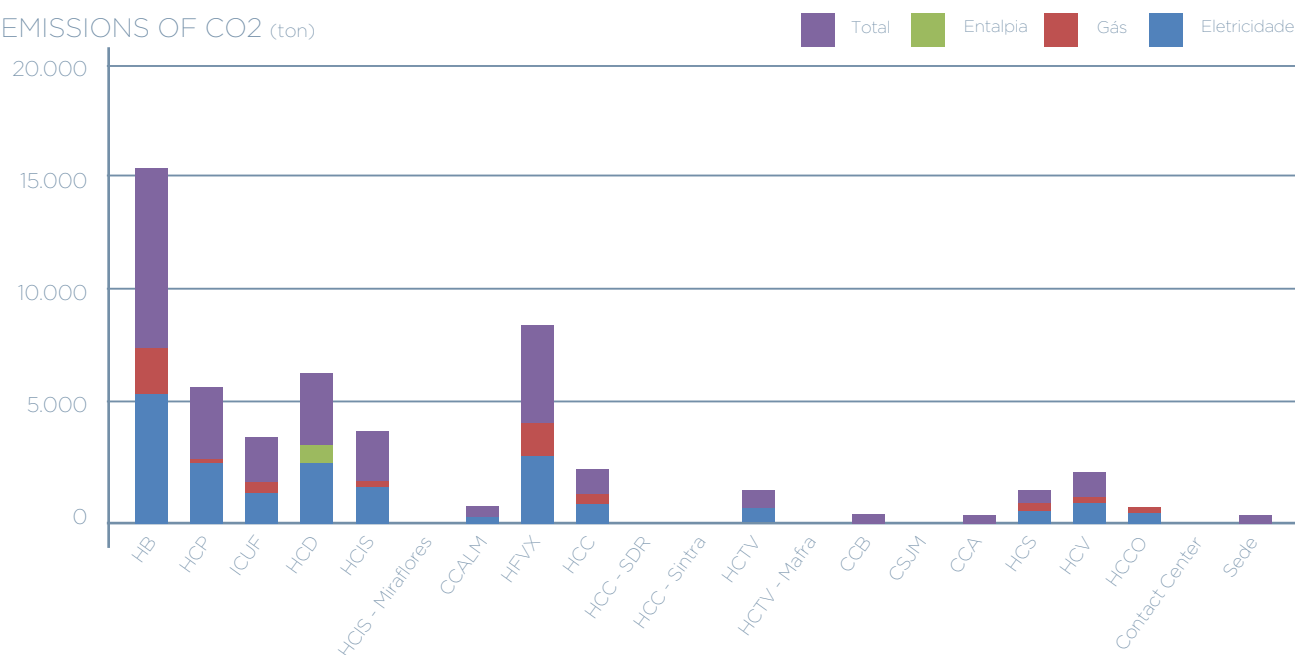


The emission values indicated were determined based on total bills issued by providers, the coefficient for calculating CO₂ equivalent emissions being supplied by the electricity companies and, in the case of gas and enthalpy consumption, by calculation using the emission factor indicated by the suppliers.

The chart above enables the contribution of each consumption to the total CO₂ emissions in each unit to be calculated.

There was a 21.2% increase in CO₂ emissions from 2017. This increase is a direct consequence of the increase in consumption of gas and electricity.

The determined amounts exclude the emissions associated with the consumption of diesel fuel in the testing of the emergency generators, the emissions associated with the fleet controlled by José de Mello Saúde and the release of fluorinated gases in the maintenance activities of the refrigeration equipment.

EMISSIONS OF CO₂ (ton)

305-4 - Carbon intensity

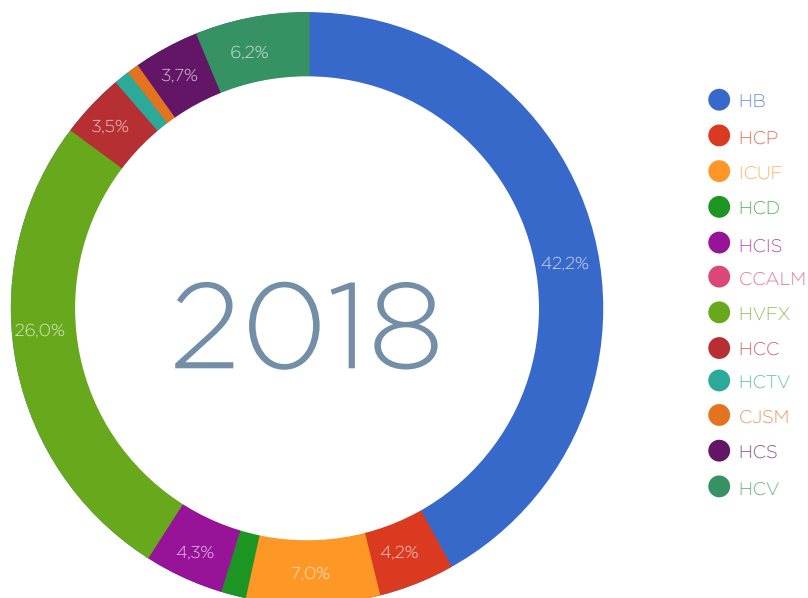
The carbon intensity of José de Mello Saúde, in 2018, was 81.1 kgCO₂/m² of usable area. For the calculation of this indicator, we used the consumption of electricity, gas and heat in the group as the numerator and, as denominator, the usable area air-conditioned according to the values calculated in the several units' energy certificates. This number presents an increase of around 11% vis-à-vis 2017.

Although other analyses of ratios are presented in this report, the usable area is the only common denominator to all units, so it was used in this analysis. It should also be noted that only the energy consumed within the organisation was considered.

305-7- NO_x, SO_x, and other significant air emissions by type and by weight

In the context of this indicator, the emissions of SO_x and NO_x associated with the fleet controlled by José de Mello Saúde are not accounted.

The total amount of NO_x emissions was 7,550 kg, with the consumption of natural gas in José de Mello Saúde's units being considered for this calculation. NO_x emissions were therefore estimated using the conversion factor 70g/GJ indicated by the Portuguese Agency for the Environment.



Aspect: Effluents and Waste

306-2- Total waste by type, destination and disposal method

Hospital Waste is divided into:

Non-hazardous hospital waste (includes Groups I and II)

- Group I (equivalent to urban waste) - example: Waste from general services such as consultation rooms, meeting rooms, lounges, toilets, cloakrooms etc.

- Group II (non-hazardous hospital waste) - example: Orthopaedic materials: splints, plaster casts and bandages, uncontaminated and with no trace of blood; nappies and sanitary pads, uncontaminated and with no traces of blood; empty packages of medicines (vials, blister packs, etc.), or products for clinical or common use other than those included in Groups III or IV

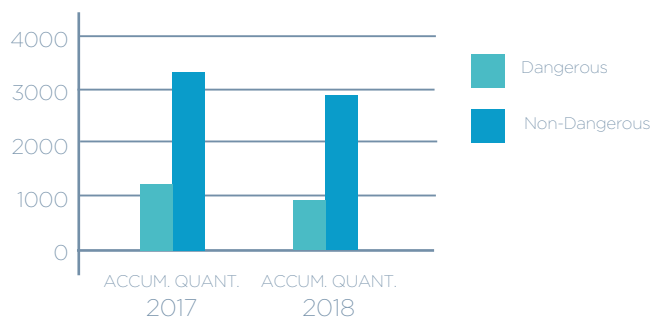
Hazardous hospital waste (includes Groups III and IV)

- Group III (biohazardous hospital waste) - example: All contaminated waste from rooms or wards of infectious or suspected infectious patients, haemodialysis units, operating theatres, treatment rooms, autopsy rooms and pathology labs.

- Group IV (biohazardous hospital waste) - example: Identifiable body parts (amputations), fetuses and placentas; sharp and spiked materials, rejected chemicals and drugs, cytostatic and all materials used in their handling and administration.

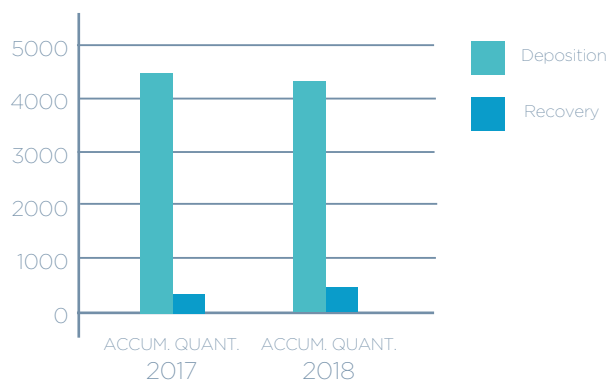
Waste by type	Accumulated quantity 2017	Accumulated quantity 2018
Dangerous	1,252	941
Non-dangerous	3,284	2.965

Obs: unidade de medida Tonelada



Waste by destination	Accumulated quantity 2017	Accumulated quantity 2018
Deposition	4,536	4.319
Recovery	367	412

note: measured in tons



SOCIAL CATEGORY

Aspect: Employment

401-1 -Total number and rates of new employee hires and employee turnover by age group, gender and region.

Hires	2335
Departures	1517
Employees at the End of the Period	8918
Rate of New Employee Hires	26,2%
Rate of Departures	17%
Turnover Rate	21,6%
Hires	
Female	1.865
Male	470
Region	
North	613
South	1722
<30 years	
Female	1065
Male	238
30-50 years	
Female	698
Male	213
>50 years	
Female	102
Male	19
Rate of new employee hires	
Female	20,9%
Male	5,3%
<30 years	14,6%
30-50 years	10,2%
>50 years	1,4%
Total	26,2%



Departures	
Female	1210
Male	307
Region	
North	357
South	1161
<30 years	
Female	559
Male	142
30-50 years	
Female	506
Male	135
>50 years	
Female	155
Male	30

Rate of departures	
Female	13,6%
Male	3,4%
<30 years	7,9%
30-50 years	7,2%
>50 years	2%
Total	17%

Turnover rate	
Female	17,2%
Male	4,4%
<30 years	11,2%
30-50 years	8,7%
>50 years	1,7%
Total	21,6%

401-2 – Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant operating units

Only employees with individual employment contracts and at least one year of tenure benefit from the health insurance offered by the company. Those who have a contract with units under a PPP scheme are excluded.

401-3 – Retention and return rates after parental leave, by gender

Return rate	
Female	93,4%
Male	89%
Retention rate	
Female	55%
Male	64,1%
Employees who returned to work who were granted paternity/maternity leave in the reporting year	
Female	170
Male	32
Employees who returned to work after their parental leaves 2018	
Female	192
Male	36
Employees who returned to work after parental leave ended who were still employed 12 months after their return to work	
Female	105
Male	41



Aspect: Occupational Health and Safety

403-1 Employees represented in safety and health committees that help to monitor and advise on health and safety programmes

Each José de Mello Saúde unit has an occupational health, hygiene and safety representative, but there are no formal committees created to monitor this issue, this being the responsibility of SAGIES, the company that provides this service to José de Mello Saúde.

403-2 Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender

Injury Rate	Female		Male		Total	
	Hours Lost Work	Rate	Hours Lost Work	Rate	Hours Lost Work	Rate
Occupational Accident	61.788	0,45%	61.788	0,10%	61.788	0,37%

Lost Work Hours – Absenteeism

Per Region	Female	Male
North	285.973	33.641
South	362 835	39 889
Total	648 808	73 530

Type of Absence	Female		Male		Total	
	Hours Lost Work	Rate	Hours Lost Work	Rate	Hours Lost Work	Rate
Occupational Accident	61 788	0,45%	3 620	0,10%	65 408	0,37%
Family Assistance	52 648	0,38%	2 030	0,05%	54 678	0,31%
Authorised Absence	4 699	0,03%	1 012	0,03%	5 711	0,03%
Unjustified Absence	20 106	0,14%	5 326	0,14%	25 432	0,14%
Justified Absence	6 884	0,05%	30	0,00%	6 914	0,04%
Illness	488 886	3,52%	57 274	1,55%	546 160	3,11%
Strike	10 530	0,08%	2 998	0,08%	13 528	0,08%
Unpaid Leave	742	0,01%	392	0,01%	1 134	0,01%
Legal Obligations	1 297	0,01%	848	0,02%	2 145	0,01%
Suspension	1 227	0,01%	0	0,00%	1 227	0,01%
Total	648 808	4,67%	73 530	1,98%	722 338	4,11%

Assumptions:

The record of occupational accidents includes the situations when the system for communication to the insurance company is activated. Thus, small injuries are excluded if they are not communicated.

Formula:

Hours of absence due to reason (e.g., work accident)/maximum working potential.

Rate of Absenteeism: Each FTE was considered equivalent to an average of 2,080 hours per year (173.33 per month). From the calculation of hours of absenteeism are excluded the hours related to marriage, study, bereavement and parental leave.

403-4 Health and safety topics covered in formal agreements with trade unions

There are no topics related to health and safety covered by formal agreements with trade unions.

Aspect: Training and Education**404-1 Average hours of training per year, per employee, by gender, and by category**

In 2018, José de Mello Saúde carried out 125,079 hours of training, recording an average of 14.03 hours per employee.

By gender	No. of Employees	Hours	Average
Female	7 038	98 458	13,99
Male	1 880	26 622	14,16
Total	8 918	125 079	14,03

Per employee category	Hours		Total	Average
	Female	Male		
Administrative	16 613	3 108	19 721	10,4
Auxiliary	14 015	2 109	16 125	8,3
Managerial	1 293	666	1 960	10,5
Nurses	38 492	8 675	47 168	21,6
Residents	7 771	2 623	10 394	33,2
Doctors	9 448	5 578	15 026	17,7
Governing Bodies	65	98	163	4,2
General Services	1 304	586	1 889	3,7
Ther. Diag. Tec.	4 115	1 315	5 431	10,2
Senior Health Tec.	1 502	269	1 771	19,3
Senior Tec.	3 838	1 593	5 431	14,8
Total	98 458	26 622	125 079	14,0

Per unit	Hours		Total
	Female	Male	
CUFA	301	59	360
CUFB	236	33	269
CUFC	2 309	576	2 885
CUFT	1 797	451	2 248
BCCH	41 237	10 913	52 150
CISH	4 567	1 048	5 615
CPH	5 385	1 741	7 126
CUVH	1 898	694	2 592
SCLH	1 755	480	2 235
VFXH	19 538	6 300	25 838
ICUF	426	131	557
JMSH	6	0	6
SAGI	144	34	178
SGHD	5 642	1 220	6 862
RACE	12 476	2 841	15 317
CLA	4	0	4
CCOH	739	99	838
Total	98 458	26 622	125 079

By type	Hours		Total
	Female	Male	
Behavioural	13 188	3 417	16 605
Management	2 970	829	3 799
Technical	71 118	20 385	91 503
Services	11 182	1 992	13 173
Total	98 458	26 622	125 079

Assumptions:

Only hired, permanent and on mixed regime employees and public servants are considered.

404-3 Percentage of employees who regularly receive performance reviews

Total evaluated employees	5 767
GPS	351
MAPPA	5 416
% of evaluated employees	64,67%

A total of 64% of José de Mello Saúde's workers were covered by one of the existing evaluation systems – 351 via the GPS (Global Performance System) intended for the management staff and 5,416 via the MAPPA (Modelo Avaliação, Performance e Potencial Anual – Annual Evaluation, Performance and Potential Model), regarding the employees under public-service contracts through SIADAP. It should be noted that, in the case of new hires, only employees with a minimum tenure of six months are subject to evaluation. In the remaining cases, only employees with a minimum tenure of three months are subject to evaluation.

Aspect: Diversity and equal opportunities

405-1 Composition of the governance bodies and breakdown of employees per category, according to gender, age group, minority group membership and other diversity indicators

Additional information on the composition of José de Mello Saúde's governance bodies can be found in José de Mello Saúde's Integrated Report, in the "Corporate Governance" chapter.

The most representative employee categories in José de Mello Saúde are nurses, auxiliary medical staff and administrative staff. As regards composition per gender, the population at José de Mello Saúde is mostly female, with 79% of female employees to only 21% of male employees.

Employee category	Female		Male		Overall Total	
Administrative	1 607	84%	295	16%	1 902	21%
Auxiliary	1 684	86%	266	14%	1 950	22%
Managerial	113	60%	74	40%	187	2%
Nurses	1 803	83%	381	17%	2 184	24%
Residents	226	72%	87	28%	313	4%
Doctors	507	60%	341	40%	848	10%
Governing Bodies	8	21%	31	79%	39	0%
General Services	350	69%	156	31%	506	6%
Ther. Diag. Tec.	413	78%	117	22%	530	6%
Senior Health Tec.	81	88%	11	12%	92	1%
Senior Tec.	246	67%	121	33%	367	4%
Total	7 038	79%	1 880	21%	8 918	100%

With respect to other indicators of diversity, the more representative age group is between 30 and 50 years of age, representing 58% of the employees considered.

Professional Group	<30	30-50	>50	Total
Administrative	547	1 171	184	1 902
Auxiliary	422	1 039	489	1 950
Managerial	2	155	30	187
Nurses	659	1 280	245	2 184
Residents	228	85	-	313
Doctors	2	598	248	848
Governing Bodies	-	10	29	39
General Services	63	253	190	506
Ther. Diag. Tec.	172	297	61	530
Ther. Health Tec.	37	47	8	92
Ther. Tec.	118	225	24	367
Total	2 250	5 160	1 508	8 918

The job categories of senior health technicians, auxiliary staff, nurses and administrative staff are the groups where there is greater gender discrepancy, with the female gender being predominant. With more balanced distributions, managers, doctors and general services stand out. The governing bodies are composed of Deputy Directors, Executive Committee, Board of Directors, Supervisory Board and Remuneration Committee.



405-2 Ratio of base salary and remunerations of women and men, by employee category and by significant operation units

Hours/Week	30-50	>50	Total
EMPLOYEE CATEGORY	Ratio	Ratio	Ratio
Administrative	1,0	1,1	1,0
Auxiliary	1,0	1,1	1,0
Managerial	0,9	0,8	0,9
Nurses	1,0	1,0	1,0
Residents	-	-	1,0
Doctors	1,0	1,2	1,0
Governing Bodies	0,4	0,7	1,8
General Services	0,7	0,9	0,8
Ther. Diag. Tec.	1,0	1,0	0,9
Senior Health Tec.	0,7	-	1,0
Senior Tec.	1,0	1,1	0,9
Total	0,7	0,5	0,8

Concerning the ratios of base salaries in men versus women, the general proximity of the ratios stands out, especially among auxiliary staff, administrative staff, nurses and therapeutic and diagnostics technicians. Within José de Mello Saúde's operation, no difference between base salary and monthly compensation is identified.

Assumptions:

Calculation formula: Female/Male ratio;

Only employees with weekly schedules of 35, 36 and 40 hours are considered. These represent around 91% of the total number of employees.

The average base salary per employee group was used for the calculation.

Aspect: Local Communities

413-1 Operations with the local community, impact assessments and development programmes

The medium and large José de Mello Saúde units (hospitals) undertake outreach programmes with the communities in which they are located. Further information about these initiatives can be found in the Integrated Report of José de Mello Saúde in the “Social Development” and “Research, Development and Innovation” chapters, specifically in the information about the activity of CUF Academic and Research Medical Center.

413-2 Operations with significant actual and potential negative impacts on the local communities

José de Mello Saúde manages and provides healthcare that reflects the best industry practices, in accordance with Portuguese law. For this reason, José de Mello Saúde believes that its operations promote a mostly positive direct and indirect impact on the local communities.

Aspect: Socio-economic Compliance

419-1 Monetary value of significant fines and non-pecuniary sanctions for non-compliance with laws and regulations in the economic and social area

In 2018 there were no significant fines for non-compliance with laws and regulations.



Aspect: Social Assessment of Suppliers

414-1 New suppliers evaluated according to social criteria

In line with the commitment to provide excellent healthcare, José de Mello Saúde selects its new suppliers via quality criteria and product technical specifications, working with the best suppliers in the market where it operates.

Without information enabling reporting the percentage of suppliers selected according to criteria of impact on society, José de Mello Saúde considers it crucial that they have and promote principles of ethics, transparency and respect for society.

Aspect: Customer Health and Safety

416-1 Evaluation of the health and safety impacts of the products and services categories

José de Mello Saúde manages and provides healthcare. The nature of this activity requires these procedures to be present during the entire life cycle of its services, through a set of procedures involving safety practices and self-protection measures followed by its employees. The measurement of compliance or otherwise with the safety measures and the assessment of their impact is conducted by sampling in a proactive internal audit and also by monitoring clinical performance indicators linked to risk management and to infection control. The quality management system in place, the identification of spontaneous non-compliance and the conduct of external audits of the system also represent reviews of the organisation's safety practices.

Aspect: Labelling and Marketing

417-1 Information and labelling requirements of products and services

The provision of healthcare does not involve "labelling" of products and services but José de Mello Saúde offers a set of information about its service portfolio.

The investment on digitising the relationship with the customer, creating tools, promoting and enabling greater interaction of patients with their healthcare units (websites, Facebook page, My CUF app) is noteworthy.

Aspect: Customer Privacy

418-1 - Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

In 2018 there were 741 complaints regarding breaches of customer privacy and losses of customer data. Under the mandatory requirements of the GDPR, a complaints system was implemented which enabled recording and processing the complaints, which was not the case before 2018.

On 3 August 2018, José de Mello Saúde was targeted by an attack in the form of a computer virus that prevented access to clinical and non-clinical information and which also contributed to an increase in these complaints.

THE BOARD OF DIRECTORS

Salvador Maria Guimarães José de Mello

Pedro Maria Guimarães José de Mello

João Gonçalves da Silveira

Rui Alexandre Pires Diniz

Rui Manuel Assoreira Raposo

Vasco Luís José de Mello

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Celine Dora Judith Abecassis-Moedas

Raúl Catarino Galamba de Oliveira



(Free translation from the Original Independent Limited Assurance Report in Portuguese dated April 24, 2019. In case of any discrepancy, the Portuguese version always prevails.)

Independent Limited Assurance Report of the Sustainability Report

To the Board of Directors of
José de Mello Saúde, S.A.

Introduction

1. We were contracted by the Board of Directors of José de Mello Saúde, SA to proceed with the independent review of the 2018 Sustainability Report (hereinafter the "Sustainability Report") included in the "Integrated Report 2018", relating to the sustainability activities carried out from 1 January to 31 December 2018.

Responsibilities

2. The Board of Directors is responsible for preparing the "Sustainability Report", and to maintain an appropriate internal control system that allows the information presented to be free of material misstatements due to fraud or error.
3. It is our responsibility to issue a limited assurance report, professional and independent, based on the procedures performed and described in the "Scope" section below.

Scope

4. Our review procedures have been planned and executed in accordance with the International Standard on Assurance Engagements (ISAE 3000, Revised) - "Assurance engagements other than Audits and Reviews of Historical Financial Information", for a limited level of assurance.
5. A limited assurance engagement consists mainly in the formulation of questions to those in charge of the organization and in analytical procedures, including review tests on a sample basis. Therefore, the assurance provided by these procedures is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our independent review procedures comprised the following:
 - ▶ Conducting interviews with Management, in order to understand how the information system is structured and assess their level of knowledge of the topics addressed in the report;
 - ▶ Review of the processes, criteria and systems adopted to collect, consolidate, report and validate the data for the year 2018;
 - ▶ Analytical review, on a sample basis, of the data calculated by Management, and verification of quantitative and qualitative information disclosed in the report;
 - ▶ Confirmation on how collection, consolidation, validation and report procedures are being implemented in selected operating units;
 - ▶ Verification of the conformity of the information included in the non-financial information statements with the results of our work.
6. Regarding sustainability reporting standards of the Global Reporting Initiative - GRI Standards 2016, we performed a review of the self-evaluation made by Management of the adopted option to apply the GRI Standards 2016 and conformity with Article 508 G of the Portuguese Companies Act (*Código das Sociedades Comerciais*) and 245 A, paragraph r) of the Securities Market Code (*Código do Mercado dos Valores Mobiliários*) with respect to non-financial and diversity disclosures.

Quality and independence

7. Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and the legal and regulatory provisions applicable and we comply with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics and the Code of Ethics of the Order of Chartered Accountants (OROC).

Conclusion

8. Based on our work, nothing has come to our attention that causes us to believe that the systems and procedures for the collection, consolidation, validation and reporting of the information included in the "Sustainability Report" are not operating appropriately and the information disclosed is not free from relevant material misstatements. Additionally, nothing has come to our attention that causes us to believe that the "Sustainability Report" do not include all the required data and information for a Core option as defined by the GRI Standards 2016 and by the Article 508-G of the Portuguese Companies Act and paragraph r) of the article 245-A of the Securities Market Code.

Lisboa, April 24, 2019

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas (nr. 178)
Represented by:

(signed)

Luís Miguel Gonçalves Rosado - ROC nº 1607
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SUSTAINABILITY
REPORT

2018

GRI APPENDIX