

A high-angle, close-up photograph of three surgeons in an operating room. They are wearing blue surgical gowns, white masks, and blue gloves. The central surgeon is wearing clear protective eyewear. They are all focused on a surgical site, with surgical instruments visible. The scene is dimly lit, with a strong blue light source creating a clinical and intense atmosphere. The text '2019 INTEGRATED REPORT' is overlaid in the center in a large, white, sans-serif font.

# 2019 INTEGRATED REPORT



JOSÉ DE MELLO · SAÚDE



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## Report Profile

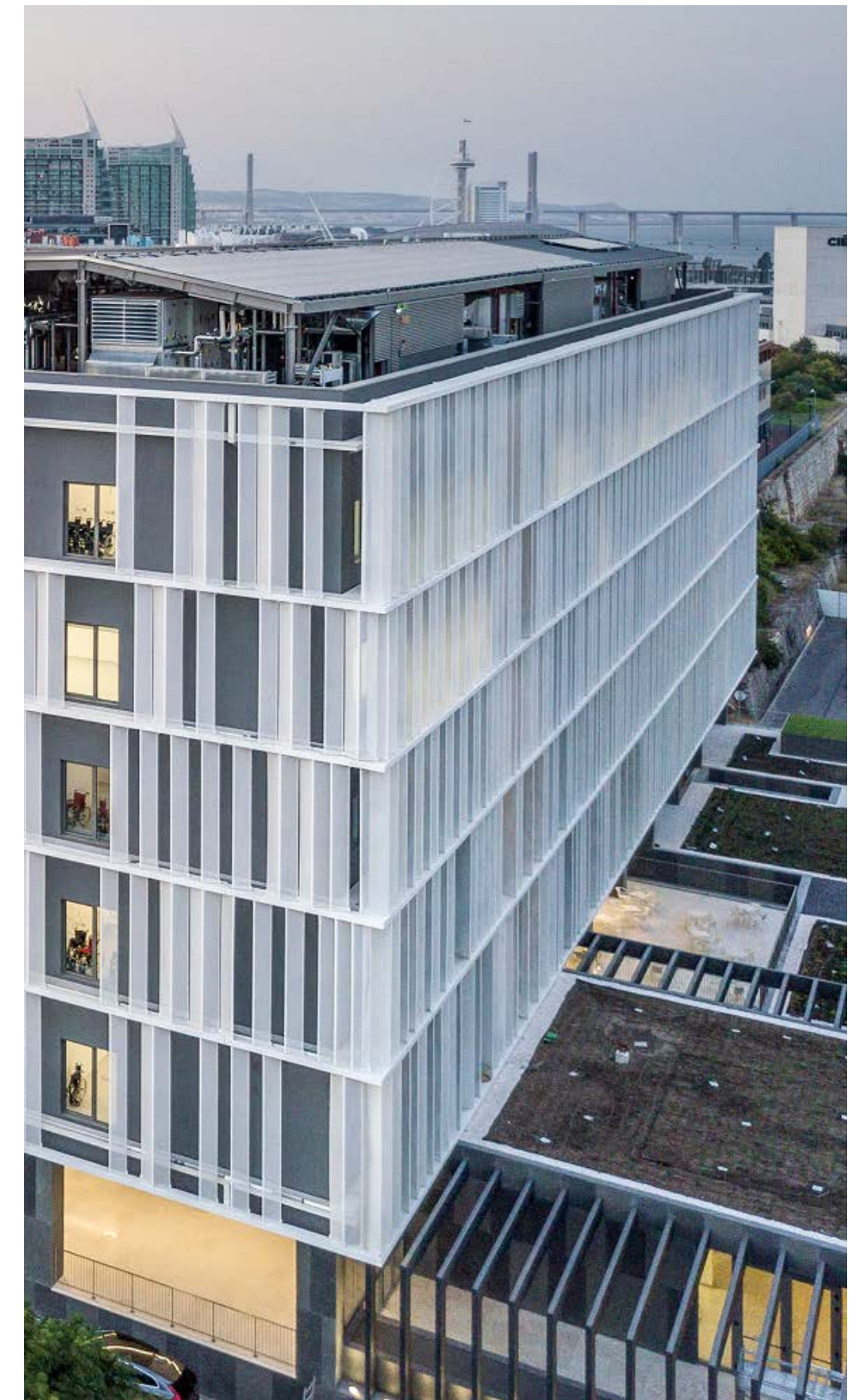
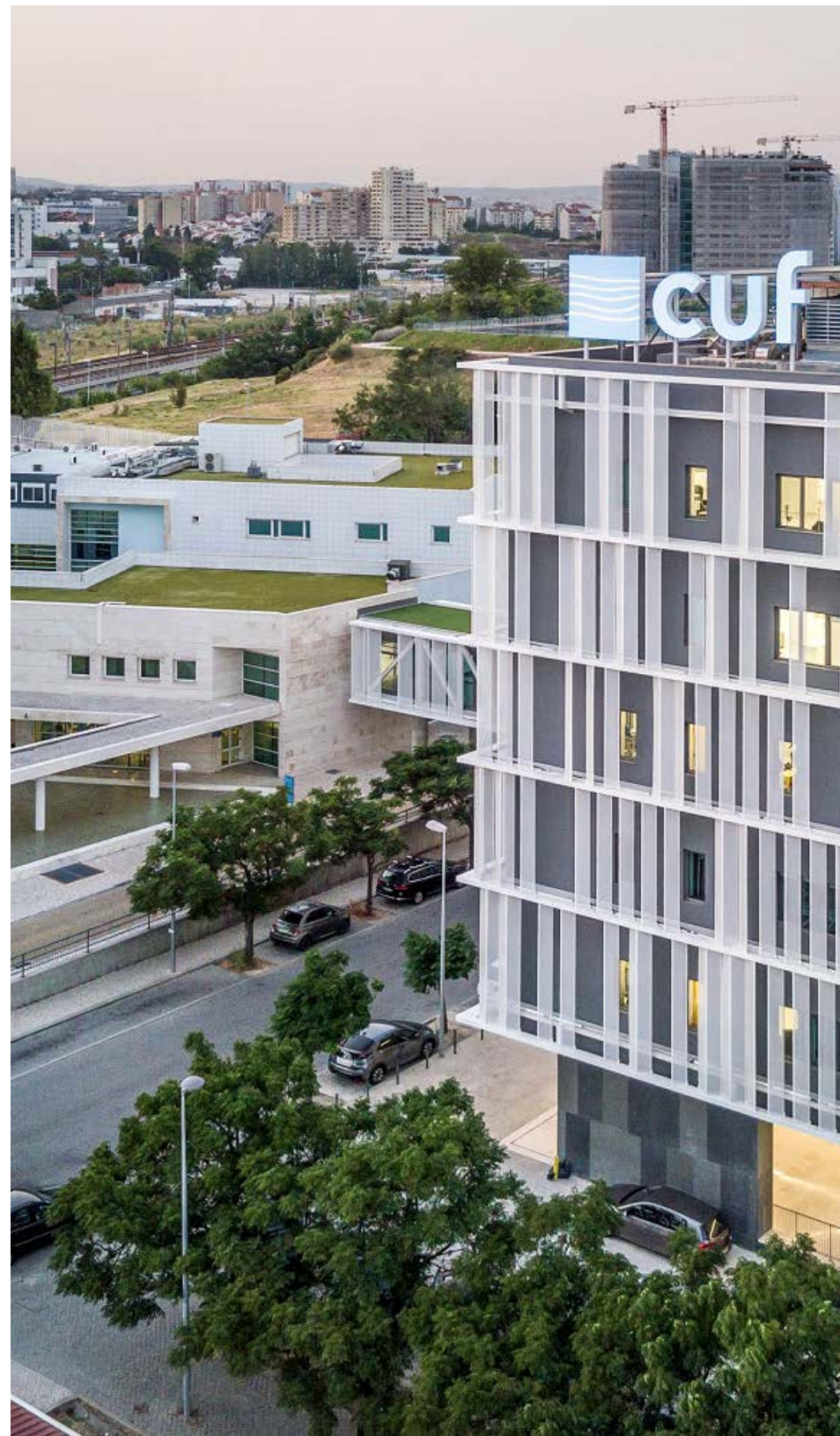
The Integrated Report of José de Mello Saúde contains financial and non-financial information for the organization and follows the Integrated Report structure of *International Integrated Reporting Council* (IIRC) to provide a fully integrated description of José de Mello Saúde's business strategy and operational performance in 2019, demonstrating the alignment of key activity with sustainability objectives.

For the period from 1 January to 31 December 2019, this document includes information on the strategy, management and performance of the main business areas of José de Mello Saúde, S.A. (hereinafter referred to as JMS), holding a private business group of health care based on Av. do Forte, No 3, Edf. Suécia III Building – Floor 2, in Carnaxide. The capital of José de Mello Saúde is held by José de Mello Capital, S.A. (65.85%), by the Amélia de Mello Foundation (4.15%) and by Farminveste, S.A. (30%).

José de Mello Saúde's Integrated Report is published annually and is complemented with the information provided in the (i) Financial Statements Report, (ii) Clinical Quality Report and (iii) Sustainability Report – GRI Appendix. All of these documents may be consulted on the institutional website at <https://josedemellosaude.pt>

Regarding the processing of non-financial information, this is the third year in which José de Mello Saúde follows the guidelines for the preparation of Sustainability Reports established by the Global Reporting Initiative (GRI).

José de Mello Saúde aims to establish a constant and inclusive dialogue with its stakeholders, valuing and seeking to meet their expectations and needs. You can also submit your opinion about this report, as well as clarify any questions with our Communication Department using the following e-mail: [comunicacao@jmellosaude.pt](mailto:comunicacao@jmellosaude.pt).





# 01

## INTEGRATED REPORT

Message from the Chairman

About José de Mello Saúde

Investment Case

Business Model

Strategy, Achievements and Goals

Research, Development and Innovation

Risk Management, Main Risks and Uncertainties

Performance



# Message from the Chairman



Salvador de Mello  
Chairman of the Board of Directors

**2019 was a year of achievements as well as challenges for an organisation whose remarkable teams have demonstrated their strength and resilience for decades vis-à-vis success, but also in the face of adversity. They truly represent the values and vision of this proudly Portuguese company, at the service of Portugal for more than 70 years.**

2019 has seen achievements and the pursuit of ambitious goals, and has proved to be a year of consolidating José de Mello Saúde's sustainable growth strategy.

We give - and always will give - our best for Portuguese health, therefore we resolutely pursue our commitment to provide differentiating and clinically high-quality care, to provide all customers with a flawless experience, maintaining up a growth agenda that will allow us to take the CUF brand to more and more people.

With a solid operational and financial performance in 2019, José de Mello Saúde maintained its strategy for investment and geographic expansion, inaugurating the CUF Sintra Hospital and opening the CUF Almada Clinic operating theatre, while continuing with the construction of the future CUF Tejo Hospital in Lisbon, designed from scratch to combat the diseases of the future, which is one of CUF's biggest and most important projects in a history spanning more than 70 years.

31 August 2019 also marked the end of the public-private partnership contract at Braga Hospital. This partnership ended at the initiative of the State, which opted not to renew the contract or to hold a new call for tenders, despite private management's evident merit and efficiency on behalf of

the State, employees, the community, and especially patients. Most important, however, is the successful legacy of a partnership that has made Braga Hospital one of the best in the country over a decade of PPP.

## Commitment to clinical excellence

In 2019, José de Mello Saúde maintained its commitment to patients, based on one of the organisation's strategic pillars: the Differentiating Clinical Project. From this point of view, it ensured the continued excellence of its clinical services by strengthening its teams, investing in the organisation of their health care, differentiation of the offer and specialisation. The excellence of this work has once again been verified by assessments of quality management systems and benchmarking programmes from providers and auditors domestically and internationally.

In this context, I would like to highlight the work carried out by CUF Oncology. Besides being the largest private cancer care network in Portugal, CUF was the first private operator, more than 35 years ago, to devote itself to the treatment of cancer in our country. Over the years - and 2019 was no exception - CUF Oncology has been recognised by various entities and in different pathologies for the excellent human and technological conditions it provides to patients. And because cancer is





one of our century's greatest battles, we will continue to invest in research and best clinical practice in order to fulfil our mission: improve the life of patients.

This culture of investing in clinical quality has also been the theme for consolidating the Value Based-Healthcare programme, a clinical management model based on the provision of patient-centred services that José de Mello Saúde expanded to ten of its healthcare units in 2019, and which already involves 28 clinical teams in measuring the clinical outcomes for 11 pathologies, covering more than 6,500 patients. We therefore continue to focus on continuously improving the quality of services provided and the customer experience.

And our customers have recognised our work year after year. The awards that have been bestowed on us are proof of this. For the fifth year in a row, CUF won the "Consumer Choice" award and was also recognised for the fifth year in a row as a "Most Trusted Portuguese Brand". We also won the "Five Star Award" and the 'Choice of Excellence'.

We want to continue to deserve the trust that Portugal has placed in us, so we have been working to provide a flawless experience by investing in convenient access to our units, as well as making new features available in our kiosks and also on the My CUF app, which already boasts more than 600,000 accounts.

### Social and environmental awareness

Aware of our role in society, José de Mello Saúde is committed to an increasing contribution to the sustainability agenda. We are aware of the importance of a responsible and sustainable operation, and José de Mello Saúde is working hard to ensure that resources are used more and more responsibly with a

focus on minimising waste. To this end, since September 2019 all the electricity consumed in 16 José de Mello Saúde units is now supplied exclusively by a photovoltaic solar park. With this measure, it has been possible to reduce indirect CO2 emissions by 30.5% compared to 2018.

In addition to our commitment to sustainability, as a partner company in the country's development we also maintain a commitment to social responsibility that has been present since our genesis. In 2019, we continued to develop the CUF Inspira business citizenship programme that brings together José de Mello Saúde's social responsibility initiatives, and through which we have promoted measures geared towards our employees, focused on respect for and enhancement of personal and family life. We are also continuing to grow our corporate volunteering programme, with CUF donating more than 5,000 hours of volunteering, and we have also launched an inclusive recruitment programme for hiring disabled professionals who are already part of our teams in various fields.

### Investment in talent

We continue to invest in human talent, developing educational and training programmes to continuously keep our professionals up to date, while at the same time working on scientific and innovation ecosystems, enhancing research, development and innovation activities; we invested €2.4 million in these areas in 2019. In partnership with NOVA Medical School| Medical Sciences Faculty of NOVA University Lisbon, Santa Casa da Misericórdia Lisbon, the National Pharmacy Association and Cascais City Hall, in 2019 we also launched AHED - Advanced Health Education, Europe's first graduate school dedicated to all health professionals. AHED aims to enable all professionals in the sector to acquire knowledge and train, in a practical fashion, key competences and skills that are fundamental to the work

they carry out, collectively and on a daily basis, alongside citizens in the healthcare services in which they work, and José de Mello Saúde felt compelled to be part of this pioneering project.

### Solid and sustainable performance

José de Mello Saúde's efficient and consistent management of its operation, another of the organisation's strategic pillars, has ensured a solid performance and sustained growth in past years, and this has continued in 2019. Consolidated operating income in 2019 reached €701.5 million, which represents growth of 2.7% year-on-year (in the private sector, namely in the CUF network, growth was 12.3%), with operating costs falling by 1.4% compared to the previous year. Consolidated EBITDA amounted to €97.9 million, with consolidated EBIT €53.6 million. Consolidated net profit in December 2019 was €29.0 million.

2019 was a year of achievements as well as challenges for an organisation whose remarkable teams have demonstrated their strength and resilience for decades vis-à-vis success, but also in the face of adversity. They truly represent the values and vision of this proudly Portuguese company, at the service of Portugal for more than 70 years.

I therefore wish to acknowledge and highlight the skill and professionalism shown throughout this year by our thousands of employees. The results of this financial year are the fruit of the work and dedication of the professionals who work in our units and in the corporate centre on a daily basis, and who ensure that the provision of health care meets the highest clinical and ethical criteria.

As I write this message, we are experiencing exceptional times in our lives and in our history, both as a society and as a country. In light of the current public health emergency situation, CUF, fulfilling its role in the national health system, has been working

from the outset on a joint national effort to combat the new coronavirus pandemic. We are and will continue to be at the service of the country as we respond to the needs of people who, during this difficult period in their lives, have chosen to trust us with their health.

Assuredly, no sector and no company is immune to the impact of a global crisis like this. However, even though we know that the road ahead will be long, challenging, and demanding a very significant effort from us all, we will do everything we can to overcome this challenge and emerge stronger from it.

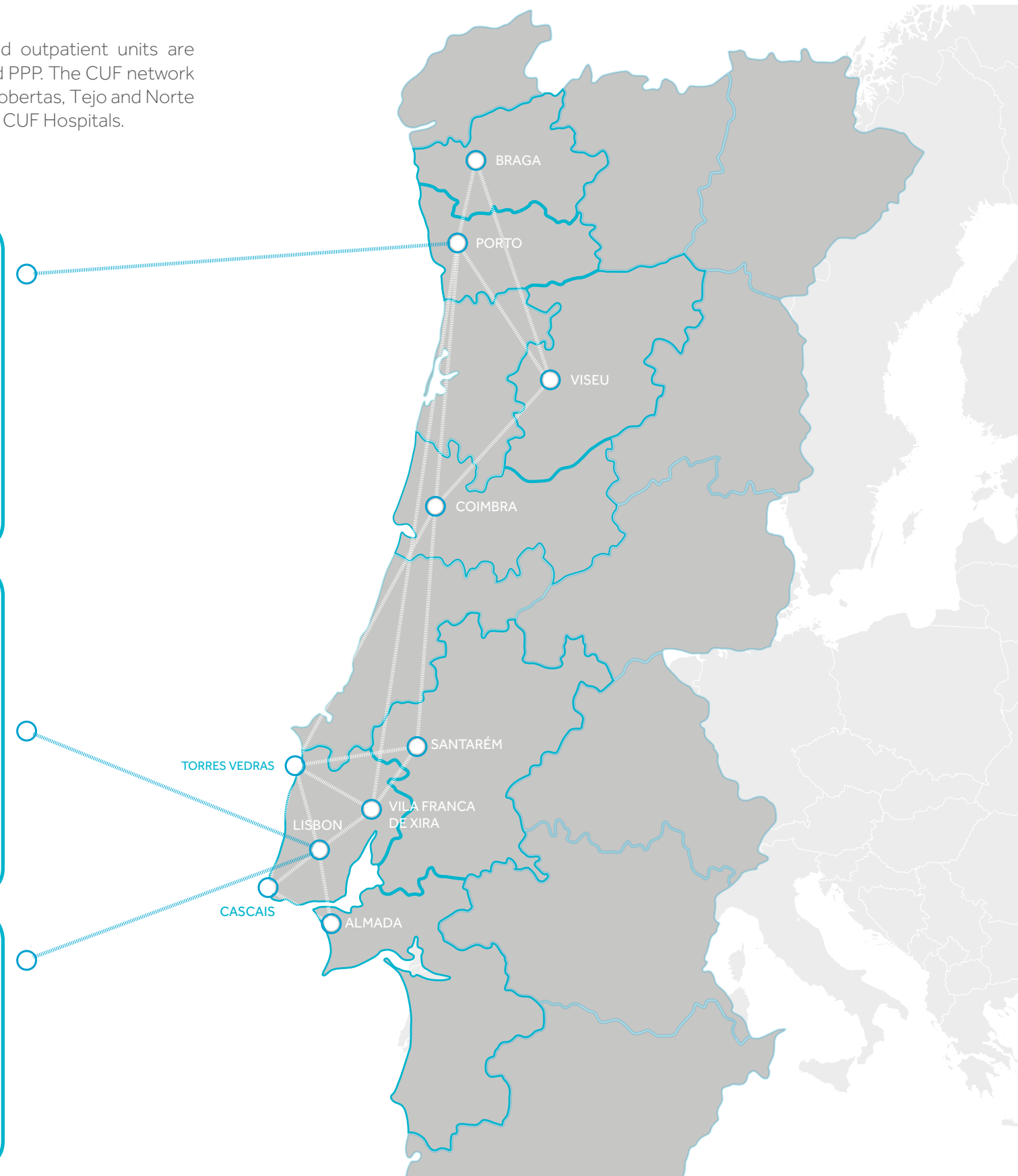
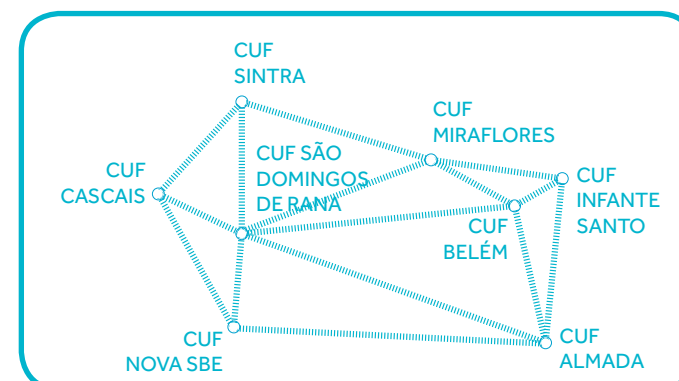
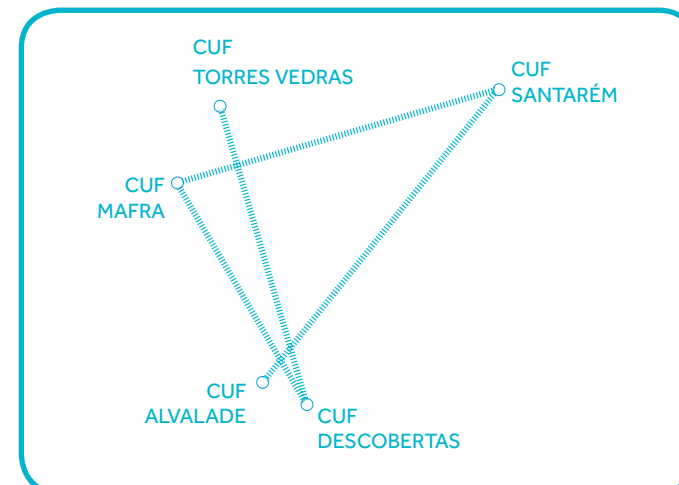
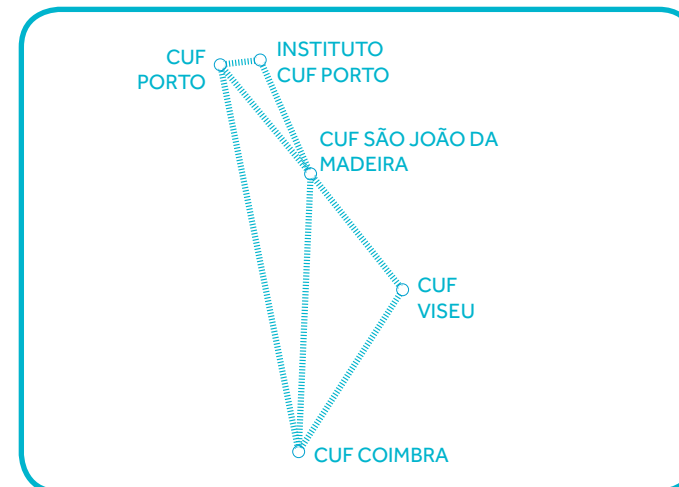
Salvador de Mello  
Chairman of the Board of Directors





# About José de Mello Saúde

From an organisational perspective, the hospital and outpatient units are grouped into two Coordinating Committees – CUF and PPP. The CUF network is broken down into three geographical clusters – Descobertas, Tejo and Norte – in a rationale of coordination around the three largest CUF Hospitals.





## Organisational overview

### Who we are

Founded in 1945, with the CUF Hospital, José de Mello Saúde operates in the healthcare sector in Portugal.

### Vision

To be a leader in delivering distinctive quality healthcare supported by an integrated network of high-performance units, both in the private and public sectors, and presenting growth options in select markets.

### Mission

To promote the provision of healthcare services with the highest level of knowledge, respecting the primacy of life and the environment, through the development of the organisations' intellectual capital, in a permanent search for excellence.

### Values

- Respect for human dignity and well-being
- Human development
- Competence
- Innovation

### Ethics

Business ethics is a fundamental value for José de Mello Saúde, both due to the area in which the company operates and the issue's importance to José de Mello Saúde. As an entity that provides healthcare, governed by principles of good management and transparency, striving for respect for customers, partners, shareholders and employees,

José de Mello Saúde places ethical issues at the heart of its activity. Guiding its conduct by values such as respect for human dignity and individual well-being, José de Mello Saúde decided to create a code of ethics for all of its units. An Ethics Council, a consulting body of José de Mello Saúde's Executive Committee, was also established.

Along with the Ethics Council, the larger healthcare units have their own Ethics Committee, as required by law. This Committee is composed of internal staff, as well as external individuals with deep knowledge of ethical matters.

### Organisation

José de Mello Saúde develops its activity through a network of private healthcare units and hospital units integrated into the Portuguese National Health Service (Serviço Nacional de Saúde), operated under public-private partnerships (PPP).

In 2019, José de Mello Saúde reinforced its aspirations to consolidate its network, inaugurating the CUF Sintra Hospital and opening the CUF Almada Clinic operating theatre. Reinforcement of the growth strategy also included building the future CUF Tejo Hospital and expanding the CUF Torres Vedras and CUF Sintra Hospitals.

José de Mello Saúde also provides, via public-private partnership (PPP), management of Vila Franca de Xira Hospital, part of the Portuguese National Health Service.

From an organisational perspective, the hospital and outpatient units are grouped into two Coordinating Committees – CUF and PPP. The CUF network is broken down into three geographical clusters – Descobertas, Tejo and Norte – in a rationale of coordination around three large CUF hospitals: CUF Descobertas Hospital, CUF Infante Santo Hospital and

CUF Porto Hospital.





# Business Model

## INPUTS ►

### Financial Capital

- Manages the activity, seeking to optimise efficiency in the management of financing and results.

### Human Capital

- Ensures appreciation and recognition of the 6,615 employees, fostering cooperation, competence and rigour. This number had risen to 9,493 by the end of the public-private partnership contract at Braga Hospital, which ended on 31 August.

José de Mello Saúde wishes to commend the efforts of Braga Hospital employees and thank them not only for ten years of dedication, professionalism and clinical excellence, but also for having enabled the hospital's transition to the public sphere to take place in an exemplary manner, minimising the impact on the population.

### Intellectual Capital

- Develops education and training programmes with the goal of permanently updating its professionals and the scientific and medical community.
- Uses management practices that generate efficiency, such as standardisation in the use of consumables across healthcare units and optimisation of a billing alarm system.

### Technological and Manufactured Capital

- Uses tangible and intangible technological resources to implement its activities, supported on its own property which includes 19 healthcare units, 1,160 consultation rooms, 75 operating theatres and 919 inpatient beds.

### Social and Relational Capital

- Works with elements of the scientific and innovation ecosystems (start-ups and others), boosting its research, development and innovation activities in order to identify opportunities for differentiation.

### Natural Capital

- Promotes the sustainable use of natural resources, namely energy and water, preventing pollution and promoting proper waste management.

Shareholders

Funders

Payers

Suppliers

Employees

As a leading healthcare provider in Portugal, José de Mello Saúde is organised around major hospitals (with subspecialties in reference areas) and a local network of clinics and hospitals (which provide convenience services), and is capable of responding quickly and effectively to external changes that impact its sector or the organisation.

José de Mello Saúde's business model is supported by five strategic pillars and by a set of resources that guarantee the creation of value for all stakeholders.

## Strategic Pillars



Differentiating  
Clinical  
Project



Flawless  
Customer  
Experience



Consistent  
and Efficient  
Operation



Value-  
generating  
Growth  
Agenda



Investment  
in Human  
Talent

Regulatory  
Health  
Entity

Regional  
Health  
Associations

Industry  
Associations

Academic  
and Scientific  
Community

Local  
communities

## OUTPUTS GENERATED ►

### Promotion and training of professionals

- Remuneration of professionals reached €211M;
- 60,115 hours of training, an average of nine hours per employee, were carried out;

### Contribution to knowledge generation

- 111 clinical trials were carried out;
- €2.4M invested in research, development and innovation;
- 97 Doctors performed their medical internships in CUF units;
- The consortium with Universidade Nova de Lisboa, which reconciles hospital practice with teaching and research, matured.

### Excellence of clinical services

- Maintenance of the certification from SGS regarding overall healthcare provision in the CUF units, according to ISO standard 9001:2015;
- Accreditation by the Joint Commission International (JCI) of CUF Porto Hospital and Vila Franca de Xira Hospital;
- Renewal of EUSOMA certification for the Integrated Breast Diagnostic and Treatment Unit of CUF Descobertas and CUF Infante Santo hospitals.

### Outstanding service quality

"Consumer Choice" award in the Private Hospitals category  
"Excellentia" award  
"Five Star Award" in the Private Hospitals category  
"Five Star Award" in the Medical Clinics category  
"Most Trusted Portuguese Brand" award in the Private Clinics and Hospitals category  
"On Strategy" Reputation Award

### Benchmark environmental performance

- Renewal, by SGS, of the ISO 14001:2015 Environmental Certification for Braga and Vila Franca de Xira Hospitals;
- Signing of a Power Purchase Agreement (PPA) with a solar park. As of September 2019, all electricity consumed in CUF units (with the exception of CUF Descobertas Hospital, CUF Torres Vedras Hospital and CUF Santarém Hospital) has been supplied exclusively by a photovoltaic solar park, as this energy source is free of CO2 emissions. This measure has made it possible to reduce CO2 emissions by 30.6% compared with 2018, meaning that around 2.7 megatonnes of CO2 has been prevented from entering the atmosphere.



## A YEAR IN NUMBERS

**3.4** MILLION  
CALLS  
ANSWERED AT THE  
CONTACT CENTRE

**509** THOUSAND  
MYCUF APP  
ACCOUNTS

**455** THOUSAND  
APPOINTMENTS  
THROUGH THE MYCUF APP

**0.89**  
RAMI  
(RISK-ADJUSTED MORTALITY  
INDEX)

**0.50**  
RARI  
(RISK-ADJUSTED  
READMISSION INDEX)

**0.77**  
RARI  
(RISK-ADJUSTED  
READMISSION INDEX)

**1.3** MILLION  
CUSTOMERS

**651** THOUSAND  
EMERGENCIES

**2.7** MILLION  
CONSULTATIONS

**1.3** MILLION  
IMAGING  
TESTS

**7,763**  
BIRTHS

**27** THOUSAND  
RADIOTHERAPY  
SESSIONS

**55** THOUSAND  
RADIOTHERAPY  
SESSIONS

## JOSÉ DE MELLO SAÚDE IN FIGURES

EMPLOYEES

**6,615**

HEALTH UNITS

**19**

INPATIENT BEDS

**919**

OPERATING THEATRES

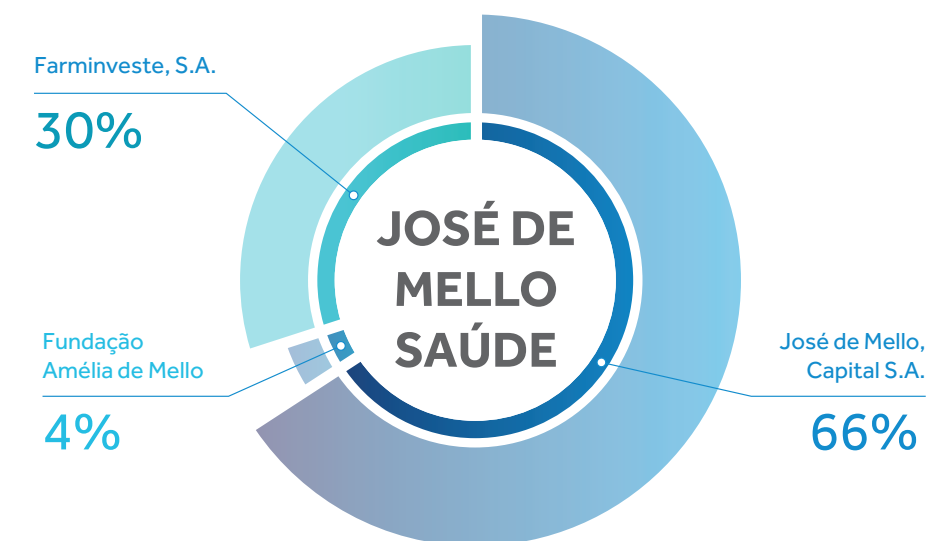
**75**

CONSULTATION ROOMS

**1,160**

SURGERIES

**83,000**



OPERATING  
INCOME

€ **701.5**M

EBITDA

€ **97.9**M

CONSOLIDATED  
INVESTMENT

€ **118.5**M



Main indicators 2019

OPERATING INCOME

€701.5 M

EBITDA

€97.9 M

INVESTMENT IN R&D+I

€2.4 M

HOURS OF TRAINING

60,110

DOCTORS IN MEDICAL INTERNSHIP

97

ENERGY INTENSITY

304.2 kWh

NUMBER OF VOLUNTEERS

189

FINANCIAL CAPITAL (M€)

	2017	2018	2019
Operating Income	637.4	683.1	701.5
EBITDA	72.0	71.2	97.9
EBIT	42.6	31.2	53.6
Net Income	22.8	15.6	29.0

INTELLECTUAL CAPITAL

	2017	2018	2019
Investment in R&D+I (EUR million)	1.7	3.7	2.4
Medical internships at CUF (no. doctors)	485	681	97
Clinical trials at CUF (no. trials)	97	127	111

NATURAL CAPITAL

	2017	2018	2019
Electricity Consumption (mhw)	50,185	52,259	50,356
Energy Intensity (kwh/m²)	45*	282.9	304.2
Water Consumption (m³)	363 927	371 196	374 559
Natural Gas Consumption (mhw)	22 873	29 964	24 162
GHG emissions — Scope 1 and 2 (tCO2eq)	25 838	25 834	18 427
Hazardous waste accumulated (ton)	1,252	941	693

\* In 2017 the energy intensity was presented in Kgep/m²

HUMAN CAPITAL

	2017	2018	2019
HR Indicators			
No. of Employees	8,058	8,919	6,615
Women	6,375	7,039	5,322
Men	1,683	1,880	1,293
No. of Hires	1,797	2,335	2,460
No. of Departures	1,205	1,517	4,764
Training indicators			
No. of Hours of Training	133,314	125,079	60,110
Average hours per employee	16.54	14.03	9

SOCIAL CAPITAL

	2017	2018	2019
Donations	286,746 €	185,050 €	130,000 €
No. of Volunteers	65	163	189



## External Environment

In 2019, Portugal followed the trend in the slowdown of economic activity recorded throughout Europe. The national Gross Domestic Product (GDP) recorded an annual variation rate of 2.0%, an amount that represents a year-over-year decline of 0.3 pp<sup>1</sup> but that is higher than the GDP growth estimate in the euro area (1.2%). From 2020 to 2022, Portugal is expected to maintain economic growth, albeit at a progressively lower rate: 1.7%, 1.6% and 1.6%<sup>2</sup>.

Internally, the economic slowdown in 2019 reflects lower export growth and maintenance of domestic demand dynamism, driven by the acceleration in gross fixed capital formation across all institutional sectors. In 2019, public consumption grew 0.5% and private consumption grew 2.3% (with a variation of -0.4 pp and -0.8 pp, respectively, in comparison with the previous year). Growth in private consumption, although less fast-paced than in previous years, reflects a favourable development in real disposable income and high levels of consumer confidence being maintained as a result of improved labour market conditions. The slowdown in consumption reflects a growth in consumption of durable goods in line with disposable income, which has been more moderate than in the recent past<sup>3</sup>.

Economic growth was reflected in a labour market recovery, with employment growing 1.0% year-over-year (-1.3 p.p. compared with 2018), driven by the private sector, and growing in line with the Eurozone estimate (-0.1%)<sup>4</sup>. The unemployment

rate dropped to 6.3% in Portugal, down 0.7 p.p. year-over-year<sup>5</sup>, while in Europe it stood at 7.6%<sup>6</sup>.

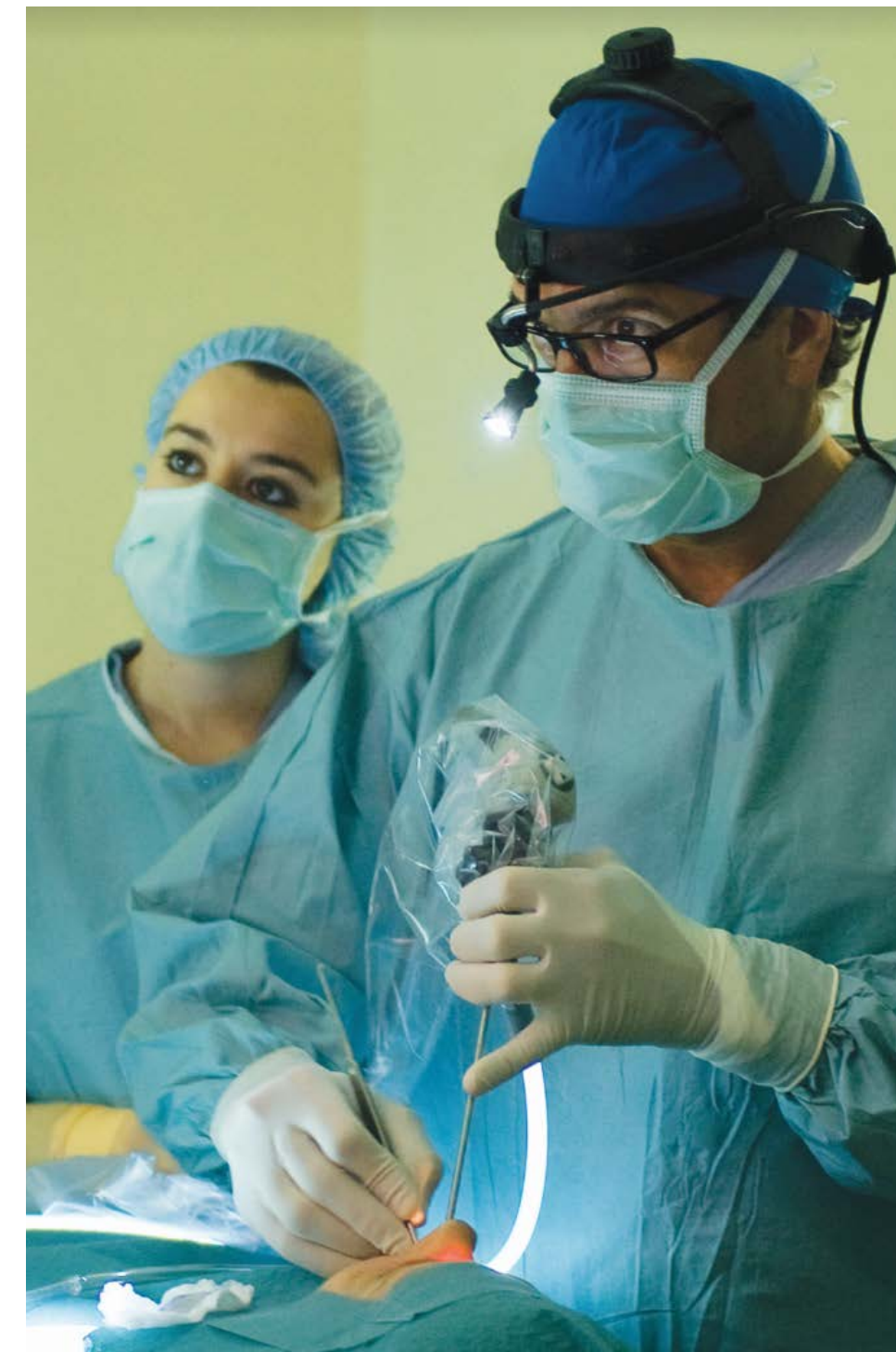
In 2019, Portugal continued to see growth in the annual employment rate and continuance of the unemployment rate's downward trend, albeit at a progressively more moderate pace. More moderate job growth results from labour supply limitations associated with the mature phase of the economic cycle and adverse demographics (progressive population reduction and ageing)<sup>7</sup>.

## Healthcare industry

In 2018, current expenditure on health grew again in Portugal, recording in nominal terms an increase of 5.1%, corresponding to a growth rate above that of the GDP (2.0%)<sup>8</sup>. This was the highest growth in current expenditure on health since 2008. In the two previous years, nominal growth had been 3.6% and 3.3% respectively<sup>9</sup>.

In the three-year period 2016-2018, the growth of public current expenditure was more pronounced than that of private current expenditure. Preliminary results for 2018 indicate a variation of 5.3% and 4.6%, respectively.

From 2016 to 2018, current expenditure on healthcare supported through funding schemes from Public Administrations remained relatively constant (66.2%, 66.6% and 66.3%). In 2018, public expenditure per capita was 1,784.8 euros. In 2017, current health expenditure was funded primarily by the Portuguese National Health Service (SNS)



<sup>1</sup> Portugal Eurosistema - Economic Bulletin December 2019  
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<sup>2</sup> Idem

<sup>3</sup> Idem

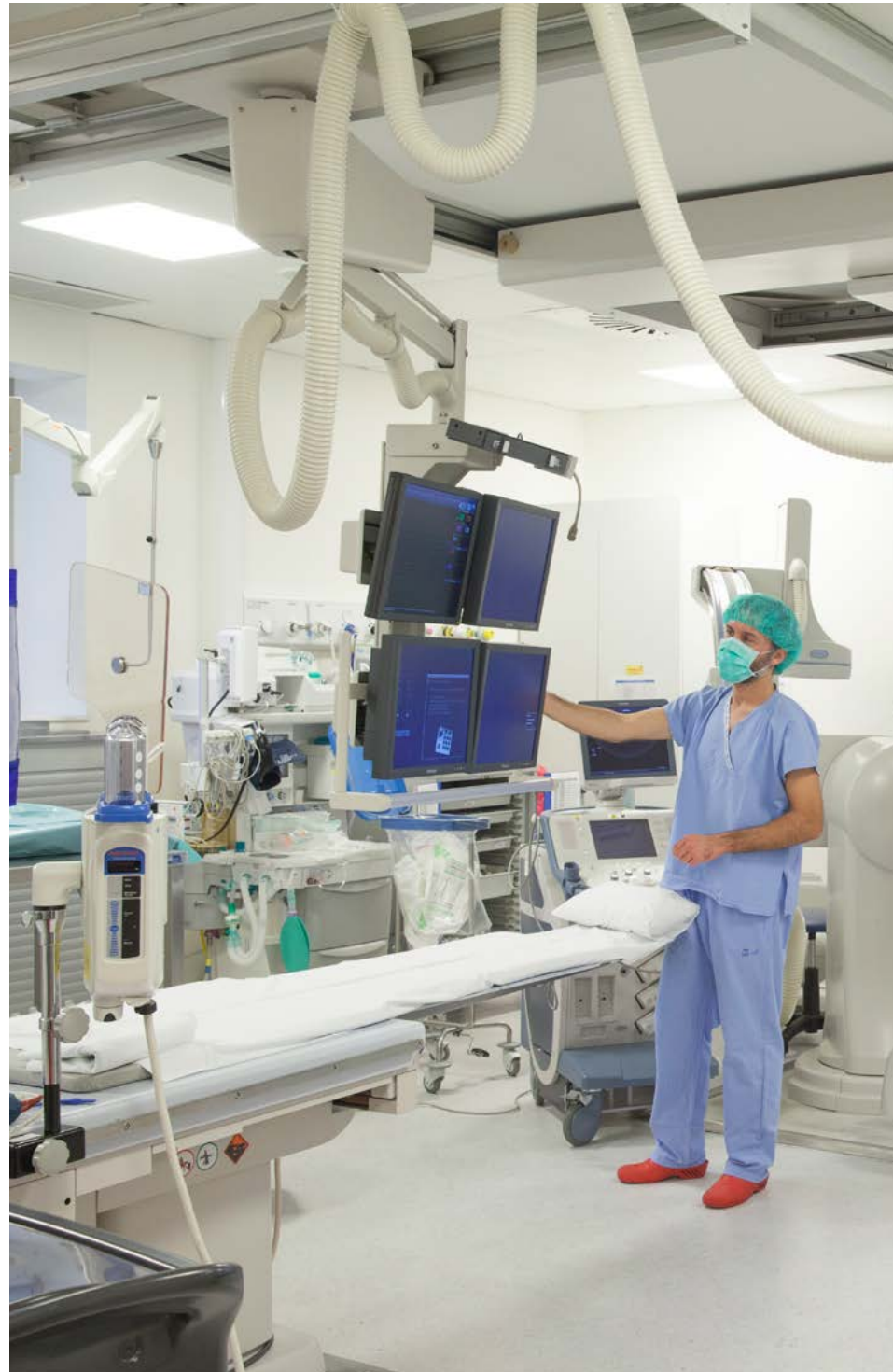
<sup>4</sup> Autumn 2019 Economic Forecast  
[https://ec.europa.eu/info/sites/info/files/economy-finance/ip115\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/ip115_en_0.pdf)

<sup>5</sup> Portugal Eurosistema - Economic Bulletin December 2019  
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<sup>6</sup> Autumn 2019 Economic Forecast  
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<sup>7</sup> Portugal Eurosistema - Economic Bulletin December 2019  
[https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/be\\_dez2019\\_p.pdf](https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/be_dez2019_p.pdf)





and the Portuguese Health Subregions (SRS) – 57.0% – and by families – 27.8%. Public healthcare subsystems accounted for 4.2%, other public administration units accounted for 3.9% and insurers accounted for 3.7%. Preliminary data for 2018 indicates an increase in SNS and SRS spending (5.6%).

The health insurance market confirmed the expected growth trend, with the number of insured people growing 3.3% between 2017 and 2018<sup>10</sup>. The report from June 2019 recorded a year-over-year increase of 5.9%, with the number of insured people increasing from 2,381,594 to 2,552,862. This growth was broken down into 9.3% growth in individual policies and 3.9% growth in group policies<sup>11</sup>.

In this macroeconomic scenario, and despite the persistence of external and internal constraints, in 2019 José de Mello Saúde was able to strengthen its aspirations for consolidating its network, inaugurating CUF Sintra Hospital and opening the CUF Almada Clinic operating theatre. The reinforcement of the growth strategy also included the building of the future CUF Tejo Hospital and expansion of the CUF Torres Vedras and CUF Sintra Hospitals.

<sup>8</sup> Portugal Eurosistema - Economic Bulletin December 2019  
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<sup>9</sup> Conta Satélite da Saúde 2017 [2017 Health Satellite Accounts] – INE [Statistics Portugal]  
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<sup>10</sup> Associação Portuguesa de Seguradores [The Portuguese Association of Insurers], Management Indicators - Health 2018.12  
[https://segurdata.apseguradores.pt/apex/f?p=100:0:16787197984716:APPLICATION\\_PROCESS%3DDOWNLOAD\\_FILE:NO::APP\\_FILE\\_ID,APP\\_FILE\\_ID\\_CHECK:47347,1078](https://segurdata.apseguradores.pt/apex/f?p=100:0:16787197984716:APPLICATION_PROCESS%3DDOWNLOAD_FILE:NO::APP_FILE_ID,APP_FILE_ID_CHECK:47347,1078)

<sup>11</sup> Associação Portuguesa de Seguradores [The Portuguese Association of Insurers], Management Indicators - Health 2019.06  
[https://segurdata.apseguradores.pt/apex/f?p=100:0:16787197984716:APPLICATION\\_PROCESS%3DDOWNLOAD\\_FILE:NO::APP\\_FILE\\_ID,APP\\_FILE\\_ID\\_CHECK:49907,1694](https://segurdata.apseguradores.pt/apex/f?p=100:0:16787197984716:APPLICATION_PROCESS%3DDOWNLOAD_FILE:NO::APP_FILE_ID,APP_FILE_ID_CHECK:49907,1694)



## Materiality Matrix

Based on its materiality matrix, in 2019 José de Mello Saúde reinforced the alignment of its strategy with the material topics identified by internal and external stakeholders. Also in 2019, a matrix review process was begun, with the conclusion of the principal stakeholders' survey expected at the end of the first half of 2020.

### Code of Conduct

In 2018 a foundational document was created for the company's organisational culture that enables us to go above and beyond in living our values: the José de Mello Saúde Code of Conduct: A Community Dedicated to Caring for People.

The Code of Conduct was born following the establishment of a Working Group and a broad survey of employees. It involves a practical application of José de Mello Saúde's values, and is a guide to internal conduct among employees, relationships with customers, with the State, suppliers and society as a whole.

When the Code of Conduct was introduced, a Code of Conduct Monitoring Committee (CACC) was selected by the Executive Committee, with the mission to actively ensure that the principles enunciated in the aforementioned code are reflected in the organisation's direction and in the actions of each José de Mello Saúde employee.

In 2019, the CACC met six times, having developed various initiatives for promoting the Code among employees, and produced six new Internal Policies and a Code for Service Providers, Suppliers and Business Partners.

# CÓDIGO DE CONDUTA JOSÉ DE MELLO SAÚDE





## Commitment to the Sustainable Development Goals (SDG)

Aware of our role in society, José de Mello Saúde is committed to an increasing contribution to the sustainability agenda. Given that health and sustainable development are so directly related, particular centrality is given to goal 3 - Good Health and Well-Being, due to the manner in which attainment of its thirteen targets contributes positively to other goals and other targets.

The United Nations' 2030 Agenda, consisting of 17 goals and 169 targets, enables companies and all of society's active agents to speak the same language and assess their impact and progress from a common perspective. In the process of prioritising the Sustainable Development Goals and assessing José de Mello Saúde's contribution, the targets which directly impact the company's activity are analysed, also taking into account alignment with the most important material themes.

Throughout 2019, by means of initiatives resulting from José de Mello Saúde's activity, social responsibility initiatives and investments in the community, the contribution to seven SDGs stands out: 3 - Good Health and Well-Being, 4 - Quality Education, 8 - Decent Work and Economic Growth, 10 - Reduced Inequalities, 12 - Responsible Consumption and Production, and 17 - Partnerships for the Goals. With regard to the targets, which have also been analysed and taken into account in José de Mello Saúde's impact assessment, the most direct contribution has benefited 20 targets:





## Dialogue with stakeholders

José de Mello Saúde has several mechanisms for interacting with stakeholders.

Stakeholder	Interaction Mechanism	Important themes for stakeholders	Reporting
Shareholders	Board of Directors Meeting	Criação de valor	Regular provision of institutional information (Institutional Communication, Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix)
	General Meeting	Informação periódica e rigorosa	
	Meetings and specific events	Ethics and transparency	
Funders	Regular meetings, contract negotiations	Financial sustainability	Regular provision of information, Financial Statements Report
Payers	Regular meetings, contract negotiations, administrative interactions	Access to private healthcare, Pricing	Webservices (electronic interaction means), Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix
Portuguese Securities Market Commission (CMVM)	Investor Relations Office	Compliance with applicable securities regulation	Regular provision of institutional information (Institutional Communication, Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix)
Suppliers	Regular meetings, contract negotiations	Contracts and Payments, risk and impact mitigation mechanisms, ethics and transparency	Internal evaluation report on clinical consumables suppliers
Regulatory Health Entity	Audits, surveys, clarification meetings	Regulation, licensing, National Health Evaluation System	SINAS Portal, Clinical Quality and Safety Report
Regional Health Authorities (ARS – Ministry of Health)	Contract manager, annual contracting of the activity and performance indicators, biannual and annual performance evaluation report	Contract compliance, accessibility, clinical quality and safety of the healthcare provided, continuous improvement of performance indicators	Monthly activity reports and monitoring of performance indicators, annual patient and employee satisfaction surveys



Stakeholder	Interaction Mechanism	Important themes for stakeholders	Reporting
Employees	Staff Meetings	José de Mello Saúde progress and growth strategies	People management processes within the company (performance evaluation, salaries, careers, training etc.)
	Corporate Events		
	Employee satisfaction surveys		
	Breakfast meetings (with the Chairman of the Executive Committee and unit managers)	Stability, prospects for professional and personal development, salaries, organisation and working conditions	Internal communication channels
	Medical Council and Nursing Council meetings		Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix
	Welcome programme		
	+ Talent Programme		
	Monitoring through people management systems (e.g. Performance Assessment)		Internal events
	+ VIDA Magazine and Newsletters		
Customers	CUF Academic and Research Medical Centre	Accessibility to healthcare; Clinical quality and quality of service; Integrated offer; Accommodation and safety conditions of the units; Technological innovation	Customer satisfaction enquiries Smartphones Telephone contact Information leaflets Text +VIDA Magazine Institutional releases Advertising campaigns
	Customer Care Office, Customer Ombudsperson		
	MyCUF app		
	Contact Centre		
	Communication channels and marketing of units		
	Institutional publications		
	Institutional and healthcare units' websites		



Stakeholder	Interaction Mechanism	Important themes for stakeholders	Reporting
Innovation Accelerators and Start-ups	Collaboration or service agreements	Strategic development challenges, support and investment models	External events, boot camps, press releases, institutional information
Academic and Scientific Community	Cooperation protocols, R&D activities in partnership, negotiation of contracts, clinical trials, observational studies, periodic meetings	Company's performance, long-term commitments, Innovation and Sustainability	Periodic meetings, Regular provision of institutional information (Institutional communication, Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix)
Media	Dialogue with the media	Community impact, environmental and social impacts, innovation	Regular provision of institutional information (Institutional Communication, Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix)
Industry Associations	Cooperation protocols, regular meetings, participation in working groups	Company's good practices; company's strategy; Ethics and Transparency; signing of protocols	Regular provision of institutional information (Institutional Communication, Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix)
General public	Institutional and healthcare units' websites, telephone and online communication channels	Portfolio of services, Innovation	Regular provision of institutional information (Institutional Communication, Integrated Report, Financial Statements Report, Clinical Quality Report and GRI Appendix)





# Performance

## Economic performance

### Executive summary

José de Mello Saúde S.A. reports on the consolidated net profit for 2019.

Note: Applying the new accounting standard IFRS16, José de Mello Saúde adopted the modified retrospective method, according to which there is no mandatory restatement of comparative information. The impact on the financial statements is in line with that disclosed in the 2018 R&A, with an increase in Assets of €28.5 million and Liabilities of €29.0 million in December 2019.

### 2019 activity highlights

During the financial year 2019, José de Mello Saúde's operational and financial performance was sound. This performance reflects a path of sustained operational growth, in parallel with the implementation of its investment strategy and geographical expansion:

- Operating income amounted to EUR 701.5 million, which represents an increase of 2.7% year-on-year. It was negatively impacted by the end of the Braga PPP, which only contributed 8 months of activity in 2019. On the other hand, there is a positive effect on the operational income of the extraordinary receipt in Braga (EUR 15.3 million, of which EUR 13.0 relates to the activity of previous years), resulting from the assent of the Arbitration Tribunal on the State's participation in vertical HIV programmes.
- Increase in EBITDA to EUR 97.9 million (+37.6%), essentially through sustained growth in healthcare activity, new expansion projects, implementation of IFRS16 and an extraordinary receipt from the Braga Public-Private Partnership. Adjusted Recurring EBITDA, which excludes the extraordinary Braga receipt for previous years mentioned in the previous paragraph and annuls the effect of IFRS16,

amounts to EUR 79.9 million (+12.3%) and a margin of 11.6% (+1.2 p.p.).

- Consolidated Net Profit Growth of 86.1%, reaching EUR 29.0 million.
- The net debt ratio on EBITDA decreased from 4.84x at the end of 2018 to 4.48x, given the significant evolution of EBITDA and despite the growth of the consolidated net financial debt from EUR 95.0 million to EUR 438.9 million, in line with the ongoing investment plan, notably at the CUF Tejo Hospital, the CUF Sintra Hospital – the first phase of which opened to the public in June – and at the CUF Torres Vedras Hospital.
- In the private sector, activity in 2019 was marked by growth in all assistance areas, with a particular focus on Consultations (10.5%), Accident & Emergency (8.3%) and Surgeries (7.8%). Operating income in the CUF network reached EUR 496.6 million, increasing by 12.3%. EBITDA grew significantly by 50.1%, and the margin improved to 16.9%.
- Public sector revenues fell by 13.9%, explained by the end of the Public-Private Partnership at Braga Hospital on 31 August. Nevertheless, EBITDA had a significant increase of EUR 15.3 million, reflecting the positive impact of the extraordinary receipt of EUR 13.0 million (out of a total of EUR 15.3 million) relating to the state's participation in the vertical HIV programmes from previous years in Braga.



The end of the Braga Hospital partnership on 31 August 2019 definitely marks the year for José de Mello Saúde. Despite the recognition by UTAP - Unidade Técnica de Acompanhamento de Projetos (Technical Unit for Project Follow-up) that the Public Private Partnership (PPP) model is the one that best guarantees the public interest at Braga Hospital, the State has not been able to guarantee the necessary economic and financial balance conditions for the extension of the Management Contract, which therefore came to an end naturally and as foreseen on 31 August 2019, 10 years after the start of the public-private partnership. Braga Hospital has maintained its important position within the National Health Service, representing a significant weight in terms of activity and making a decisive contribution to the increase in the Portuguese National Health Service's response to citizens.



## Operating performance

### José de Mello Saúde healthcare service provision indicators

(Thousands)	Private Healthcare			Public Healthcare		
	2019	2018	Change %	2019	2018	Change %
Consultations <sup>1</sup>	2,191.2	1,982.3	10.5%	466.0	618.0	-24.6%
Emergencies	365.9	337.8	8.3%	284.7	352.7	-19.3%
Surgical Patients <sup>2</sup>	50.5	46.8	7.8%	32.9	42.2	-22.1%
Days of Hospitalisation <sup>3</sup>	151.9	151.6	0.2%	260.6	332.5	-21.6%
Births	3.8	3.5	6.8%	4.0	5.1	-21.4%

<sup>1</sup> A new criterion has been applied for the classification of the Consultations, namely Dental Medicine, which is now considered to be MCDT (2018 value restated).

<sup>2</sup> Not including minor surgery. A new criterion was applied for the classification of minor surgery (2018 restated value).

<sup>3</sup> A new criterion has been applied for the classification of Days of Hospitalisation, and no longer includes nursery (2018 restated value).

In 2019, José de Mello Saúde maintained sustained growth in its care activity in the private sector, reaching 10.5% increases in consultations, 8.3% in accident & emergency, 7.8% in surgical patients, 0.2% in days of hospitalisation and 6.8% in childbirths, compared to the same period in 2018.

In the public sector, the reduction in assistance activity in all the indicators presented is due essentially to the end of the public-private partnership contract at the Braga Hospital on 31 August, since at the Vila Franca de Xira Hospital growth occurred in all the healthcare areas.

José de Mello Saúde healthcare service provision indicators

(EUR millions)	2019	2018	Change %
<b>Operating Income</b>	<b>701.5</b>	<b>683.1</b>	<b>2.7%</b>
Operating costs	(603.6)	(612,0)	-1,4%
<b>EBITDA</b>	<b>97.9</b>	<b>71.2</b>	<b>37.6%</b>
EBITDA margin	14.0%	10.4%	+3.5 p.p.
<b>Recurring EBITDA<sup>1</sup></b>	<b>84.9</b>	<b>71.2</b>	<b>19.3%</b>
Recurring EBITDA Margin	12.3%	10.4%	+1.9 p.p.
<b>Adjusted Recurring EBITDA<sup>2</sup></b>	<b>79.9</b>	<b>71.2</b>	<b>12.3%</b>
Adjusted Recurring EBITDA Margin	11.6%	10.4%	+1.2 p.p.
Amortisations and Provisions	(44.3)	(40.0)	10.7%
<b>EBIT</b>	<b>53.6</b>	<b>31.2</b>	<b>72.0%</b>
EBIT Margin	7.6%	4.6%	+3.1 p.p.
<b>Financial Results</b>	<b>(16.1)</b>	<b>(8.6)</b>	<b>86.8%</b>
<b>Pre-tax Profit</b>	<b>37.6</b>	<b>22.6</b>	<b>66.4%</b>
Taxes	(8.6)	(6.8)	27.0%
Net profit attributable to non-controlling interests	0.0	0.2	-109.2%
<b>Net profit attributable to JMS shareholders</b>	<b>29.0</b>	<b>15.6</b>	<b>86.1%</b>

<sup>1</sup> Excludes extraordinary EUR 13.0 million receipt from the Public-Private Partnership in Braga  
<sup>2</sup> The recurring EBITDA cancels the effect of IFRS16

In 2019, José de Mello Saúde's consolidated operating income amounted to EUR 701.5 million, which represents a 2.7% increase over the same period last year, while operating costs decreased by 1.4% year-on-year.

The consolidated EBITDA reached EUR 97.9 million in the 2019 financial year (an increase of 37.6%) and the EBITDA margin was 14.0%, an increase of 3.5 p.p. year-on-year. The Adjusted Recurring EBITDA, which cumulatively excludes the extraordinary receipt for previous years resulting from the Arbitration Tribunal's favourable decision on the State's participation in vertical HIV programmes of EUR 13,0 million (the total amount of the receipt is EUR 15.3 million) from the Braga Public-Private Partnership and annuls the

effect of IFRS 16, amounts to 79.9 EUR million (+12.3%), maintaining a positive development of the adjusted recurring EBITDA margin (+1.2 p.p.), reaching 11.6%.

The consolidated EBIT reached EUR 53.6 million in 2019 (an increase of 72.0%) and the EBIT margin was 7.6%, an increase of 3.1 p.p. against the same period. It is important to note that in this exercise there was a positive impact on EBIT, quantified at EUR 1.7 million, which resulted from the valuation of the Group's property and which allowed the reversal of the impairment in previous years. Without considering the effect of the application of IFRS 16 and the extraordinary receipt in Braga, the consolidated EBIT would nevertheless have a positive performance, reaching a value of EUR 38.9 million (+24.6% year-on-year).



CUF

In the private healthcare segment, there was an increase in invoicing (+12.3%) due to the consistent growth of care activity across the CUF network, including in the longer-established units. However, it is important to note the particular contribution of the new CUF Descobertas Hospital building, which in 2019 recorded its first full year of activity (opening in July 2018), and the inauguration of the first phase of the CUF Sintra Hospital in June 2019, which replaced the former CUF Sintra Clinic with an expanded range of consultation, examination and care services.

EBITDA increased by 50.1% to EUR 83.9 million, which enabled the margin to increase to 16.9% (+4.3 p.p. compared with the previous year). At the EBIT level, there was an improvement of 28.7% as a result of the growth in healthcare activity compared to 2018. Despite this environment of strong expansion, which in the last two years included not only the openings mentioned but also the new CUF Coimbra Hospital, operating margin in the private sector has developed positively by +1.3 p.p. year-on-year.

In this context it is important to highlight CUF Descobertas Hospital, which although it increased its installed capacity by 50% in July 2018 with the opening of the new building, in 2019 it already recorded EBIT growth (+22.1%), accompanied by an increase in the EBIT margin of +0.8 p.p.

An additional feature was the update at the beginning of 2019 of the retail price table by an average increase of 1.8%. The main items rose by 3.0%.

Braga Hospital

At the Braga Hospital, it is important to note two relevant events with contrasting effects on the performance of its activities in 2019:

- The favourable decision by the Arbitration Tribunal on the State's contribution to vertical HIV/AIDS programmes, which resulted in the receipt of EUR 15.3 million (plus EUR 0.5 million in default interest), of which EUR 13.0 million relates to the activity of previous years, and is therefore considered as an extraordinary receipt, and EUR 2.3 million relates to the 2019 activity;
- Termination of the Public-Private Partnership contract on 31 August.

The operating income of Braga Hospital fell by 21.6% to EUR 131.1 million. By dismissing the extraordinary receipt for previous years of EUR 13.0 million, referred to in the previous paragraphs, the Braga Hospital would end 2019 with operating income of EUR 118.1 million, -29.4% compared to 2018, as a consequence of the cessation of activity at the end of August.

At the EBITDA level, it amounted to EUR 12.6 million,

representing an increase of EUR 16.4 million compared to 2018. EBIT amounted to EUR 3.6 million, an increase of 15.4 million compared to the previous year (minus EUR 11.8 million). The decision of the Arbitration Tribunal has a positive impact on EBIT, totalling EUR 15.3 million. If we exclude the extraordinary receipt for previous years of EUR 13.0 million from this amount, EBIT increases by EUR 2.4 million compared to the previous year, but still shows a negative figure of EUR 9.4 million.

Vila Franca de Xira Hospital

At the Vila Franca de Xira Hospital, there was an increase in operating income of 3.9% to EUR 75.0 million, a result of the sustained growth in healthcare indicators, but EBITDA fell by 14.6% to EUR 6.4 million. In addition, EBIT improved from the previous year by reducing the value of provisions to EUR 1.3 million, representing a margin of 1.7 % (+0.4 p.p. compared to 2018).

Financial Result

Financial Results - (EUR millions)	2019	2018	Change %
Financial expenses and losses	(16.7)	(15.5)	7.8%
Financial income and gains	1.0	0.7	46.2%
Profit/loss of associates	(0.4)	0.1	-367.1%
Profit or loss on investment activities	(0.0)	6.1	-100.3%
Financial Results	-16.1	-8.6	86.8%

Excluding the non-recurring effect of the 2018 financial gain of EUR 6.1 million from the sale of José de Mello Saúde's stake in the building and parking management companies of the Braga Public-Private Partnership, there is a reduction of EUR 1.4 million (-9.5%) in the financial result for 2019 year-on-year. Two important and contradictory factors are highlighted: on the one hand, the receipt of default interest of EUR 0.5 million in respect of the Arbitration Tribunal's decision on the Braga Hospital and, on the other hand, the increase in financial costs by EUR 1.2 million from the application of IFRS 16 and the increase in debt linked to expansions.

### Net Income

The consolidated net income in December 2019 was EUR 29.0 million, an increase of 86.1% year-on-year.

### Investment

The total investment made in the 2019 financial year was EUR 118.5 million.

Recurrent investment amounted to EUR 30.1 million, and essentially consisted of clinical equipment replacements and other technological innovations and updates in the CUF units.

Expansion investment totalled EUR 88.4 million and consisted of the works on the CUF Sintra and CUF Tejo Hospitals and the expansion of the CUF Torres Vedras Hospital.

## Financial Position

Millions of Euros	2019	2018	Change
<b>Non-Current Assets</b>	<b>622.1</b>	<b>504.5</b>	<b>117.6</b>
Goodwill	46.1	45.6	0.5
Intangible assets	10.0	10.3	-0.3
Right of Use <sup>1</sup>	109.0	0.0	109.0
Tangible assets	445.0	438.9	6.1
Investments in Associates	1.9	0.3	1.7
Other Investments	2.0	2.1	-0.1
Deferred Tax Assets	5.5	4.6	0.9
Other Non-Current Debtors	0.4	0.6	-0.2
Other Non-Current Assets	2.2	2.2	0.0
<b>Current assets</b>	<b>289.1</b>	<b>312.7</b>	<b>-23.7</b>
Stock	14.9	12.7	2.2
Customers	93.0	99.5	-6.5
Other Debtors	11.5	10.9	0.6
State	6.9	4.0	2.9
Cash and cash equivalents	60.3	67.4	-7.1
Other Financial Instruments	35.2	35.2	0.0
Other Current Assets	67.4	83.0	-15.6
<b>Total Assets</b>	<b>911.2</b>	<b>817.3</b>	<b>93.9</b>

<sup>1</sup> Of the total of EUR 109.0 million, EUR 28.5 million results from the application of IFRS 16 accounting standards



(EUR millions)	2019	2018	Change
<b>Equity</b>	<b>126.0</b>	<b>98.9</b>	<b>27.1</b>
Share capital	53.0	53.0	0.0
Reserves + Retained Earnings	40.0	30.4	9.7
Net Income	29.0	15.6	13.4
Interim Dividends	0.0	-4.2	4.2
Minority interests	3.9	4.2	-0.2
<b>Financial Liabilities</b>	<b>534.3</b>	<b>446.9</b>	<b>87.4</b>
Borrowings	446.2	382.2	64.0
Leasings <sup>2</sup>	88.1	64.7	23.4
<b>Non-Financial Liabilities</b>	<b>250.9</b>	<b>271.4</b>	<b>-20.6</b>
Employee Benefits	1.3	1.3	0.0
Provisions	20.6	15.6	4.9
Suppliers	106.4	121.1	-14.7
Other Creditors	16.7	19.0	-2.2
State	8.9	10.5	-1.5
Deferred Tax Liabilities	17.8	13.3	4.5
Other Current and Non-Current Liabilities	79.2	90.7	-11.5
<b>Total Liabilities</b>	<b>785.2</b>	<b>718.4</b>	<b>66.8</b>
<b>Liabilities + Equity</b>	<b>911.2</b>	<b>817.3</b>	<b>93.9</b>

<sup>2</sup> Out of the total of EUR 88.1 million, EUR 29.0 million results from the application of IFRS 16 accounting standards

In the 2019 financial year, total assets increased by EUR 95.1 million compared to the end of 2018, reaching EUR 912.4 million (+11.6%). The growth recorded was largely due to the increase in tangible fixed assets through expansion projects valued at EUR 88.4 million, and to the application of the IFRS 16 accounting standard, which results in an increase of EUR 28.5 million in assets in operating leases.

Equity reached a total value of EUR 127.2 million at the end of the year, an increase of EUR 28.3 million compared to the end of 2018.

The consolidated gross financial debt amounted to EUR 534.3 million at the end of the financial year 2019, an increase of EUR 87.4 million compared to the end of 2018, largely explained by the application of IFRS 16, which increases liabilities by EUR 29.0 million, as well as the use of financing in connection with the expansion of the CUF network.

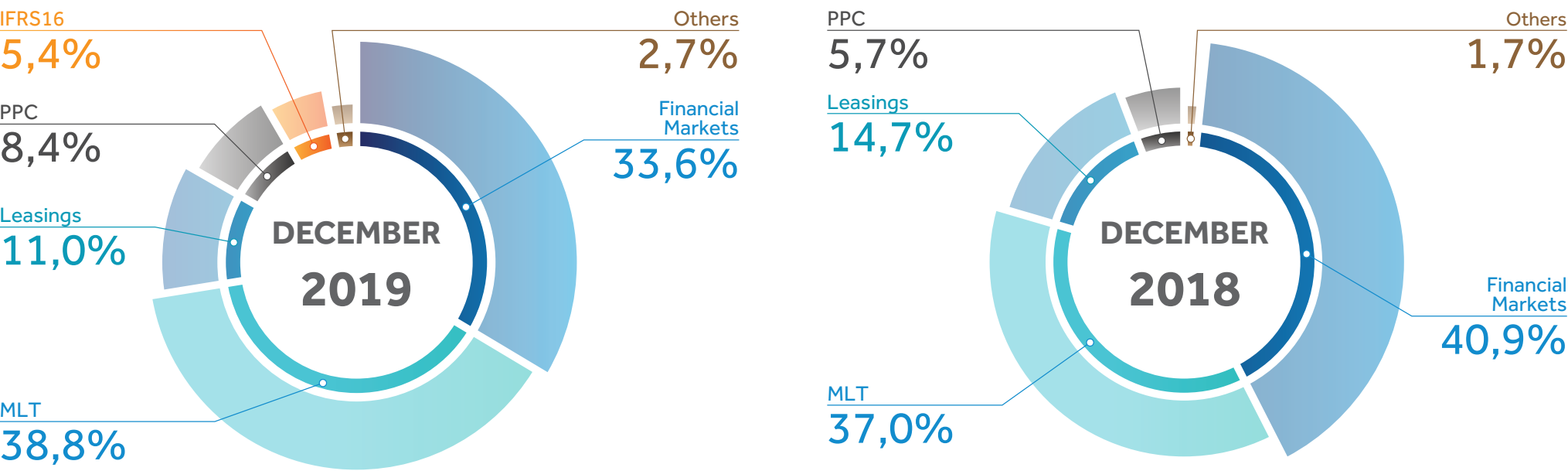
### Financial Debt Profile

José de Mello Saúde has pursued a policy of financial sustainability and a sound capital structure that supports its growth strategy. Under this policy, it has carried out active management of its debt profile, both with regard to diversification of sources of financing and in reducing the risk of refinancing and extending the average maturity of its debt. Thus, in 2019 José de Mello Saúde completed the issuance of two new bond loans.

In May, a bond loan of EUR 35 million to six years was issued, with a variable interest rate of 3.75%, to institutional investors, which enabled existing debt to be refinanced.

In November an exchange operation was carried out on its 2015/2021 bond loan, with new bonds of EUR 50 million maturing in January 2027 and a floating interest rate of 3.875%. This operation has reduced the nominal amount of the 2015-2021 bonds to EUR 14.3 million and has thus already reduced the risk of future refinancing, taking advantage of the favourable conditions in the financial markets.

In 2019, José de Mello Saúde maintained its diversified debt profile, as can be seen from the following graphs:



Financial Ratios

	2019	2018
Financial Autonomy	13.8%	12.1%
Solvency	16.0%	13.8%
Net Financial Debt <sup>1</sup> (EUR million)	438.9	344.4
Net Financial Debt <sup>1</sup> / EBITDA	4.48	4.84
EBIT / Financial Charges	3.21	2.01

<sup>1</sup> Considers Gross Financial Debt deducted from Cash and Equivalents and Other Financial Instruments

In terms of financial ratios, the emphasis is on the positive development of Financial Autonomy and Solvency compared to December 2018, which is explained by the more than proportional increase in Equity against Assets and Liabilities respectively.

We also highlight the reduction in the Net Financial Debt to EBITDA ratio from 4.84x to 4.48x, explained by the improvement in José de Mello Saúde's operational performance, despite the increase in Net Financial Debt in 2019.

Jose de Mello Saúde bond loans placed on financial markets include the obligation of the Net Financial Debt/EBITDA ratio to be below 6.0x. As at 31 December 2019, José de Mello Saúde, S.A. was in compliance with the financial covenants on all its bond loans.



## Clinical Performance

### Quality Health

In 2019 José de Mello Saúde consolidated its commitment as a healthcare-providing entity to sustainable growth based on one of the organisation's strategic pillars, the Differentiating Clinical Project.

This strategic position, aligned with sustainable development goal no. 3 - Good Health and Well-Being, is transversal to all hospital units and translates into value creation for the customer in promoting, maintaining or restoring good-quality health and well-being, achieved through the differentiated offer and health care organisation, its consistency among different doctors, specialities and hospitals and in proven clinical excellence due to the implementation of quality management systems and through benchmarking programmes with other providers domestically and internationally.

### Clinical Quality Management

In 2019, José de Mello Saúde once again consolidated its Quality Management System within the scope of its healthcare provision processes as well as its quality and safety management methodologies, of which we highlight the following:

- ISO 9001:2015 - Renewal of ISO 9001:2015 quality management system certification for hospitals, clinics and services shared by CUF and Public-Private Partnerships:
  - CUF Porto Hospital, CUF Viseu Hospital, CUF Infante Santo Hospital, CUF Cascais Hospital, CUF Descobertas Hospital, CUF Torres Vedras Hospital and CUF Santarém Hospital;
  - CUF São João da Madeira Clinic, Instituto CUF Porto, CUF Almada Clinic, CUF Miraflares Clinic, CUF Sintra Clinic, CUF São Domingos de Rana Clinic, CUF Sintra Clinic, CUF Mafra Clinic, Nova SBE Clinic;

- Lisbon and Viseu Shared Services and Contact Centre
- Vila Franca de Xira Hospital and Braga Hospital, in clinical services and specialist support.
- ISO 14001:2015 - Maintained Environmental Certification for Vila Franca de Xira Hospital and Braga Hospital;
- ISO 13485 - Maintained Quality Management System for Medical Devices - CENES;
- OHSAS 18001:2007 - Maintained Occupational Health and Safety Certification for Vila Franca de Xira Hospital and Braga Hospital;
- Accreditation by the Joint Commission International - Maintained accreditation for CUF Porto Hospital and Vila Franca de Xira Hospital;
- Accreditation by the Casper Healthcare Knowledge System (CHKS) - Maintained for Braga Hospital;
- EUSOMA [European Society of Breast Cancer Specialists] - EUSOMA certification for the Lisbon Breast UDTI [Integrated Diagnosis and Treatment Unit], comprising its two centres at CUF Infante Santo Hospital and CUF Descobertas Hospital;
- ACSA [Andalucia Health Quality Agency] - Maintained ACSA Accreditation for the Reference Centre
  - Adult Colorectal Cancer Oncology at its two centres in CUF Infante Santo Hospital and CUF Descobertas Hospital;
  - Adult Colorectal Cancer Oncology in the General Surgery Department.

### Patient Safety

In 2019, José de Mello Saúde consolidated the National Plan

for Patient Safety 2015-2020 goals.

The National Plan for Patient Safety 2015-2020, created by Decree No. 1400-A/2015, of 10 February 2015, covers the activities carried out by José de Mello Saúde within the scope of the Safety in Health Programme and aims to achieve the following objectives:

- Increase the culture of safety within the internal environment;
- Increase communication security;
- Increase surgical safety;
- Increase safety in the use of medication;
- Ensure unambiguous identification of patients;
- Prevent the occurrence of falls;
- Prevent the occurrence of pressure ulcers;
- Ensure systematic practice of incident notification, analysis and prevention;
- Prevent and control antimicrobial infections and resistance.

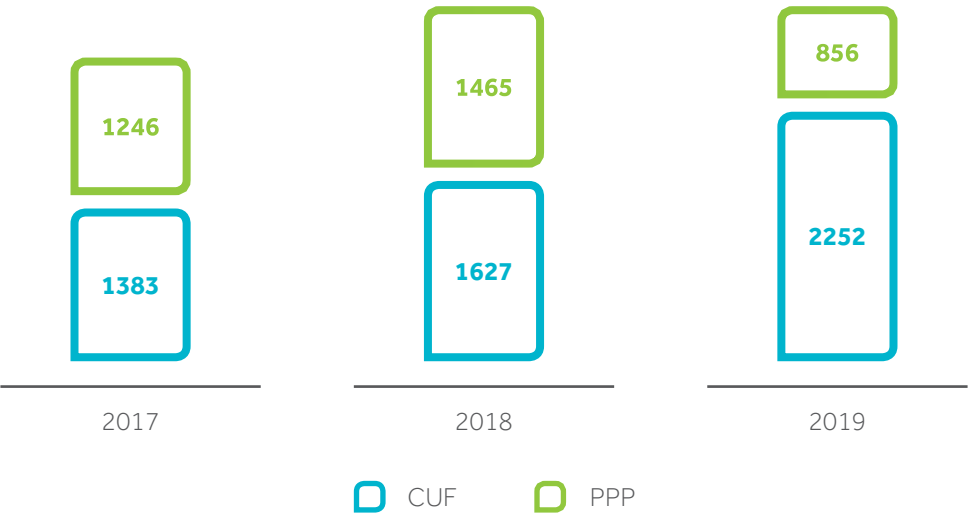
The Safety in Health Programme, which is transversal to all CUF units, operates under the medical coordination of multidisciplinary teams representing committees for risk management and the programme for prevention and control of infections and resistance to antimicrobials, in order to establish common policies and lines of action, ensuring the cycle of continuous improvement and reinforcing the single operator model.

Incident notification, analysis and prevention system

The incident notification, analysis and prevention system, extensively implemented within José de Mello Saúde and significantly adopted by all employees, translates into opportunities for improvement, elimination and mitigation of risk, hazards and vulnerabilities with total traceability regarding the effectiveness of the implemented improvement measures.

Establishment of a non-punitive culture enhances notification and reinforces the purpose of organisational learning, strengthening a culture of safety.

Total Events Reported - Evolutionary Analysis



Braga Hospital posts data up to August 31.

National Health Evaluation System (SINAS)

With the main goal of increasing the customer’s ability for analysis and informed decision, the National Health Evaluation System (SINAS) evaluates and classifies providers who voluntarily submit their data for the different clinical areas.

Evaluation and classification are performed at two distinct levels. At the first level, compliance with the criteria deemed essential for providing quality healthcare is confirmed, demonstrated by the assignment of one star, which allows the provider access to the second evaluation level. At this level, for each of the evaluation areas, the provider is classified at one of three quality levels: III (superior), II (intermediate) or I (basic).

It should be noted that SINAS uses a rating rather than a ranking methodology, and the results should be interpreted bearing in mind the integration of providers in hospital groups that have had the best evaluations in each of the areas for which they submitted data.

All CUF units passed the first evaluation level, and the results of the second evaluation level position us very positively overall in relation to the 102 healthcare providers evaluated during the publication period. Note that:

- Outpatient surgery - all José de Mello Saúde healthcare units were placed among the 29 providers rated at the highest quality level, out of the 50 providers who submitted data in this area;
- Orthopaedics (Hip and knee replacement) - CUF Descobertas Hospital, CUF Infante Santo Hospital and CUF Santarém Hospital obtained the highest classification, along with 18 other providers out of the 66 who submitted data;
- Gynaecology (Hysterectomies) - CUF Descobertas Hospital was placed, for the second consecutive time, among the

- group of 11 providers with the highest quality rating, out of the 52 who submitted data in this area;
- Paediatrics (Neonatal Care) - CUF Porto Hospital and CUF Vila Franca de Xira Hospital stood out as part of the group of only eight providers with the highest quality rating, out of the 30 who submitted data in this area;
  - Neurology (Stroke) - Vila Franca de Xira Hospital stood out as part of the group of only six providers with the highest quality rating, out of the 30 who submitted data in this area;
  - Interdisciplinary Care (Acute Pain Assessment) - Vila Franca de Xira Hospital was placed within the group of only three providers with the highest quality rating, out of the 17 who submitted data in this area.

Unit	Clinical Excellence	Patient Safety	Facilities and Comfort	Focus on the Patient	Patient Satisfaction
HCD	★	★	★	★	★
HCIS	★	★	★	★	★
HCP	★	★	★	★	★
HCC	★	★	★	★	★
HCTV	★	★	★	★	★
HGS	★	★	★	★	★
HCV	★	★	★	★	★
HVFX	★	★	★	★	★
	★	★	★	★	★
	★	★	★	★	★

★ Provider complies with all required quality parameters



The results obtained prove and reinforce José de Mello Saúde's commitment to providing excellent care, consolidating the strategy for developing a differentiating clinical project.

Clinical Quality and Performance Indicators

In 2019, José de Mello Saúde consolidated its governance model based on managing and monitoring efficiency and quality indicators. Consequently, José de Mello Saúde is committed to evaluating the quality of healthcare provided, involving all units in clinical benchmarking models that enable a characterisation and comparison of results across different dimensions of analysis.

Evaluation of each unit's clinical performance is measured through participation in IAmetrics, a clinical management platform that enables the achievement of greater efficiency and quality in the provision of services, based on a methodology of measuring and analysing results according to models adjusted to cases' risk and complexity, by comparison with an internal and external benchmark involving equivalent hospitals in Portugal and Spain. This performance assessment system is based on the comparison of performance with standard values (indexed to risk), in which a better performance will have values between zero and one.

On the basis of clinical quality indicators monitoring, the coding activity is presented, according to which the entire production of medical/surgical hospitalisation and outpatient surgery is consolidated, according to the ICD-10-CM/PCS benchmark implemented within the organisation since 2017 and in line with the national health strategy.

Quality Indicators/Units	CUF*	PPP**
RAMI	0.89	0.71
RACI	0.77	0.89
RARI	0.50	0.97

\* Values not yet finalised. In the process of auditing  
\*\*Values not yet finalised. Lacking HB information

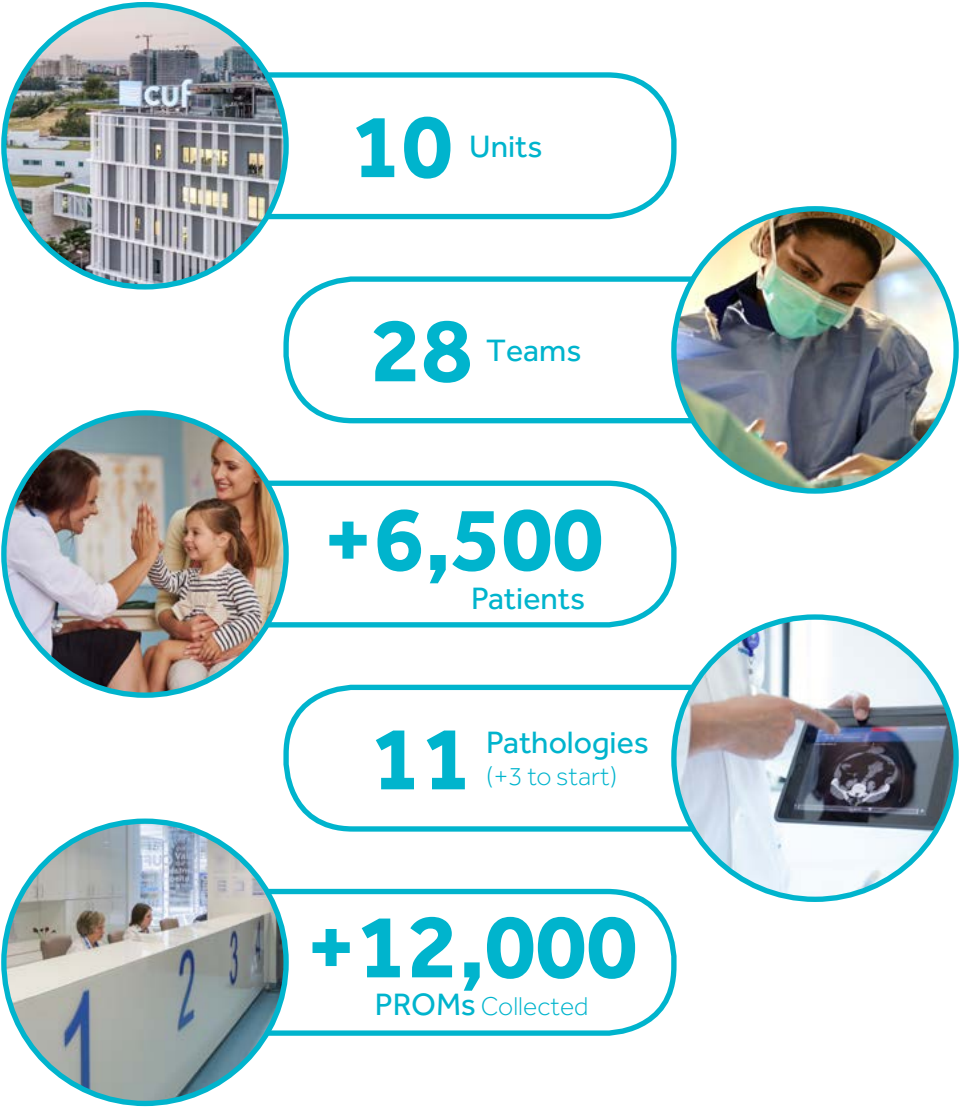
Value in Healthcare – Value-Based Healthcare Programme

As healthcare provider, José de Mello Saúde has consolidated its culture of quality by strengthening its clinical management model, which is based on patient-oriented services. The Value Based-Healthcare Program, supported by a Clinical Advisory Board that promotes the measurement of health value according to a transversal view, acts as a strategic and fundamental initiative for a Differentiating Clinical Project.

Implementation of each initiative for measuring outcomes is based on the methodology adopted by The International Consortium for Health Outcomes Measurement (ICHOM), and successful implementation depends on the clinical leads and their teams who operationalise the evaluation standards related to the patients' quality of life and evolution over the course of treatment.

In 2019, José de Mello Saúde consolidated its clinical outcome measurement cycle and importance for the patient in terms of quality of life. Consequently, our strategy is to monitor compliance with processes and conduct a rigorous analysis of information collected. This enables us to adjust clinical practices with the clear objective of improving quality of service and the

patient's own experience. Following this line of action, in 2019, José de Mello Saúde disseminated its value measurement processes in health in a vast number of pathologies and units:



In addition, we have also strengthened our external relationships and currently have ongoing strategic partnerships that are of interest to the organisation, academically and domestically in the area of value-based healthcare, such as:

- Health Cluster Portugal, with the Cataract Surgery Project
- NOVA *Institute for Value Improvement in Health and Care* - NOVA Health
- Collaborative Laboratory *Value4Health* (FCT - JMS / NOVA / Vodafone / Fraunhofer consortium)







### CUF Oncology

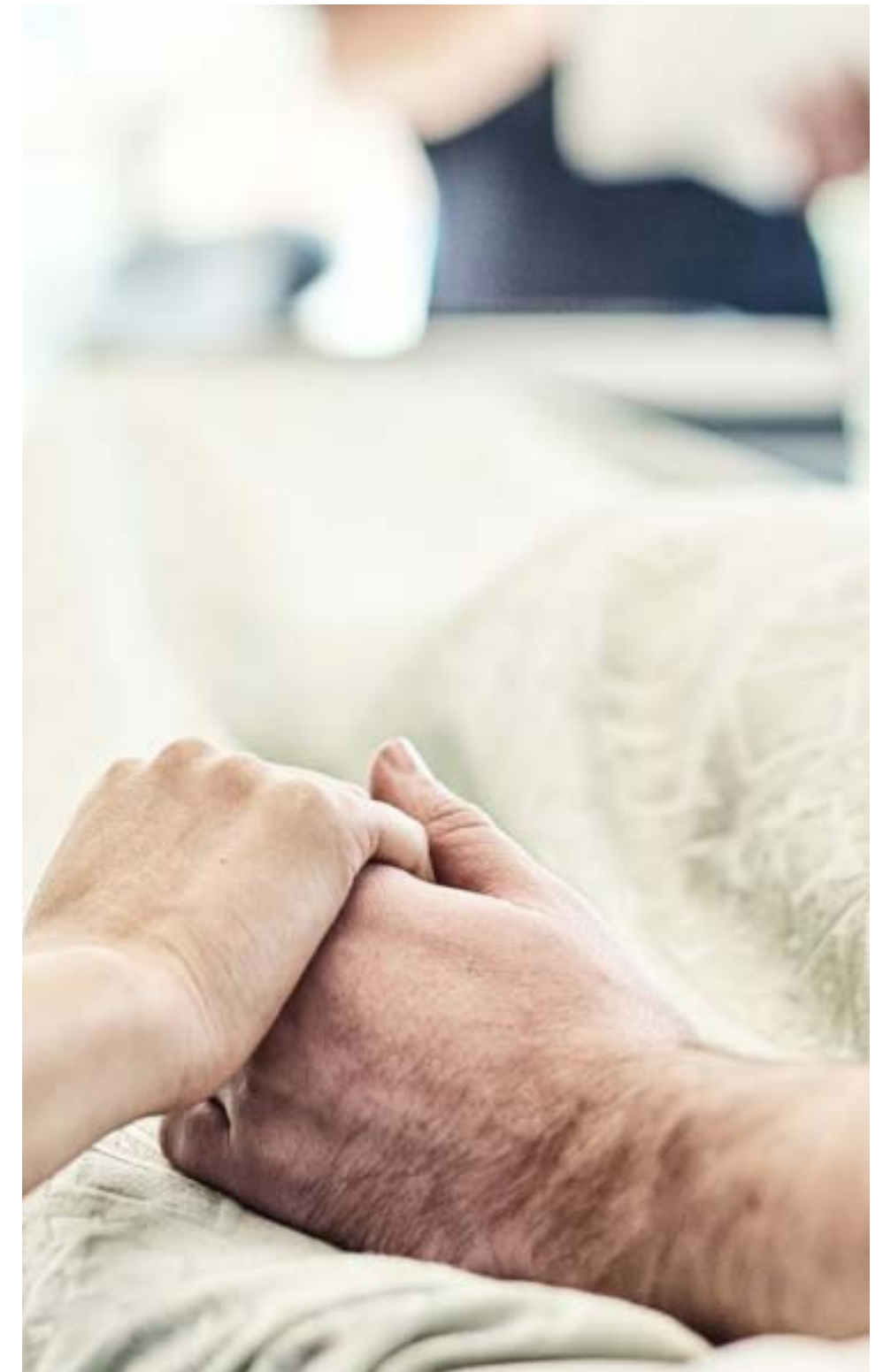
The CUF Oncology coordinates all of the network's necessary resources - professionals, equipment and facilities - in a care model focused by pathology. Currently, it has a national clinical administration composed of four physicians and is organised through 13 Integrated Diagnosis and Treatment Units (UDTI) by pathology. It is up to the UDTI to define and implement the necessary resources, clinical pathways, protocols and indicators of operational performance and transversal clinical quality within the context of its pathology. The CUF Oncology maintains a strong commitment to collaboration with the Portuguese National Cancer Registry, contributing to the epidemiological study of cancer in Portugal since 2005 and continuously evaluating and monitoring the survival results of patients fully treated within the CUF network.

Maintaining a clear commitment to the current needs of each person with cancer and the clinical requirements in addressing oncological diseases, CUF Oncology has the following main objectives:

- Ensure a quick and accurate diagnosis;
- Ensure the patient's staging and multidisciplinary discussion;

- Ensure that each patient diagnosed and discussed within the CUF network has a personalised treatment plan that responds to his/her needs and the objectives of his/her clinical team;
- Ensure post-treatment follow-up with patients with a monitoring plan for preventing relapses and an incentive for adopting or maintaining a healthy lifestyle.

With regard to the investment in recognising clinical quality through certification programmes, the CUF Lisbon Breast Unit (affiliated with the CUF Descobertas and Infante Santo hospitals) once again successfully passed the certification follow-up audit by the clinical quality benchmark EUSOMA (European Society of Breast Cancer Specialists). This certification confirms that the Lisbon Breast Unit of the CUF Oncology fully complies with strict guidelines in the services provided to patients, across the organisation and in the experience and structuring of multidisciplinary teams, components that ensure clinical excellence and safety in the treatment and diagnosis of patients. After four years of consolidating clinical quality processes and indicators, the Breast Unit is preparing for the recertification audit in 2020.



## Social performance

Social responsibility has always been part of José de Mello Saúde's essence, and it is JMS's intention to give even more importance and consistency to our commitment in this area, so as to make a greater impact on society. Consequently, CUF Inspira was launched in 2018, which connects José de Mello Saúde's Corporate Social Responsibility initiative to five areas of activity: Employees, Families, Inclusion, Organisation and Community. In 2019, José de Mello Saúde invested in an internal information campaign in order to raise awareness among all employees of the measures and initiatives, and held several in-person information sessions at its units for this purpose.

# Programa CUF Inspira

With a view to building an individualistic relationship with employees, and focusing on respect and appreciation for each employee's personal and family life, 12 internal social responsibility measures were created. In 2019, more than 4,000 instances of support were provided to employees under these internal measures, namely: to children of employees born in CUF maternity wards; purchase of school materials for children of employees at the beginning of the school year; free access to a network of legal, financial, social security and psychology specialists; offering Christmas hampers produced by the Associação BIPP's [Association for the Inclusion of Disabled Persons] Semear programme, which



promotes social and professional inclusion for adults with intellectual and developmental difficulties; recognising the seniority and dedication of employees who have worked at the company for more than 25 years, and also awarding study grants to employees without degrees as an incentive for their personal and professional development.

### Inclusion of People with Disabilities

José de Mello Saúde supports and promotes the social and professional integration of disabled persons, and in 2019 formed part of a group of 24 domestic companies which signed the disabled persons employability pledge introduced by the Inclusive Community Forum. CUF also signed a partnership protocol with APSA (Portuguese Asperger's Syndrome Association), under the Employability Programme, which aims to professionally integrate youths/adults with Asperger's syndrome.

José de Mello Saúde is also one of the partner companies in the training project Digital Literacy for the Job Market, developed at the Escola Superior de Educação do Instituto Politécnico de Santarém [Santarém Polytechnic Institute School of Higher Education] (IPS) for students with a disability equal to or greater than 60%. This course, which qualifies and certifies students, facilitating their entry into the job market, is an innovative and supportive programme which is the first example of inclusive education within the context of higher education for the intellectually-challenged. In 2019, José de Mello Saúde supported the development of the Escape Room project through a donation amounting to €3,500. This project aims to empower the young people attending the Digital Literacy for the Job Market course, in an innovative venue with "immersive experiences" to foster employability, social inclusion and job market inclusion, as well as entrepreneurship.



Also in this context, and with the goal of being an increasingly inclusive company, José de Mello Saúde has promoted training in inclusive recruitment for its teams and organised disability awareness and information sessions for employees with the support of its BIPP-SEMEAR partner.

### Volunteering

Corporate volunteering initiatives organised for CUF employees have contributed to projects by two institutions, BIPP-Semear and Associação Terra dos Sonhos [Land of Dreams Association], in addition to a contribution to the Comunidade Vida e Paz [Life and Peace Community] Christmas party. These initiatives brought together a total of 189 volunteers who contributed to diverse causes during working hours, José de Mello Saúde having donated more than 5,000 hours to this end. In addition to these corporate volunteering initiatives, the José de Mello Saúde corporate volunteering programme estimates that each employee may use 40 hours per year in volunteering for other community support initiatives, in particular humanitarian missions.

In order to support employees who find themselves in a transitional phase in their professional life, in particular when reaching pre-retirement or retirement circumstances, José de Mello Saúde established a partnership with TempoExtra, Entrajuda - Associação para o Apoio a Instituições de Solidariedade Social [Association for Support to Charitable Institutions], to promote volunteering for social, cultural or environmental organisations.

### Partnerships in the Community

With the goal of reinforcing links with regions where José de Mello Saúde is present, through the creation of synergies that generate positive local impacts and aim at promotion of the common good and a more sustainable ecosystem, in 2019 José de Mello Saúde developed several initiatives and partnerships





dedicated to the community. Admission to the Cascais, Lisbon, Porto and Santarém Local Councils for Social Action (CLAS), the Oeiras Solidarity Programme and the Alcântara Civil Parish Social Committee stand out. The CLAS head office is where strategic planning for local social work takes place, and the activity of different agents for social development is coordinated. During the coming year, José de Mello Saúde will continue with this goal of joining Local Councils for Social Action in the areas where it operates.

Also within the scope of external social responsibility, we wish to highlight the partnerships created and/or active during 2019.

Cuidar de Quem Cuida, a project promoted and financed by José de Mello Saúde and the Calouste Gulbenkian Foundation and implemented by the Centro de Assistência Social à Terceira Idade e Infância de Sanguêdo [Sanguêdo Help Centre for Senior Citizens and Childcare], in partnership with the Administração Central do Sistema de Saúde I.P [Central Healthcare System Administration - Public Institution], MAZE and CiNTESIS, aims to train, empower and monitor 240 informal caregivers. The project is financed by José de Mello Saúde and the Calouste Gulbenkian Foundation through Títulos de Impacto Social [Social Impact Securities], an instrument promoted by the Estrutura de Missão Portugal Inovação Social [Portuguese Social Innovation Task Group].

Also in 2019, the Associação Clube PHDA [ADHD Club Association] was created, a non-profit entity formed out of the pioneering work of the "Clube PHDA" corporate social entrepreneurship project, started by CUF in CUF Descobertas Hospital with the support of the Manuel Violante Foundation in February 2013. The entity's objective is to organise free training, promoted by a team of psychologists, for parents and professionals who look after children with Attention Deficit



Hyperactivity Disorder (ADHD), in particular teachers and operational assistants.

Within the scope of the partnership with the Girl Move Association, in force since 2016, José de Mello Saúde welcomed another trainee in 2019. The purpose of the *Girl Move* Association Portugal is to develop social programmes related to educating young African women, in particular from Mozambique, stemming from the implementation of empowerment projects that promote their long-lasting and sustainable training.

With the Associação Nuvem Vitória [Nuvem Vitória Association], an entity whose mission is to improve sleep for children in a hospital environment using volunteer storytellers, José de Mello Saúde's support has been embedded in Partners for Impact, an instrument promoted by the Estrutura de Missão Portugal Inovação Social [Social Innovation Portugal Mission Structure]. In this way, José de Mello Saúde takes on the role of a social investor in order to support the project's expansion to more children and more hospitals.

José de Mello Saúde supports Wave by Wave, a therapeutic project that uses surfing as a tool for fostering mental health and well-being among people who are disadvantaged and/or at risk of social exclusion, promoted by the Portuguese *Surf for Good* Association. In this context, José de Mello Saúde is to support ground-breaking research over three years, involving 100 children and young people, in order to evaluate the impact of this activity on its beneficiaries' mental, physical and academic health.

### Participation in various associations

In 2019 José de Mello Saúde became a donor partner of Associação Dignitude [Dignitude Association], within the scope of the Abem Programme: Medication Support Network. The



protocol signed by the two entities envisages support for 240 disadvantaged families, resident in the municipalities of Coimbra and Sintra, who do not have the means to purchase essential medication that they require.

### Less Sal Portugal Programme

José de Mello Saúde has been associated with GRACE - Reflection and Support Group for Business Citizenship, since 2017, and is part of current Management (2018-2020) and also the BCSD - Business Council for Sustainable Development. These partnerships, which reflect José de Mello Saúde's position in relation to the sustainability agenda, enable not only the sharing of good practices but also promote working in partnership with other entities. In this context, the CUF Descobertas Hospital Knowledge Centre hosted the first "ODS Masterclass" held in Portugal, organised by the Portugal BCSD and GRACE and developed by CSR Europe, a European network dedicated to Corporate Responsibility and Sustainability.

Given José de Mello Saúde's materiality matrix, and as it seeks to adapt the organisation's strategy to the expectations of the parties consulted, in 2019 the launch of the Less Salt Portugal Programme stands out as a response to the most important material topic - the health and well-being of the population. Portuguese people consume double the maximum daily dose of salt recommended by the World Health Organisation (WHO), and this consumption is linked to various illnesses such as high blood pressure, which affects more than 40% of Portugal's population and if uncontrolled can lead to fatal events such as a stroke or heart attack.

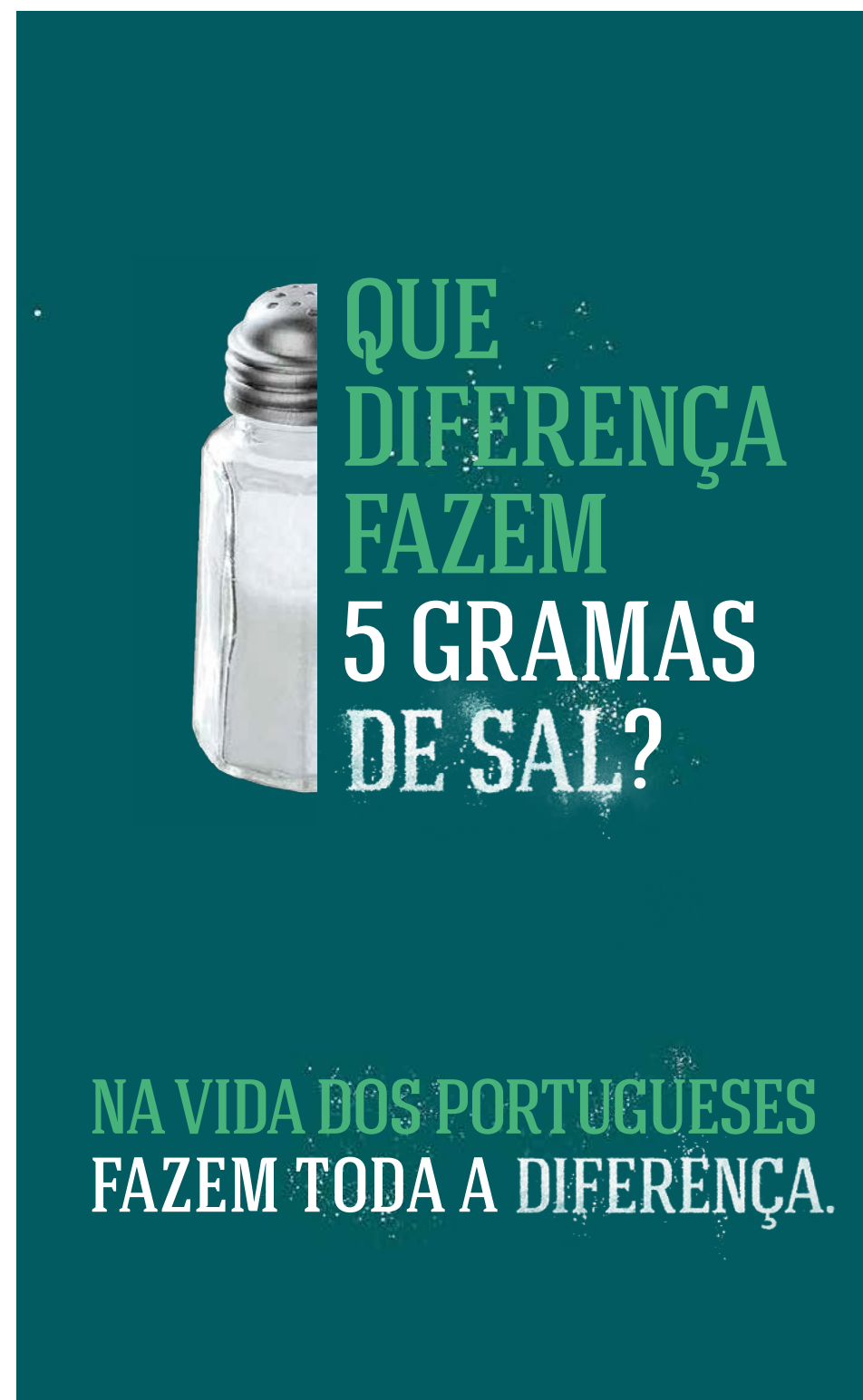
In view of the problem's size, José de Mello Saúde, in partnership with Pingo Doce, created an awareness programme - Less Salt Portugal, which aims to encourage the Portuguese population to reduce salt consumption. Within this framework, an unprecedented



study was conducted in Portugal with the public's participation, which aimed to assess the impact of changing dietary habits through a strict monitoring of salt and potassium consumption and its direct health consequences, with the support of the Germano de Sousa laboratories. The 311 volunteers participating in the study benefited from personalised monitoring by CUF and Pingo Doce nutritionists, whether through consultations at the CUF Infante Santo and CUF Descobertas Hospitals or through nutritional counselling while shopping at the supermarket. In total, 1,244 consultations, 582 examinations and 877 training sessions were conducted.

The Study revealed that diminished ingestion of salt and increased ingestion of potassium, along with changed dietary patterns, are directly linked to a significant reduction in blood pressure and potential cardiovascular benefits. It was also concluded that with reduced ingestion of salt under the daily dietary plan, participants reduced, on average, blood pressure (SBP index) by 2.1 mmHg. In the group of individuals with higher consumption of salt or higher blood pressure a 0.6 g reduction in the daily consumption of salt and an important 9 mmHg reduction in blood pressure was obtained, respectively. This conclusion is very important since the five major observational studies conducted worldwide indicate that small differences in the SBP index result in a significant reduction in the risk of developing cardiovascular illnesses, namely, 10% in mortality due to heart attack, 9% in mortality due to heart disease and 7% for other causes of death. Moreover, with reduced salt ingestion, many patients may be able to avoid starting to take medication for high blood pressure or, if not, may strengthen the effects of the medication already being taken.

More information about the Less Salt Portugal Programme and the results of the scientific study can be found at [www.menossalportugal.pt](http://www.menossalportugal.pt)



## Donations

José de Mello Saúde donated 4,000 euros to the Associação Apoiar helping victims of the floods that devastated the Beira region in Mozambique, and also donated various medicines through the Portuguese Red Cross to the people affected. José de Mello Saúde also joined the Support Association's "BabyBorn Kits" initiative, which helps Mozambican Health Units perform childbirths safely, through a donation of 7,000 euros for purchasing birth assistance and first aid kits which contain all necessary material for a safe birth. On average, 540 births in each Mozambican Health Unit are expected to take place in 2020.

The Champs Academy, which takes action to integrate young people through playing tennis, was another project supported with a donation amounting to 4,000 euros.

José de Mello Saúde donated 8,000 euros to Cercica - Cascais Cooperative for Education and Rehabilitation of Less Adapted Citizens, to help equip the Rana Complex, a new Residential Home and Occupational Activities Centre for Disabled Persons.

In order to support the mission of the Portuguese Anti-Leukaemia Association (APCL), José de Mello Saúde endorsed their charity concert, donating €2,500 to support the construction of a Hospitality Home for leukaemia patients and their families who have scarce economic resources.





## Inclusive Recruitment

José de Mello Saúde, along with other companies, signed an inclusive recruitment pledge in 2019 with NOVA University Lisbon, within the scope of the ICF - Inclusive Community Forum. This inclusive recruitment path has already been started internally, and it is important to highlight, in our ICF participation, the importance of sharing experiences with other companies. In 2019, with the Executive Committee's direct involvement, a person from Human Resources Management was placed in charge of inclusive recruitment, which boosted capability, knowledge and experience of the issue. In addition to several dozen employees with disabilities greater than 60% who have worked for several years at José de Mello Saúde, 12 more people were hired between April and December.



## Environmental performance

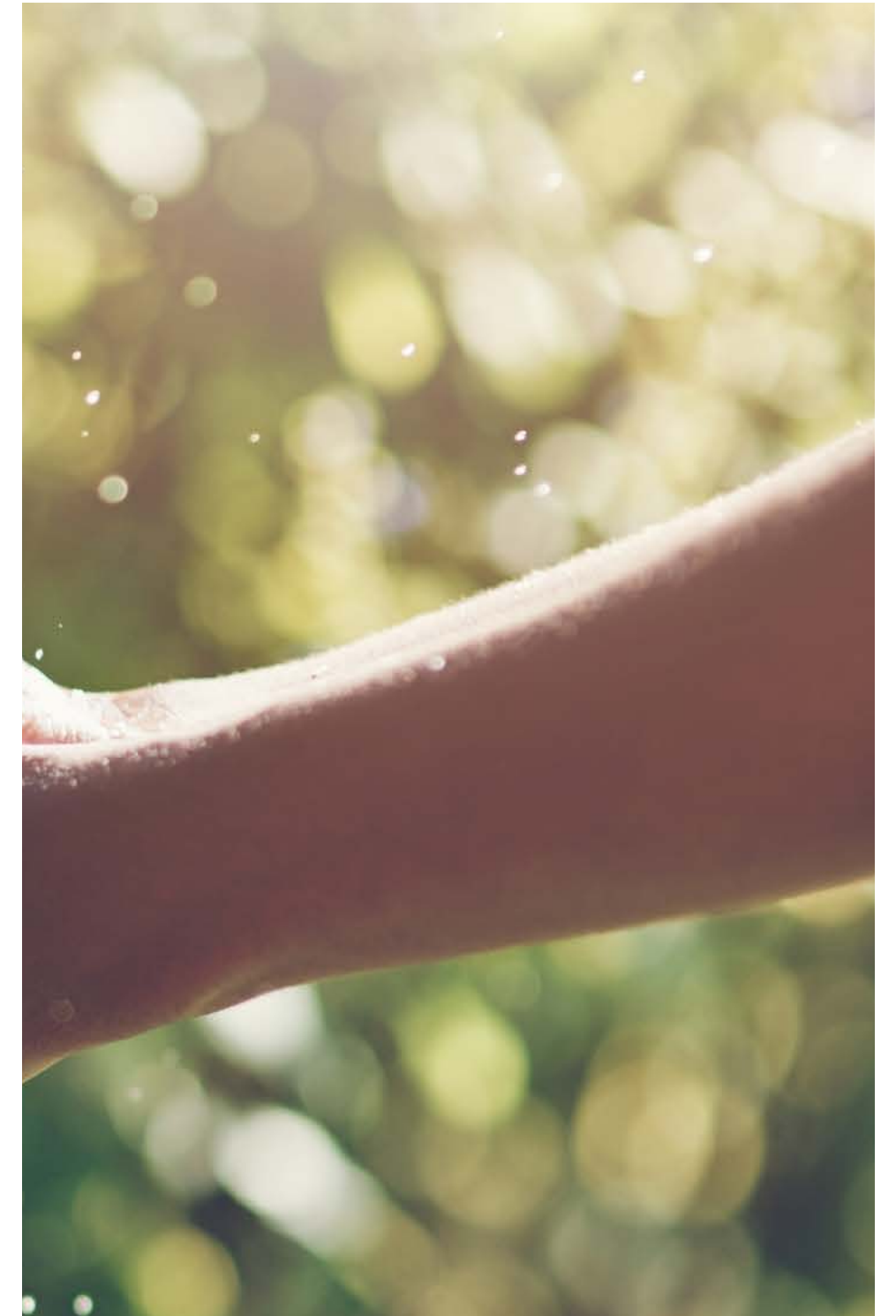
Sustainability is an extremely important vector in José de Mello Saúde's activity. Good performance in the use of resources and minimising waste is essential to ensure a responsible operation that adds value sustainably and in harmony with society and the environment. Although the provision of healthcare presents a reduced consumption of natural resources and raw materials, José de Mello Saúde seeks to minimise the environmental impact associated with its activity, regularly controlling the sources of environmental degradation in its units.

In 2019, José de Mello Saúde continued to expand its market presence by opening of the first phase of the CUF Sintra Hospital, offering consultations, imaging and 24-hour services. Additionally, its private units combined recorded an increase in activity: the number of hospitalisation days grew slightly and the consultations/month indicator increased by around 8%, which obviously put some pressure on energy consumption. Nevertheless, CUF was able to ensure - for the same units and operating periods - the stabilisation of electricity consumption (+0.3% compared with 2018) and a marked reduction in gas consumption (-9.8% compared with 2018). Thus, in absolute terms, taking into consideration the ending of Braga Hospital management on 31 August 2019, year-over-year electricity consumption decreased by 5.6% and gas consumption decreased by 19.7%.

Evaluation of resources used by José de Mello Saúde is performed via comparison metrics for the consumption between units, in part coincident with those used by the Ministry of Health within the scope of the Energy Agency's ECO.AP project.

Following the strategy for minimising its units' environmental impact, José de Mello Saúde signed a Power Purchase Agreement

(PPA) with a solar park, which came into effect on 1 September 2019. As of that date, all electricity consumed in CUF units (with the exception of CUF Descobertas Hospital, CUF Torres Vedras Hospital and CUF Santarém Hospital) has been supplied exclusively by a photovoltaic solar park, as this energy source is free of CO2 emissions. This measure has made it possible to reduce CO2 emissions by 30.6% compared with 2018, meaning that around 2.7 megatonnes of CO2 has been prevented from entering the atmosphere.





# Strategy, Achievements and Goals

PERFORMANCE		STRATEGY, ACHIEVEMENTS AND GOALS		RESEARCH, DEVELOPMENT AND INNOVATION		RISK MANAGEMENT		02 CORPORATE GOVERNANCE	
DIFFERENTIATING CLINICAL PROJECT		FLAWLESS CUSTOMER EXPERIENCE		CONSISTENT AND EFFICIENT OPERATION		VALUE-GENERATING GROWTH AGENDA		INVESTMENT IN HUMANA TALENT	
Excellent clinical performance consistent across the network, with differentiated offer in CUF Hospitals.		High satisfaction indices across the network, maximising the investment in digital as a means for convenience and efficiency.		Creation of network synergies, achieving EBIT efficiency levels in line with the market's most efficient players.		Consolidation of the leadership position in the Portuguese market, taking advantage of value-generating growth opportunities.		Reinforcement of the value proposition, attracting, training and promoting excellent professionals.	
ACHIEVED IN 2019									
DIFFERENTIATING CLINICAL PROJECT									
Maintained ISO 9001 Certification at Vila Franca de Xira Hospital, at the eight CUF Hospitals and six CUF Clinics previously certified, as well as at the Lisbon Contact Centre (shared services);									
ISO 9001 Certification extended to the CUF NOVA SBE Clinic and Viseu Contact Centre;									
Maintained JCI Accreditation at the CUF Porto Hospital and Vila Franca de Xira Hospital;									
Changeover of OHSAS 18001 to ISO 45001 (Health and Safety) at Vila Franca de Xira Hospital;									
Maintained ISO 13485 Certification at the Sterilisation Centre (CENES);									
Renewal of EUSOMA certification for the Integrated Breast Diagnostic and Treatment Unit at CUF Descobertas and CUF Infante Santo hospitals;									
Maintained ACSA Accreditation at the Oncology Reference Centre for Adults with Colorectal Cancer at the two centres in CUF Infante Santo and CUF Descobertas;									
Consolidation of Value-Based Healthcare strategy, expanding measurement of Outcomes Clinics to a total of 10 units covering 28 medical teams and 11 implemented pathologies;									
Start of Value-Based Healthcare CoLAB in association with NOVA Medical School, NOVA School of Business and Economics, Science and Technology Foundation, Fraunhofer Institute and Vodafone, with an initial focus on Knee Osteoarthritis.									
FLAWLESS CUSTOMER EXPERIENCE									
"Consumer's Choice" (Health & Well-being category), "Consumer's Choice" Excellentia, "Five Stars" (Hospitals category) and "Most Trusted Portuguese Brand" (Private Hospitals category) awards;									
Implementation of new features in the unit kiosks (in particular check-out) and MyCUF app (test images).									



ACHIEVED IN 2019

CONSISTENT AND EFFICIENT OPERATION

Encouraging customer self-service, thus freeing up front-office resources for better customer service; Start of CUF Logistics Centre, to now serve certain units in the country's interior;

Creation of Operational Transformation Office;

Renewal of the ISO 14001 Environmental Certification in Braga and Vila Franca de Xira Hospitals.

VALUE-GENERATING GROWTH AGENDA

Continued construction of the future CUF Tejo Hospital;

Opening of the CUF Almada Clinic operating theatre;

Opening of the first phase of CUF Sintra Hospital (replacing CUF Sintra Clinic)

INVESTMENT IN HUMAN TALENT

Launch of new CUF Employee Website Connect;

Launch of AHED - Advanced Health Education, school of health-related post-graduate studies, in partnership with NOVA Medical School, Santa Casa da Misericórdia Lisbon, the National Pharmacies Association and Cascais City Council;

Launch of an inclusive recruitment programme dedicated to the hiring and integration of disabled professionals;

Merit-based reassignment for health professionals and support areas;

Diagnostic and initiatives within the scope of the Family-Responsible Company certification project;

Creation of an in-house referral programme - CUF Radar.

PLANNED FOR 2020

DIFFERENTIATING CLINICAL PROJECT

Maintain CUF units' accreditations and certifications;

Obtain ISO 9001 Certification for CUF Coimbra Hospital as well;

Value-Based Healthcare: continue the increase in the number of pathologies in the measurement and implementation phase.





PLANNED FOR 2020

FLAWLESS CUSTOMER EXPERIENCE

- Win consumer awards again;
- Create products and solutions that ensure greater loyalty from current customers and attract new customers;
- Continue investment in a growing digital relationship with the customer, reviewing the MyCUF app user experience;
- Reduce customer service time in different traditional channels, fostering a more pleasant experience;
- Teleconsultation

CONSISTENT AND EFFICIENT OPERATION

- Optimise the relationship and collaboration with other paying entities;
- Continue Logistics Process centralisation;
- Continue reorganisation of the core systems into a single information system for the entire network, homogenising procedures and processes;
- Reinforce sustainability initiatives within the group;
- Maintain ISO 14001 Environmental Certification at the Vila Franca de Xira Hospital.

VALUE-GENERATING GROWTH AGENDA

- Opening of the new CUF Tejo Hospital;
- Finalise expansion works at the CUF Torres Vedras and CUF Sintra hospitals;
- Enhance interaction with the innovation ecosystem (start-ups and others) to capture differentiation opportunities.

INVESTMENT IN HUMAN TALENT

- Create awareness of the Sustainable Development Goals (SDG) within CUF and define future ambitions and action plan;
- Differentiate clinical training offer, in particular through the creation of a simulation centre;
- Participation in the Nightingale Challenge within the scope of the International Year of the Nurse and Midwife (2020);
- Launch of Human Resources systems and operations transformation programme.

# Research, Development and Innovation

## Innovation in José de Mello Saúde

Research, Development and Innovation (R&D+I) is a key asset for sustaining a competitive offer, exploring new solutions that generate differentiation and value for José de Mello Saúde's customers and professionals.

Based on a structured approach, Innovation at José de Mello Saúde has the mission to capture opportunities for differentiation and create short-, medium- and long-term value, based on each of the organisation's five strategic pillars.

The Innovation area of José de Mello Saúde thus has three main objectives:

- Promote an internal culture of innovation through the i9+ programme;
- Contribute to the creation and improvement of products, services, experiences and processes using the *Grow* programme;
- Gather and disseminate knowledge about the future.

### i9+ UM PASSO — À FRENTE NA INOVAÇÃO

- Promotion of a culture of innovation at José de Mello Saúde
- Involving the whole company in strategic challenges
- Identifying and implementing opportunities for continuous

### G R O W health

powered by **cufl**

- Identifying areas for development
- Adopting best international practices
- Identifying start-ups as important health solutions, testing their solutions and Grow Health promotion

#### Gather and disseminate knowledge about the future

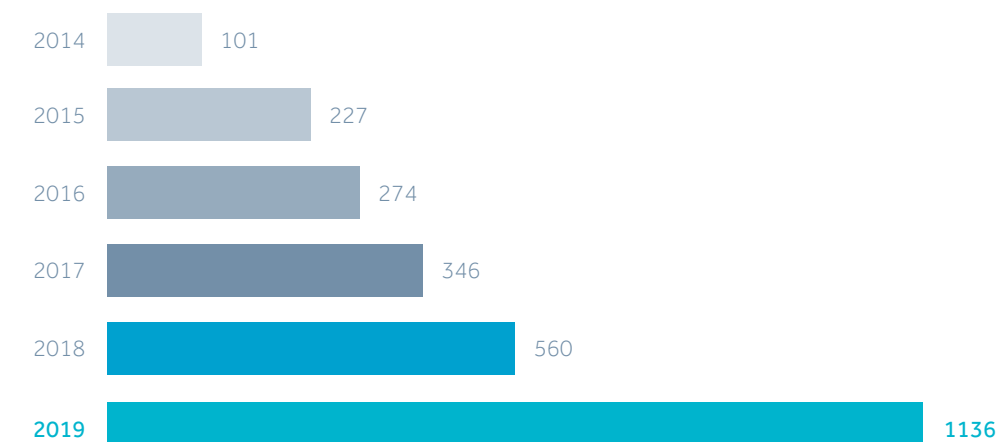
- Analyse health sector trends
- Identify potential areas of interest

## i9+, a mission for everyone

In order to promote an internal culture of innovation and based on the maxim that all employees have a role to play in achieving innovation at José de Mello Saúde, the company has provided the i9+ programme since 2012.

i9+ is an internal innovation programme open to all employees which enables them to identify opportunities for improvement in relation to the company's activity, based on its strategic pillars. 2019 stood out as the year with more ideas than ever from this programme, easily surpassing the objectives that were initially set, and involving more than 530 employees across all CUF units with 1,136 ideas received (more than 100% growth compared to 2018). This increased employee participation resulted from a series of internal initiatives for fostering innovation, such as greater promotion of the programme throughout the year as well as communication campaigns and visits conducted at all CUF units.

#### No. of ideas submitted by employees





Under this programme, specific challenges are also occasionally presented to employees who are available for a certain period of time. During 2019, an i9+ challenge was presented with the theme "CUF's major challenges". The goal of this survey was to identify, comprehensively and involving all clinical and business areas, the issues that the organisation should view as priorities in order to maintain its leadership as a provider of excellent healthcare in the future.

### Grow, a partner of the entrepreneurial community

In 2017 the José de Mello Group launched *Grow*, a transversal programme for all Group companies, in order to reinforce links with the start-ups ecosystem, supporting and accelerating the development of innovative projects.

Through *Grow*, a select set of start-ups has access to the unique knowledge, experience and infrastructures of the Group and its affiliated companies. Consequently, joint pilot projects can be developed, and their products and services tested and adapted in a real market environment. The updated programme focuses on three activity sectors: health, mobility and chemicals, and the operation in each sector is managed by the respective Group company. José de Mello Saúde thus assumes operational responsibility for the *Grow Health* programme.

So far, and within the scope of this programme, 17 pilots have been conducted at José de Mello Saúde with the subsequent award of services to nine start-ups. During 2019, three pilots were conducted involving the following start-ups: *Biosurfit*, *Clynx* and *Cameroon*.



*Biosurfit* involves point of care equipment for measuring blood parameters. This equipment was developed in order to perform diagnostic tests using only one drop of blood and *spinit* disposable discs. In April, this pilot was conducted in order to perform analyses at the CUF Almada Clinic's 24-hour Care, within the scope of paediatrics. The main objective was to reduce the waiting time of the child and his/her family at the hospital, through a quicker diagnosis which increased satisfaction with the service provided and reduces the trauma associated with blood collection. The biological markers collected are C-reactive protein (CRP) and leukocytes (WBC - white blood cells), used to measure an inflammation's severity or distinguish between viral and bacterial infections.

In May, the *Clynx* pilot was conducted at the CUF Alvalade Clinic's Physical and Rehabilitation Medicine department. *Clynx*'s main mission is to make the physiotherapy experience



more effective and motivating for both patients and healthcare professionals. Their solution enables the patient to perform physiotherapeutic exercises in a video game environment, making treatment more motivating, digital and interactive. At the same time, full treatment progression tracking is made

available to the patient and healthcare professional, digitally and objectively, through the Patient Portal and Physiotherapist Portal.

*Cameroon* allows photographs to be transformed into 360° navigable layouts. This pilot was carried out in December at the CUF Descobertas Hospital in order to raise awareness of the unit by means of virtual reality, permitting a better customer



experience via navigation more closely resembling the actual environment as well as improved promotion of our physical spaces on websites.

## Grow Health events

### CUF HACKATHON - LIVING WITH BREAST CANCER

CUF Hackathon - Living with Breast Cancer - was a competition launched by the CUF Oncology Institute and *Grow Health*, with the support of the CUF Descobertas Knowledge Centre. The initiative was part of the “#1500reasons for us to be close” Programme, which marked 12 years of CUF's breast unit. The competition's objective was to involve the university community in developing prototypes for digital tools to support women with breast cancer.

Over 24 hours the participants - Medicine, Pharmacy and Engineering students - worked together on their proposals, interacting throughout the day with oncology doctors, nurses and managers, breast cancer patients and survivors in order to record their experiences in living with the disease, and management mentors to validate the viability of the proposed solution.

For this programme, we relied on the participation of:

- 40 students from seven faculties and eight courses;
- 11 management mentors;
- eight mentors drawn from oncology doctors, nurses and managers;
- four breast cancer patients/survivors.

As a result of this event's success, José de Mello Saúde decided to move forward with developing a prototype for a cancer patient monitoring system, in partnership with the winning start-up, with the pilot to take place in 2020.





### 3rd Edition of the *Grow Mentoring Sessions*

The 3rd edition of the *Grow Mentoring Sessions* took place at the CUF Descobertas Hospital Knowledge Centre. This initiative is the result of periodic meetings that aim to give start-ups the opportunity to explain their companies' challenges during extended mentoring sessions. Start-ups receive in-person mentoring from, inter alia, *Grow* programme mentors, market benchmark start-ups and investors. This year we are looking forward to the participation of *Biosurfit*, a start-up in the field of healthcare, and *Helppier*, a mobility-focused start-up.

### Innovation Investments| CUF units

During 2019, an investment of more than EUR 2 million was made in new equipment and technology. One of these investments was the acquisition of EOS at the CUF Descobertas Hospital, an innovative and unique imaging system in Portugal, which allows for the study of the entire body with 2D and 3D images, with the patient in a vertical position. With this new medical equipment, it will be possible to obtain a more accurate and rigorous evaluation to support patient diagnosis and follow-up.

This year, the Imaging Department at CUF Infante Santo Hospital also made available, for the first time in Portugal, MRI quantification applied to multiple sclerosis and dementia by means of innovative software - Icobrain. This technology has the ability to detect new and minor changes in MS patients early on, and to assess changes in brain volume in memory-impaired patients.



## Continuous investment in training, research and development

The CUF Academic and Research Medical Centre, also known as CUF Academic Centre, is the company responsible for training, education and research at CUF and other external entities.

It was incorporated in 2014 in order to provide training, education and research services, contributing to the appreciation of knowledge, the reinforcement and recertification of competences and the differentiation of its professionals, impacting the quality of care provided and the respective outcomes.

Today it is a healthcare sector Reference Centre, developing its activity in synergy with key domestic and international players, such as universities. These relationships contribute to an ongoing sharing and updating of knowledge, with a view to innovation alongside the healthcare professionals community and the scientific community.

The brand was changed in 2019 in order to give it a more global emphasis, enabling the internationalisation of its activities.

### Activity

CUF Academic Centre's activity is based in three distinct areas:

- 1. Undergraduate and Post-graduate Training
- 2. Scientific Events and Health Education Events
- 3. Scientific Activity

## 1. Undergraduate and Post-graduate Training

### Undergraduate training

In 2019, CUF Academic Centre sought to maintain the quality of the Undergraduate training promoted in CUF units.

This year, José de Mello Saúde welcomed 1,884 trainees/students, distributed among different fields:

FIELD	CUF	PPP	Total
Medical	534	366	900
Nursing Assistance	415	354	769
Administrative	5	2	7
Technical	108	68	176
Other	29	3	32
TOTAL	1 091	793	1 884

Note: PPP only includes data from the Vila Franca de Xira Hospital (HVFX).

### Post-graduate training

In 2019, CUF Academic Centre and José de Mello Saúde continued to ensure the development, updating and refinement of their professionals' technical competences and behaviours, guaranteeing a training volume of 83,370 hours and the participation of 28,072 students distributed among the following typologies:

TRAINING	CUF	PPP	Total
Behavioural	1 669	150	1 819
Management	766	5	771
Service	4 918	6	4 924
Technical	6 190	14 368	20 558
TOTAL	13 543	14 529	28 072

Assumptions: only Contract, Permanent, Mixed Scheme, Civil Servants and Governing Bodies employees considered.

Note: PPP includes data from HVFX and Braga Hospital (HB). However, in the case of HB, only training occurring within the PPP period (until August 2020) was taken into account.



Medical Residency

The medical residency is one of the most noteworthy areas of post-graduate training undertaken in CUF units.

In 2019, distribution of residents among CUF units with recognised good academic standing was as follows:

RESIDENTS	CUF	PPP	Total
Common Year	0	23	23
Specialty	13	52	65
Internships	0	9	9
TOTAL	13	84	97

Note: PPP only includes data from the Vila Franca de Xira Hospital (HVFX).

2. Scientific Events and Health Education Events

The area of Scientific Events and Health Education Events maintains its position as a way of deepening and reviewing knowledge, as well as promoting access to training in innovative themes for health professionals, and for promoting awareness and training concerning themes of interest to the general public.

In 2019, 11,750 people participated in 365 events promoted by CUF Academic Centre, distributed among the following categories:

CATEGORY	CUF	PPP	Total
Scientific Events	4 258	609	4 867
Health Education Events	4 547	0	4 547
+SABER sessions	1 409	0	1 409
Post-graduate training	927	0	927
TOTAL	11 141	609	11 750

Note: PPP only includes data from the Vila Franca de Xira Hospital (HVFX).



### CURSO ABORDAGEM DA VIA AÉREA

Hospital CUF Santarém

**19 de outubro de 2019** | Escola Superior de Saúde de Santarém

**DIRETOR DO CURSO**  
Dr. Reinaldo Cabrita

**COMISSÃO CIENTÍFICA E ORGANIZADORA**  
Dra. Ângela Sá  
Dr. Reinaldo Cabrita  
Dra. Vânia Simões

**DURAÇÃO DO CURSO**  
10 horas pré-curso (leitura de material formativo e pré-teste)  
7 horas lectivas em sala de aula com componente hands-on

**DESTINATÁRIOS**  
Todos os profissionais de saúde

**INSCRIÇÕES**  
www.academiacuf.pt  
Profissionais JMS: 25€  
Profissionais externos: 75€

**INFORMAÇÕES**  
santarém.academiacuf@profesaude.pt

08h30 Abertura do secretariado

08h45 **Apresentação do curso**

09h00 **Anatomia e fisiologia da via aérea**

09h20 **Avaliação da via aérea. Preditores de VAD. Otimização básica**

09h40 **Dispositivos extra-glóticos**

10h00 **Algoritmos de abordagem da via aérea**

10h20 Coffee break

10h40 **Abordagem da via aérea em situações especiais: pediatria, gravidez, obesidade e trauma**

11h00 **Papel do enfermeiro na abordagem da via aérea**

11h20 **ESTAÇÕES PRÁTICAS** (30 min. cada)  
Ventilação manual com máscara e insuflador manual. Posicionamento. Adjuvantes da via aérea  
Máscaras laringeas e tubos laringeos

12h20 Almoço

13h30 **Intubação traqueal. Laringoscopia convencional. Video laringoscopia e guias de intubação**

13h50 **Fibrosopia e intubação vigil**

14h10 **Cricotirotomia**

14h30 **ESTAÇÕES PRÁTICAS** (30 min. cada)  
Laringoscopia convencional. Guias de intubação  
Videolaringoscópios  
Fibrosopia  
Cricotirotomia

16h30 **Avaliação**

17h00 Encerramento

### 3. Scientific Activity

In 2019, CUF Academic Centre continued to invest in Scientific Activity through:

- Growth of research and development;
- Improving the library;
- Publication of the Gazeta Médica [Medical Gazette] magazine.

#### Research and Development

José de Mello Saúde's clinical trials began in 2011 and have shown progressive, sustained growth ever since. Approval timelines in this area tend to be very competitive, thus contributing to the presence of a Central Legal Department and an Ethics Committee in each unit.

Note: PPP only includes data from the Vila Franca de Xira Hospital (HVFX).

In 2019, the number of clinical trials and observational studies was distributed as follows:

CLINICAL TRIALS	CUF	PPP	Total
Ongoing	26	23	49
Feasibility	56	6	62

OBSERVATIONAL STUDIES	CUF	PPP	Total
Ongoing	9	3	12
Feasibility	6	0	6





Gazeta Médica

The Gazeta Médica is a scientific magazine published on a quarterly basis whose mission is to promote excellence in medicine, publishing articles of scientific and methodological rigour, topical themes and practical sense, always seeking to ensure that the information is of the greatest use in clinical practice. Accordingly, in 2019 CUF Academic Centre published four new issues.



Library

The CUF Academic Centre library's mission is to manage and disseminate documental resources and sources in order to contribute relevantly and evidentially to decision-making in medical and nursing practice, research and undergraduate and post-graduate education.

TYPE	CUF	PPP	Total
Papers Provided	1183	195	1 378
Searches Performed	44	16	60
Selective Communication	42 / month	34 / month	Not Applicable
Documents in Repository (Total)	248	238	486
BMJ Case Reports	0	0	0

Note: PPP only includes data from the Vila Franca de Xira Hospital (HVFX).

# Risk Management

The goal of José de Mello Saúde's risk management policy is to consolidate an integrated, effective risk management structure, ensuring the identification of risks and opportunities associated with the organisation's operations and business, which enables José de Mello Saúde to not only deal with potential threats to the business, but also to strengthen the risk management process.

Consequently, measures are adopted and implemented that are necessary for minimising the impacts of any unfavourable developments involving the factors underlying these risks on José de Mello Saúde's financial structure and sustainability, thus being a fundamental element in the decision-making process, bearing in mind holistic perspectives, cost/benefit ratio perspectives and perspectives that optimise the relationship between risks and opportunities.

To strengthen intervention of the Board of Directors in the risk management process, in March 2017 the Risk Audit and Management Committee was established to support, develop and evaluate the risk management process.

José de Mello Saúde keeps a continuous focus on a wide range of risks that are most relevant to achieving its objectives, organised into five categories.

## **Strategy** (non-exhaustive list):

- Uncertainty of the macroeconomic, political and social environment
- Reduced margin or profit that jeopardises business sustainability
- Insufficient or untimely receipts
- Increasing competition from other entities
- Business Obsolescence





- Impacts on its PPP at the Vila Franca de Xira Hospital

#### **Operational Activity** (non-exhaustive list):

- SI unavailability
- Delays in construction projects
- Loss of key personnel or significant turnover

#### **Finances and financial activities** (non-exhaustive list):

- Liquidity
- Interest rate
- Legal and regulatory changes affecting taxes

#### **Clinics** (non-exhaustive list):

- Adverse events occurring during the company's provision of healthcare
- Risk of lapse in quality of the services provided

#### **Compliance** (non-exhaustive list):

- Information Security Violation
- Licensing applicable to healthcare activity

José de Mello Saúde continuously assesses the relative materiality of risks on the basis of their probability of occurrence and the expected magnitude of their negative impact. The order of the categories does not imply that any risk category is more material than any other category.

### Strategic and financial risks

Strategic and financial risk management is conducted in order to identify the risks and opportunities with most impact on implementing José de Mello Saúde's business plan and periodically monitoring the main risk indicators, while taking an essentially medium- and long-term view. To this end, an institutional risk support team was established, under the



purview of the Strategic Planning Department.

Following the risk (re)assessment process, which adhered to a top-down methodology with the involvement of the Executive Committee and the support of the Auditing and Risk Management Committee in order to identify important risks, at the beginning of 2019 the periodic control and monitoring phase for the main risk indicators was initiated by the Executive Committee. This process has enabled the company to strengthen management tools, contributing to the successful achievement of José de Mello Saúde's strategic objectives.

### Clinical, Operational and Compliance Risks

Management of the clinical, operational and compliance risks is bolstered by the so-called first line of defence, which acts at the transaction/operation level, responsibilities being allocated to the corresponding operational areas with an essentially short- and medium-term view. To ensure functioning of the second line of defence, a risk team was set up in 2019 under the purview of the Organisation, Information and Risk Management Department, whose mission is to support the risk managers, monitor process compliance and support senior management in tracking the risks perceived to be most critical at any given time.

The José de Mello Saúde risk dictionary has been revised every two years since 2013, following a bottom-up methodology and developed by the business areas, shared services and corporate areas with the Executive Committee's endorsement and periodic supervision by the Auditing and Risk Management Committee. This exercise has the following objectives: (i) updating the risk matrix and main causes; (ii) identifying and quantifying potential impacts; (iii) clarifying the link to the mitigation strategies through the use of transversal methodological tools developed and/or redesigned in tandem; (iv) defining those responsible for monitoring risks; and (v) identifying and measuring risk indicators.

The latest review of this process (in 2018) resulted in the identification of 25 risks, which allowed the Executive Board to define the level of risk tolerance and, consequently, the investment necessary to implement its mitigation measures. In 2019 a periodic control process for those critical risks was launched, with the Executive Committee monitoring the main risk indicators on a quarterly basis.

The impact on the formal development and methodology of the clinical and operational risk management process has been evident, contributing to an appropriate response tailored to the relevant areas, in particular involving certain risks that reach acceptable levels and cease to be monitored by the Executive Committee, but only by the person responsible for that risk. In 2019, a systematic risk monitoring methodology scaled according to risk level was also approved, directing monitored risks to the appropriate risk team, Portfolio Manager or Executive Committee level.

In addition, formal monitoring by the risk team of projects deemed important was also initiated, using risk matrices that monitor investment decisions and monitoring projects during their life cycle.

### Cybersecurity Plan

Following the viral IT attack on 3 August 2018, and according to its strategic investment plan in the area of information systems, José de Mello Saúde has been implementing a set of corrective actions that include enhancing the security of information infrastructures, increasing network segmentation, strengthening backups and implementing improvements to firewalls.

These initiatives are part of José de Mello Saúde's Cybersecurity Plan, which was drawn up with the support of a technological

partner and finalised in the second half of 2019. The plan aimed to measure the degree of maturity of the Organisation and the Processes on the basis of the best international practices in Information Security Management, to carry out specific tests in order to determine real vulnerabilities from the perspective of People, Infrastructure and Applications, and to analyse the state of implementation and management of the most critical and most susceptible controls (historical and statistical basis), and thus to define a roadmap for implementation by the end of 2020.

### Internal Audit (3rd line of defence)

The Internal Audit Department's performance, in particular in assessing internal control systems, has contributed to the development and robustness of transactional controls (1st line of defence) and risk management (2nd line of defence) processes, through monitoring their effectiveness, efficiency and adequacy, and the audit planning and execution process is also conducted based on areas of critical risk.

The annual audit plan drawn up for 2019 has been complied with and some activities have been completed in 2020. In addition to ad hoc audits, we highlight the conduct of comprehensive audits in clinical procedural areas (e.g. Anatomical Pathology).

In order to respond to international guidelines and the adoption of best practices, the Internal Audit regulation has been revised and approved. The reporting model (dashboard) was also developed for José de Mello Saúde's Audit and Risk Management Committee and the Executive Committee, with the goal of optimising communication and the focus on responding to critical risks identified in audits.

The 2020 annual audit plan considers resources relevant to conducting follow-up audits, without prejudice to the

continuous and systematic assessment of internal control systems for areas of critical risk. In the training component, initiatives will essentially involve acquiring skills that allow effective and efficient use of the Data Analytics tool in audit processes.





# 02

## CORPORATE GOVERNANCE

Governance Model

Make-up and powers of the governing  
and supervisory bodies



# Governance Model

José de Mello Saúde is composed by a set of companies and Complementary Groups of Companies (Agrupamentos Complementares de Empresas – ACE) that operate in the area of healthcare provision.

The group is headed by José de Mello Saúde, S.A., which holds shares in the companies that manage and operate each of the operating, hospital and outpatient units, and shares in other companies that develop ancillary activities.

José de Mello Saúde's governance model is based on a matrix logic where José de Mello Saúde, S.A. is responsible for the definition of strategy and social, economic and financial planning, and coordination of the management of the ACE and all subsidiary companies, through binding instructions and/or through the exercise of its shareholder rights. The Board of Directors is responsible for managing José de Mello Saúde, delegating the day-to-day management of the company to an Executive Committee. This Committee is assisted by the corporate and shared services departments and by a set of advisory bodies in their corresponding fields of expertise.

The subsidiary companies are in turn, and under corporate terms, managed by their corresponding Boards of Directors, composed of members of José de Mello Saúde's Executive Committee, who, depending on the nature and size of the company, delegate day-to-day management to an Executive Committee or a Managing Director.

From an organisational perspective, the hospital and outpatient units have been grouped into two Coordinating Committees: CUF and PPP. The CUF network is divided into three geographical clusters – Descobertas, Tejo and Norte – in a rationale of coordination around the three largest CUF Hospitals, which are managed by Executive Committees

comprising a CEO, an Assistant Director and an Operational Director.

Establishment of the CUF and PPP Coordinating Committees aims to implement a single-operator model in terms of strategic alignment, standardisation, operational control and risk management, reinforced in 2017 with the creation of CUF Services, which includes the Customer, Logistics and Procurement, Hotel Maintenance and Management, and





Operations areas.

José de Mello Saúde is committed to zero tolerance for corruption. As such, José de Mello Saúde condemns and does not admit or permit any act of corruption, whether active or passive.

For this reason, the "Anti-Corruption Policy", which applies to all José de Mello Saúde companies and employees, including members of their corporate bodies, as well as to any persons representing and/or acting on its behalf, and to relations with any suppliers of goods or services, trading partners and service providers, was approved and published internally in July 2019.

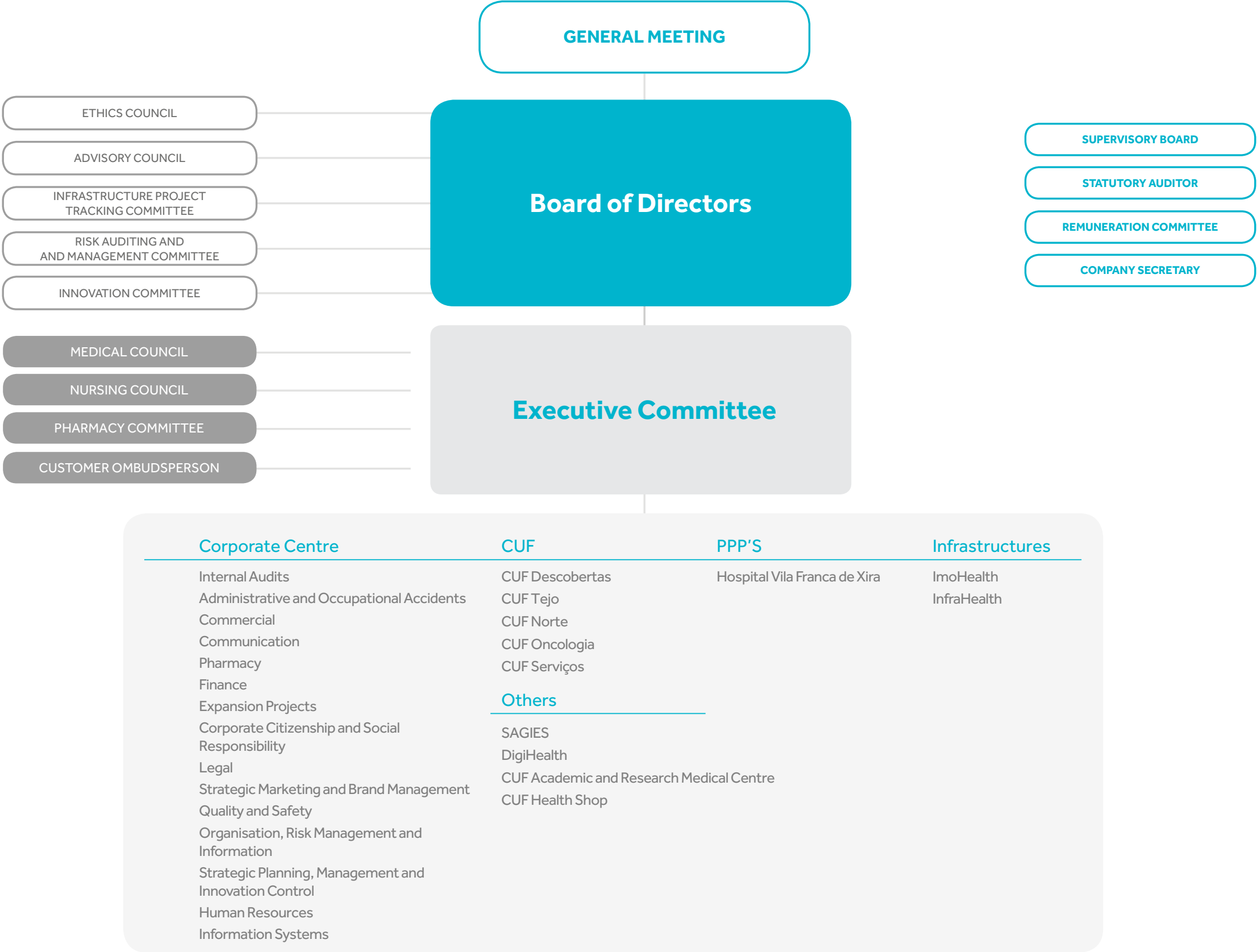
The commitment to respect and ensure respect for fundamental rights, in particular those aimed at protecting the dignity of persons, at all times and in all dimensions, and safeguarding diversity and inclusion, is an integral part of the José de Mello Saúde Code of Conduct.

The Code of Conduct also expressly states that no discrimination of any kind is tolerated, whether on grounds of race, sex, sexual orientation, family status, age, nationality, religion, political or trade union choice.

As such, since these values are experienced and applied in the day-to-day life of the organisation, the need for specific policies to implement these principles has not been felt.

The practical application of the principle of diversity and equality between men and women in José de Mello Saúde's professional community is clearly evidenced by the ratio of male and female workers - 1,293 men and 5,322 women - and the absence of any differentiation in their pay other than objective evaluation of their skills and qualifications.







# Make-up and Powers of the Governing and Supervisory Bodies

## Composition of the Governing Bodies: Board of Directors



**Salvador Maria  
Guimarães José  
de Mello**

Chairman

Chairman of the José de Mello Saúde Board of Directors and Executive Committee since 2001 and member of the José de Mello Capital Board of Directors, he is responsible for the network's highly dynamic growth and expansion to its current 19 healthcare units. Salvador de Mello holds a degree in Economics and Business Administration from the University of Neuchâtel, Switzerland.



**Pedro Maria  
Guimarães José  
de Mello**

Vice-Chairman

Holding a degree in Textile Engineering, he is also Vice-Chairman of José de Mello Capital, a member of CUF Consulting and Services' Board of Directors and Chairman of MGI Capital's Board of Directors.



**Rui Alexandre  
Pires Diniz**

Member

Vice-Chairman of the José de Mello Saúde Executive Committee, he holds a degree in Economics from the Catholic University of Portugal, Lisbon. He is also an Executive Director of José de Mello Capital.



**Catarina Marques  
Rocha Gouveia**

Executive Director

Holding a degree in Economics from the Catholica University of Portugal, and with an MBA from INSEAD (European Institute of Business Administration), she is also a member of the Board of Directors for José de Mello Residencies and Services.





**Celine Dora Judith Abecassis Moedas**

Member

Holds a doctorate in Business Strategy from the École Polytechnique, Paris, a master's degree in Management from the École Normale Supérieure and Université Paris Dauphine and a degree in Economics and Management from the Sorbonne. She is an Associate Professor in the fields of Strategy and Innovation at the Catholic University of Portugal. Additionally, she is a member of the Board of Directors of CTT and Europac.



**Guilherme Barata Pereira Dias de Magalhães**

Member

Holding a degree in Mechanical Engineering from Instituto Superior Técnico and an MBA from NOVA University Lisbon, he is Chairman of the Gil Foundation Board of Curators.



**Inácio António da Ponte Metello de Almeida e Brito**

Member

Holds a degree in Economics from the Catholic University of Portugal, Lisbon, with a Post-Graduate degree in Actuarial Sciences.



**Luís Eduardo Brito Freixial de Goes**

Member

Holding a degree in Law from the Catholic University of Portugal, he is also Executive Director of José de Mello Capital, member of the boards of directors at Brisa and CUF Consultancy and Services and Chairman of MGI Capital's Board of Directors.



**Raúl Catarino Galamba de Oliveira**

Member

Holding a degree in Mechanical Engineering from the Instituto Superior Técnico, an MSc in Systems, and an MBA from the Nova School of Business and Economics, he is currently a senior partner for McKinsey in Portugal and Spain, and a leader in McKinsey's Risk Management area.



**Vasco Luís José de Mello**

Member

Holds a degree in Mechanical Engineering from the Catholic University of Louvain - Belgium, and later gained a Master's Degree in Company Management from the same University.



**Vera Margarida Alves Pires Coelho**

Member

Holding a degree and master's degree in Economics with an MBA from the NOVA University Lisbon and a Post-Graduate degree in Actuarial Sciences from the Catholic University of Portugal, she is currently Executive Director of the Grupo Vendap affiliates in Angola, Mozambique and Brazil, Director of the Serralves Foundation, and Vice-Chairwoman of the NOVA University Executive Board.



## Executive Committee

Salvador Maria Guimarães José de Mello  
Chairman

Rui Alexandre Pires Diniz  
Vice-Chairman

Catarina Marques Rocha Gouveia

Guilherme Barata Pereira Dias de Magalhães

Inácio António da Ponte Metello de Almeida e Brito

Vasco Luís José de Mello

## Board of the General Meeting

João Vieira de Almeida  
Chairman

Sofia Isabel Rosado Barata dos Santos  
Secretary

## Supervisory Board

José Manuel Gonçalves de Morais Cabral  
Chairman

Miguel Racanello Carneiro Pacheco  
Member

João Filipe de Moura-Braz Corrêa da Silva  
Member

Miguel Luís Cortês Pinto de Melo  
Deputy

## Statutory Auditor

Luís Miguel Gonçalves Rosado  
Representative of Ernst & Young Audit & Associados - SROC, S.A.,

## Remuneration Committee

Luís Miguel Cortes Martins  
Chairman

Pedro Norton de Matos

Maria Luísa José de Mello Amaral Cabral

Vasco Guimarães José de Mello

Pedro Maria Guimarães José de Mello

## Company Secretary

Rui Manuel da Costa Ramalhal

## Ethics Council

Paula Cristina Ruivo Duarte Martinho da Silva  
Chairwoman

Maria Isabel Semedo Carmelo Rosa Renaud

João Paulo Mouro Rosa Camilo Malta

Nuno João Amador Silvestre Carlos

Rita Maria Lagos do Amaral Cabral

Sara Martins  
Chairwoman of the CUF Nursing Council

João Carlos Lopes Simões Paço  
Chairman of the CUF Medical Council

## Advisory Council

António Manuel Bensabat Rendas  
Chairman

João Vieira de Almeida

António Bernardo Aranha da Gama Lobo Xavier

Salvador Maria Guimarães José de Mello

Rui Alexandre Pires Diniz

## Infrastructure Projects Tracking Committee

Vera Margarida Alves Pires Coelho  
Chairwoman

Pedro Maria Guimarães José de Mello

Vasco Luís José de Mello

## Code of Conduct Monitoring Committee

Inácio António da Ponte Metello de Almeida e Brito  
Chairman

Rui Manuel da Costa Ramalhal

José Luis Ferreira de Carvalho

Luís Waitak Lee

Cláudia Simões

Mariana Ribeiro dos Santos Ribeiro Ferreira da Costa Cabral

Innovation Committee

Celine Dora Judith Abecassis Moedas  
Chairwoman

Guilherme Barata Pereira Dias de Magalhães

Francisco Gonçalves Pereira

Nuno Cadima

Risk Auditing and Management Committee

Raúl Catarino Galamba de Oliveira  
Chairman

Luis Eduardo Brito Freixial de Goes

Medical Council:

João Paço  
Chairman | Clinical Director of CUF Infante Santo Hospital

Rodrigo Costa e Silva  
Clinical Director of CUF Cascais Hospital

João Paulo Farias  
Clinical Director of CUF Descobertas Hospital

Vitor Correia da Silva  
Clinical Director of CUF Porto Hospital

Mário Paiva  
Clinical Director of Vila Franca de Xira Hospital

Eduardo Pegado  
Clinical Director of CUF Torres Vedras Hospital

Joaquim Pedroso da Costa  
Clinical Director of CUF Santarém Hospital

Eduardo Jorge Mendes  
Clinical Director of CUF Viseu Hospital

José Fragata  
CUF Clinical Advisor

Cláudia Simões  
CUF Organisation, Risk Management and Information Director

Nursing Council:

Sara Martins  
CUF Porto Hospital and Instituto CUF Porto

José Coelho  
CUF Infante Santo Hospital

Duarte Mendonça  
CUF Descobertas Hospital

Helena Valentim Abrantes  
Vila Franca de Xira Hospital

Sofia Pereira  
CUF Torres Vedras Hospital

Célia Leitão  
CUF Cascais Hospital

Helena Conduto  
CUF Santarém Hospital

Natacha Pedro  
CUF Viseu Hospital

Carlos Costa  
CUF Sintra Hospital

Isabel Aragoa  
CUF Coimbra Hospital

Pharmacy Committee

Catarina Marques Rocha Gouveia  
CUF Executive Director with Pharmacy Department portfolio

Abel Rua

Carla Ferrer

Isabel Queirós

José Neves

Luísa Fontes

Maria Teresa Aires Pereira

Paulo Bettencourt

Rita Oliveira

José de Mello Saúde  
Licensing Compliance Committee

Inácio Almeida e Brito  
CUF Executive Director with Organisation, Risk Management and Information Department (DOGRI) portfolio

Rita Mayor Rego and Catarina Almeida  
Members | Organisation, Quality and Safety Department

Customer Ombudsperson

José Carlos Lopes Martins



## Powers of the governing bodies:

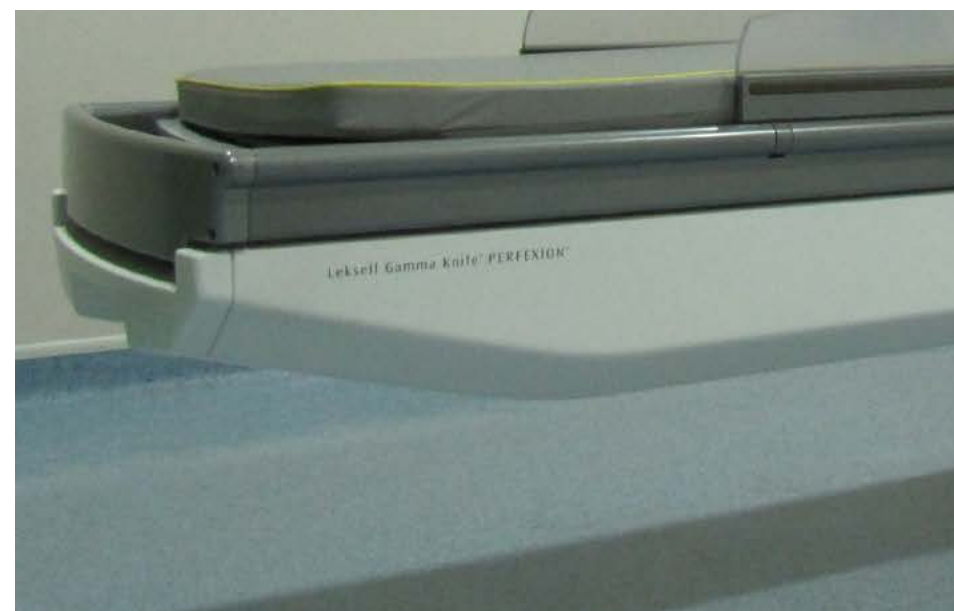
The functioning of the Board of Directors, the Executive Committee and their members' rules of conduct are governed, in addition to the Law, Articles of Incorporation and José de Mello Saúde Code of Ethics, by the respective Regulations. Supervision of CUF is the responsibility of a Supervisory Board and a statutory audit firm.

### Board of Directors

The Board of Directors is responsible for defining the strategy, the major policies and the social, economic and financial planning of José de Mello Saúde, ensuring their application in its subsidiary companies. To that extent, it is responsible in particular for deciding the following:

- Acquisition of property and movable goods, including equity interests, as well as to sell or encumber such property by any acts or contracts, even if they serve to establish real guarantees;
- Approval of the budget, preparation of the balance sheet and accounts for the financial year, and preparation of reports concerning José de Mello Saúde's activities and economic situation, as well as the proposal for profit distribution, to be submitted to the General Meeting;
- Amicable resolution or legal resolution of disputes involving José de Mello Saúde's rights and interests;
- Appointment, from among those persons who do not belong to the governing bodies, of those who will be responsible for top-level executive management of all of José de Mello Saúde's technical and administrative services, and appointing representatives for any other purposes;
- Contracting internal or external financing required by José de Mello Saúde in order to attain its corporate purpose;
- Decision on the issuance of bonds and/or other securities;

- Preparation and approval of all regulations that detail the exercise of social rights, as well as those that concern practical aspects of the operation of the Board of Directors or of any other bodies, such as regulations concerning the exercise of the right to information; vote by mail and the use of long-distance communication for participation in meetings, including the exercise of the right to vote.

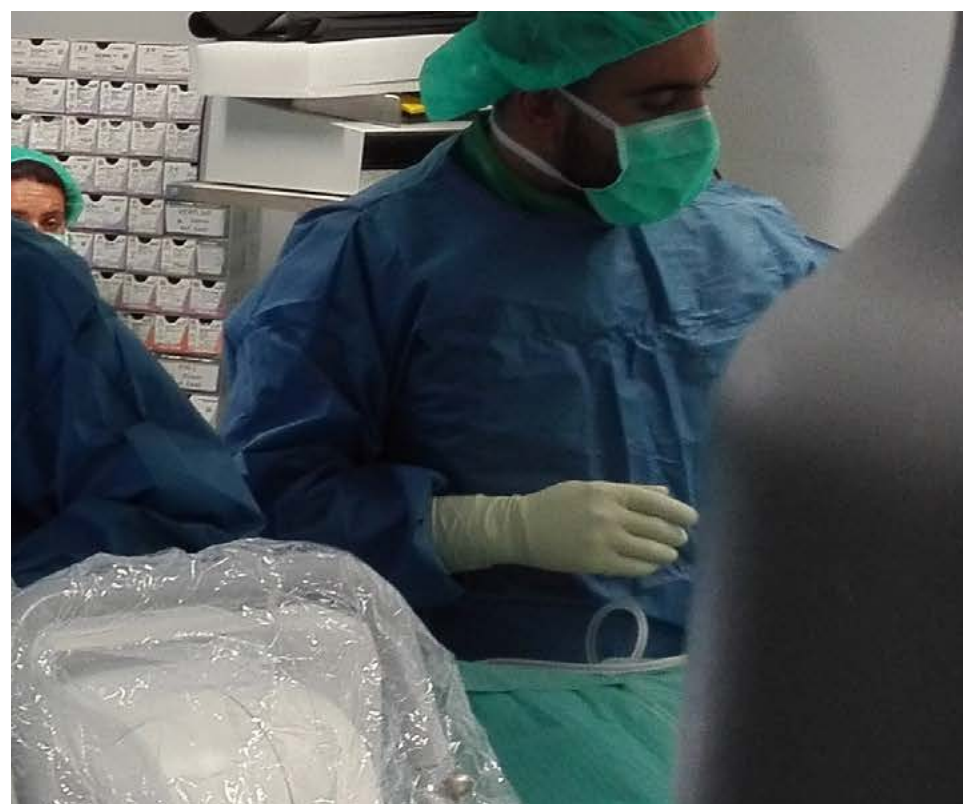




## Executive Committee

The Executive Committee assumes a set of responsibilities, delegated by the Board of Directors, of which the following are highlighted:

- Day-to-day management of José de Mello Saúde, being able to decide on all matters concerning the exercise of its activity with respect to its corporate purpose, following the resolutions made by the Board of Directors and by the General Meeting in matters falling within the latter's remit;
- Prepare and submit to the Board of Directors José de Mello Saúde's key policies, namely the remuneration policy, the staff management policy and the commercial and pricing policy;
- Prepare and submit to the Board of Directors for approval



José de Mello Saúde's Business and Budget Plans for the following year, as well as proposing subsequent changes;

- Ongoing coordination and monitoring of day-to-day management of companies in which José de Mello Saúde directly or indirectly holds shares ("Affiliates"), issuing, in the case of Affiliates in a group relationship or whose share capital is held entirely by José de Mello Saúde, binding instructions, in particular being able to decide on the Affiliates' strategy and economic and financial planning definition; approval of any business plan, as well as any changes and updates to the same; approval of the annual budget and any updates to the same, and contracting financing or entering into important contracts;
- Enter into all acts and contracts associated with José de Mello Saúde's activity, provided that their value is not greater than an amount equivalent to fifteen million euros;
- Contract bank loans or similar operations, granting shareholders' loans and other forms of providing capital to Affiliates, as long as the corresponding amount does not exceed the equivalent of fifteen million euros;
- Nominate officers for the governing bodies of the Affiliates, on whose Boards of Directors some or all of the members of José de Mello Saúde's Executive Committee shall participate.



The activity of the Board of Directors and of the Executive Committee of José de Mello Saúde is supervised and monitored by the Supervisory Board, the Statutory Auditor, the Remuneration Committee and the Company Secretary.

### Supervisory Board

The Supervisory Board is responsible for:

- Supervising José de Mello Saúde's management and monitoring compliance with the norms governing its operation;
- Participating in José de Mello Saúde Board of Directors meetings in which financial year accounts are assessed;
- Requesting the Chairman of the Board of Directors to convene the Board of Directors to evaluate facts considered relevant to the supervision of José de Mello Saúde's management;
- Verifying the regularity of accounting information and the accuracy of accounting documents, and evaluating the accounting policies and underlying valuation criteria;
- Preparing an annual report concerning its activity and giving an opinion on the management and accounts report submitted by the Board of Directors;
- Supervising the effectiveness of the risk management system, the internal control system and the internal audit system;
- Supervising the process of preparing and disseminating financial information;
- Supervising the auditing of the accounting documents;
- Supervising the independence of the Statutory Auditor

### Statutory Auditor

In accordance with the Law and the Articles of Incorporation, the Statutory Auditor is responsible for examining the accounts of José de Mello Saúde, namely:

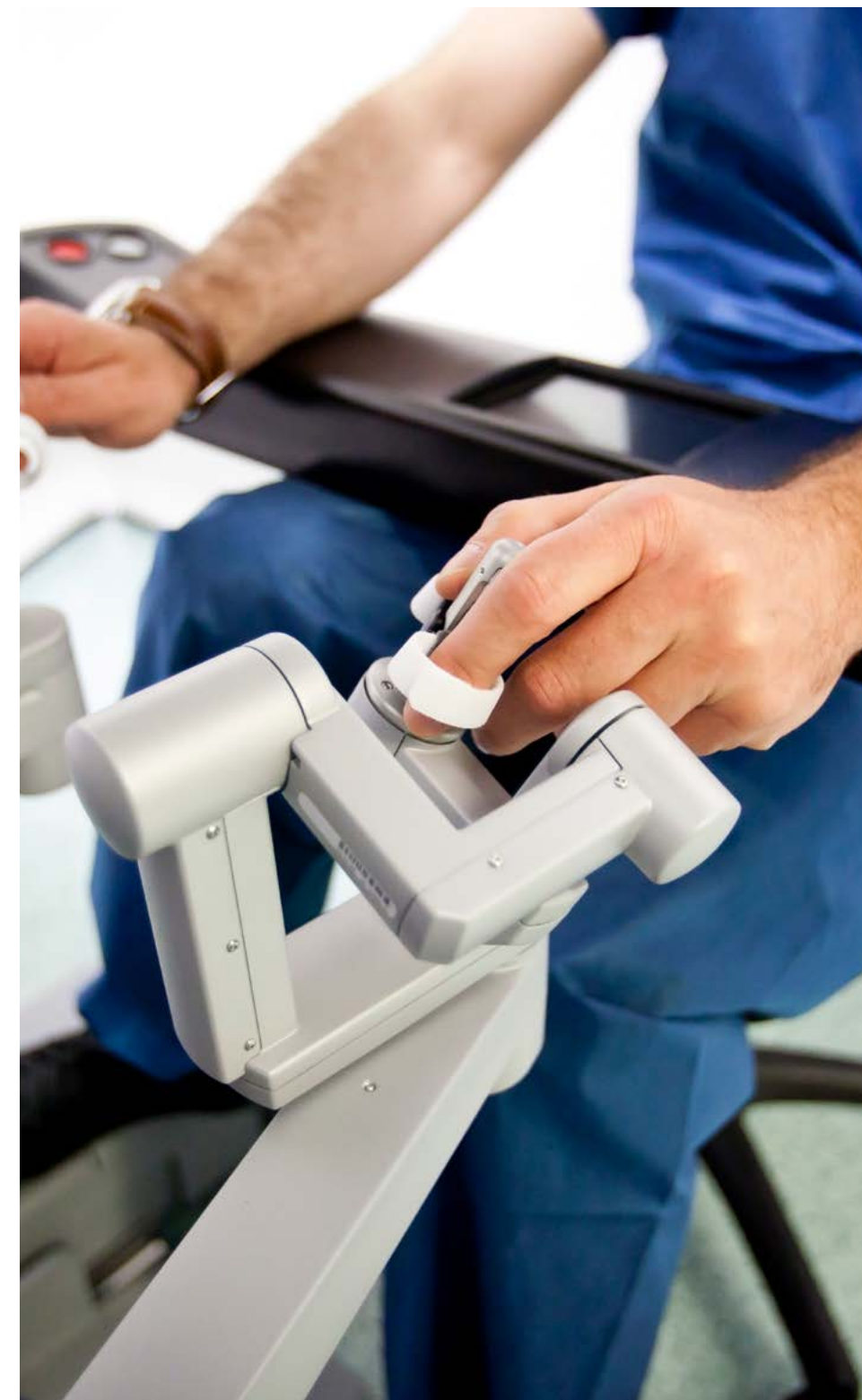
- Checking that the company's books, accounting records and respective supporting documents are correct;
- Verifying the amount of cash and the existence of any assets or funds;
- Verifying the accuracy of accounting documents;
- Verifying that the accounting policies and valuation criteria adopted by José de Mello Saúde lead to a correct evaluation of assets and profits.

### Remuneration Committee

The Remuneration Committee is responsible for defining the remuneration policy for members of statutory bodies, to be approved by the General Meeting, as well as setting the remuneration for members of the statutory bodies.

### Company Secretary

The Company Secretary is responsible for advising the Governing Bodies, according to the powers established by Law, in the Articles of Association and in the Board of Directors Regulations, acting so that the performance of the administrative and management bodies is in accordance with the applicable legislation, with the Articles of Association and with internal regulations.



The Board of Directors and Executive Committee are assisted by the corporate and shared services departments and by a set of advisory bodies in their corresponding fields of expertise.

## Advisory bodies:

### Ethics Council

Among its main tasks, this advisory body is responsible for analysing, on an ethical level, any questions raised by scientific progress, social developments and legislative activity in the fields of biology, medicine or health in general.

### Advisory Council

The Advisory Council is responsible for:

- Analysing and discussing topics related to the industry, market and health policy;
- Supporting the Board of Directors in defining José de Mello Saúde's strategy and development;
- Preparing written opinions regarding questions raised by José de Mello Saúde's Board of Directors.

### Infrastructure Projects

### Tracking Committee

The Infrastructure Projects Tracking Committee is responsible for:

- Supervising the proper execution of projects in terms of quality, costs and deadline, in particular in the technical and financial aspects;
- Being consulted on new projects' technical and financial aspects;
- Evaluating the main risks in project execution and proposing corrective and/or mitigating measures.

### Risk Auditing and Management Committee

The Risk Auditing and Management Committee is responsible for:

- Evaluating and monitoring the Risk Management system;
- Evaluating and monitoring the Internal Control system;
- Evaluating and issuing an opinion on the Annual Audit Plan;
- Proposing measures to improve the Risk Management and Internal Control systems.

### Medical Council

Advises the Board on clinical issues and continuous improvement of the services provided to all José de Mello Saúde customers, with the following main tasks:

- Advise on the definition of José de Mello Saúde's clinical development strategy;
- Propose the launch and monitoring of clinical projects common to José de Mello Saúde units;
- Foster the development of clinical protocols applicable across all José de Mello Saúde units;
- Assist with the development of clinical innovation projects which simultaneously ensure clinical differentiation and increased efficiency;
- Assist with the definition of recruitment criteria and evaluation of medical professionals, to be applied José de Mello Saúde units.

### Nursing Council

Advises the Board on issues concerning nursing within the scope of José de Mello Saúde's clinical activity, with the following key tasks:

- Define the strategy for talent development and Nursing performance standards;
- Consolidate the culture of best practices based on evidence;
- Develop innovative projects that promote technical differentiation, improving the efficiency of the care delivery processes and their respective levels of service;
- Develop clinical quality and patient safety, based on the principle of continuous improvement; and,
- Monitor CUF Academic and Research Medical Centre activity.



## Pharmacy Committee

Advises the Board on issues concerning pharmacy issues within the scope of José de Mello Saúde's clinical activity, with the following main responsibilities:

- Prepare José de Mello Saúde medication usage policies;
- Develop therapeutic protocols to be applied throughout José de Mello Saúde;
- Act as a liaison entity between the Pharmacy and the Therapeutic Committees for the different CUF units;
- Annually approve the José de Mello Saúde Medications Form, issuing minutes with this document attached, signed by the Chairman and the José de Mello Saúde Pharmacy Department;
- Oversee compliance with the José de Mello Saúde Medications Form (list of medications used in all units);
- Advise on proposals for introducing new medications into the José de Mello Saúde form;
- Promote good pharmaceutical and therapeutic practices at José de Mello Saúde;
- Promote training in the area of medication;
- Select the medications to be used in CUF units, ensuring the best cost-benefit and cost-effectiveness ratio.

## Customer Ombudsperson

The Customer Ombudsperson will carry out his/her functions independently and impartially, being responsible for:

- Receiving and assessing grievances and complaints submitted by customers, directly related to the activity performed by CUF units;

- Mediate disputes and potential conflicts between customers and CUF units;
- Submit proposals to the Executive Committee for the resolution of conflicts or complaints from customers;
- Draft and submit recommendations for the improvement of customer services to the Executive Committee;
- Issue opinions on matters related to the services provided to customers, when requested to do so by the Executive Committee or by boards of directors or executive committees from CUF units.

## Innovation Committee

The Innovation Committee is responsible for:

- Evaluating and proposing priority areas for innovation development
- Evaluating and proposing key performance indicators (KPI) in innovation
- Ensuring progress in the development of innovation projects arising from the various innovation platforms (*Grow*, *i9+*, *IDI*)
- Developing and proposing a programme to identify external ideas (from other markets, industries, countries, etc.) which could be implemented in each strategic axis

## José de Mello Saúde Licensing Compliance Committee

José de Mello Saúde Licensing Compliance Committee is responsible for:

- Ensuring compliance, with a foundation of consulting and support competencies, guided by the creation of value for José de Mello Saúde;
- Contributing to the pursuit of the operational and strategic

objectives related to the remodelling and creation of CUF Units, as well as compliance management related to the renewal of operating licenses, through a regulatory and objective approach which allows evaluation and improvement of the effectiveness and efficiency of the process for remodelling and building units, internal control and risk management alongside the Portuguese Health Regulatory Authority;

- Adopting guidelines related to the licensing process for healthcare providers. These guidelines include the regulatory requirements of the Portuguese Health Regulatory Authority and the Portuguese Health Authority, as well as other adopted practices that contribute to the excellence of clinical quality in healthcare provision, always in accordance with José de Mello Saúde's policies and procedures relevant in this context.

Board of Directors

Salvador Maria Guimarães José de Mello

Pedro Maria Guimarães José de Mello

Rui Alexandre Pires Diniz

Vasco Luís José de Mello

Inácio António da Ponte Metello de Almeida e Brito

Guilherme Barata Pereira Dias de Magalhães

Catarina Marques Rocha Gouveia

Luis Eduardo Brito Freixial de Goes

Vera Margarida Alves Pires Coelho

Celine Dora Judith Abecassis-Moedas

Raúl Catarino Galamba de Oliveira





# 2019 INTEGRATED REPORT



JOSÉ DE MELLO · SAÚDE