

42.3/100

SPIRE HEALTHCARE GROUP PLC ESG DISCLOSURE REPORT

OVERVIEW

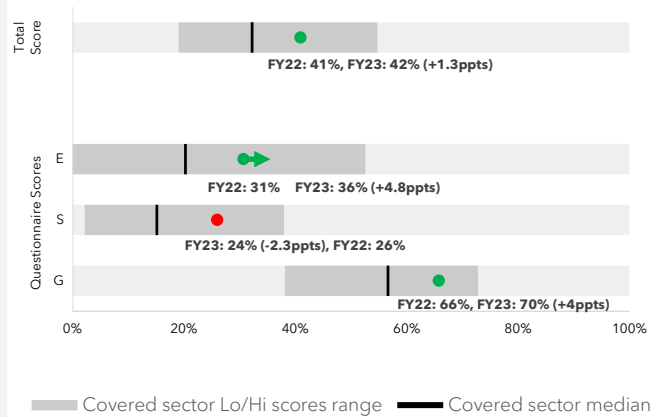
Spire Healthcare Group plc increased its standing in the **Healthcare** sector having formed an executive committee to drive its new sustainability strategy. The annual report outlined a summary of the current and high priority sustainability-related goals with relevant timelines and KPIs.

Environmental saw the group reduce its emissions by 3% ahead of its decarbonisation target and Spire also conducted climate scenario analysis for the first time. A £12m investment is planned in FY24 for solar PV installations and to upgrade all hospital Building Management Systems.

Social highlights included 98% of inspected locations achieving 'Good' or 'Outstanding' ratings from inspections in addition to the roll-out of a new NHS England Patient Safety Incident Response Framework. However, y-o-y scoring was impacted by the absence of previously disclosed metrics.

Governance remained above median. With a gender split of 55% male and 45% female, Spire exceeded its 2025 target of a minimum 40% female board representation two years early.

ESG SCORE



ENVIRONMENTAL

Strengths – A Climate Change Policy was disclosed, including reference to the company's management of atmospheric emissions and board-level oversight (Responsibility).

In the material subcategory of Emissions, the company disclosed data covering Scopes 1-3 (Measurement) as well as action plans to achieve emissions reduction Targets.

Weaknesses – Gaps remained in the topic of Emissions. Missing scorable disclosure included: evidence of having invested in research and development or development of new product/services to reduce the emissions intensity of core operations or for the capture of GHG emissions (Resources Allocated), independent verification of emissions (Third Party Review) and the greenhouse gas emission intensity by unit of output (Measurement).

SOCIAL

Strengths – Scoring was supported by good disclosure in the topic of Labour. This included evidence of the number of apprenticeships and the employee turnover percentage (Measurement).

Scoring also benefited from disclosure in the material topic of Diversity/Discrimination. Disclosure on the topic included: evidence of the monitoring of salary disparities to promote equal opportunities and diversity, evidence of action to promote equal opportunities and diversity (Resources Allocated), and the number of employees (Measurement).

Weaknesses – In the material topic of Information Security/Cybersecurity the company failed to score 6.6 points out of a total of 8.1.

Missing scorable disclosure included: the number of law enforcement requests for customer/user information, the number of customers/users whose information was requested from law enforcement, and the percentage/proportion of law enforcements requests for user/customer information which resulted in disclosure (Measurement).

Measurement only scored 23% of the 22 possible points. Absent data points included: the average training expense per employee by employee category, the percentage of employees who received training and the average training time per employee by employee category (Career Management and Promotion).

GOVERNANCE

Strengths – Board of Directors provided 66% of points. The score was, in part, driven by confirmation that the Chair and all non-executive directors had a shareholding of less than 5% (Independence). Scoring was also supported by disclosure of a director with financial expertise on the Audit Committee (Experience).

Remuneration contributed 19% of points. The company outlined predefined financial returns and relative financial metrics that formed part of the determination of the CEO's variable compensation (CEO remuneration).

Weaknesses – Bribery & Corruption was a relative weakness. The company did not disclose scorable evidence of board level oversight of the bribery and anti-corruption policy (Oversight) nor comprehensive bribery and anti-corruption training (Resources Allocated).

Materiality Assessment

There was no evidence that a Materiality Assessment had been completed.

UN SDGs

UN SDGs 3-5, 7, 8, 12, 13 and 16 were identified, with evidence of alignment to operations and value chain and disclosure of targets and indicators.

KEY

Score=Zero

Score≤25%

Score 25%<50%

Score 50%<75%

Score ≥75%

CATEGORY SCORES

Subcategories	Score achieved	Possible score	Percentage of total possible score achieved	Profile
Environmental	5.6	15.8	36%	
Emissions	2.0	4.6	43%	
Climate Change	2.1	3.5	62%	
Energy	1.0	2.3	42%	
Environmental Management	0.0	1.2	0%	
Waste & Hazardous Materials	0.3	1.2	23%	
Water	0.2	1.2	17%	
Supply Chain	0.0	1.1	0%	
Product/Service Responsibility	0.1	0.9	8%	
Social	10.6	44.8	24%	
Information Security/Cybersecurity	1.4	8.1	18%	
Diversity/Discrimination	2.4	7.7	31%	
Career Management and Promotion	0.9	6.9	14%	
Product/Service Responsibility	1.8	5.6	33%	
Health and Safety	0.7	4.6	14%	
Labour	2.5	4.6	53%	
Supply Chain	0.6	2.0	29%	
Human Rights	0.0	1.7	0%	
Tax	0.3	1.2	23%	
Freedom of Association and Collective Bargaining	0.0	0.9	0%	
Philanthropy	0.0	0.6	0%	
Political Influence	0.1	0.6	13%	
Restructuring	0.0	0.3	0%	
Governance	16.3	23.4	70%	
Board of Directors	10.8	14.0	77%	
Remuneration	3.1	4.0	77%	
Whistleblower	1.1	1.6	72%	
Shareholder Voting	0.8	1.5	51%	
Shareholders	0.4	1.2	33%	
Bribery & Corruption	0.1	1.2	13%	
Materiality Assessment	0.0	4.0	0%	
UN SDGs	4.0	4.0	100%	
Controversies	5.7	8.0	71%	
Grand Total	42.3	100.0	42%	

Not applicable	Score=Zero	Score≤25%	Score 25%<50%	Score 50%<75%	Score ≥75%
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QUESTIONNAIRE DISCLOSURE HEAT MAPS

The heat maps present the outputs of each section of the questionnaire. For each subcategory, up to 10 disclosure aspects were analysed. The heat maps illustrate the percentage of data points currently disclosed out of the total required for a full score for each aspect. They identify which aspects are deemed most relevant for each subcategory and hence where to focus when attempting to improve disclosure.

Table 1. Environmental disclosure heat map

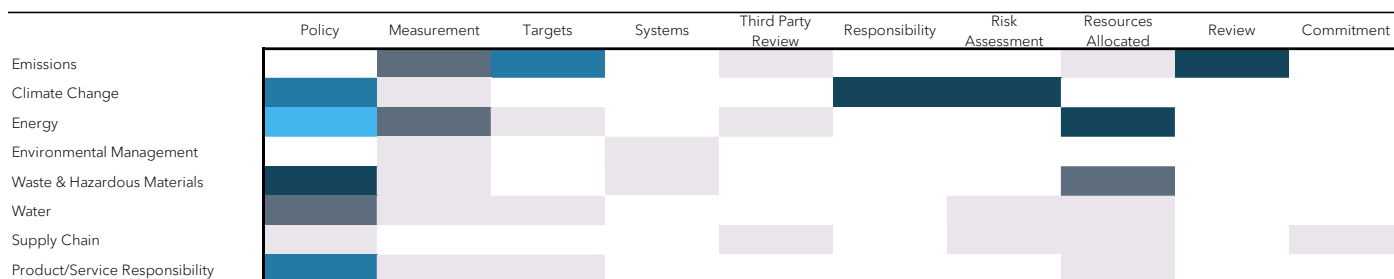


Table 2. Social disclosure heat map

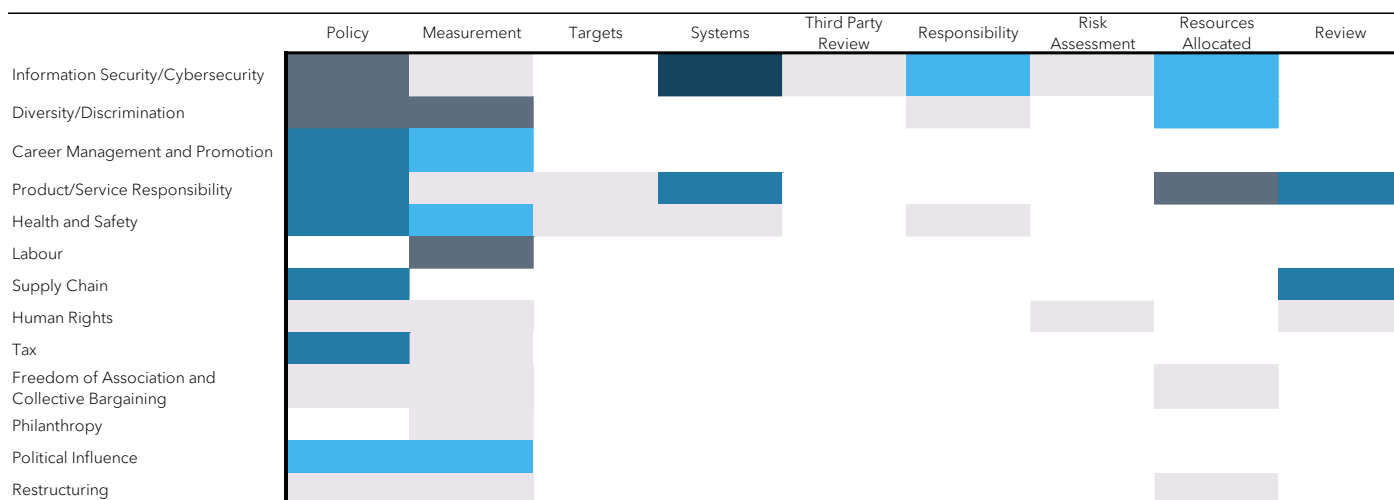
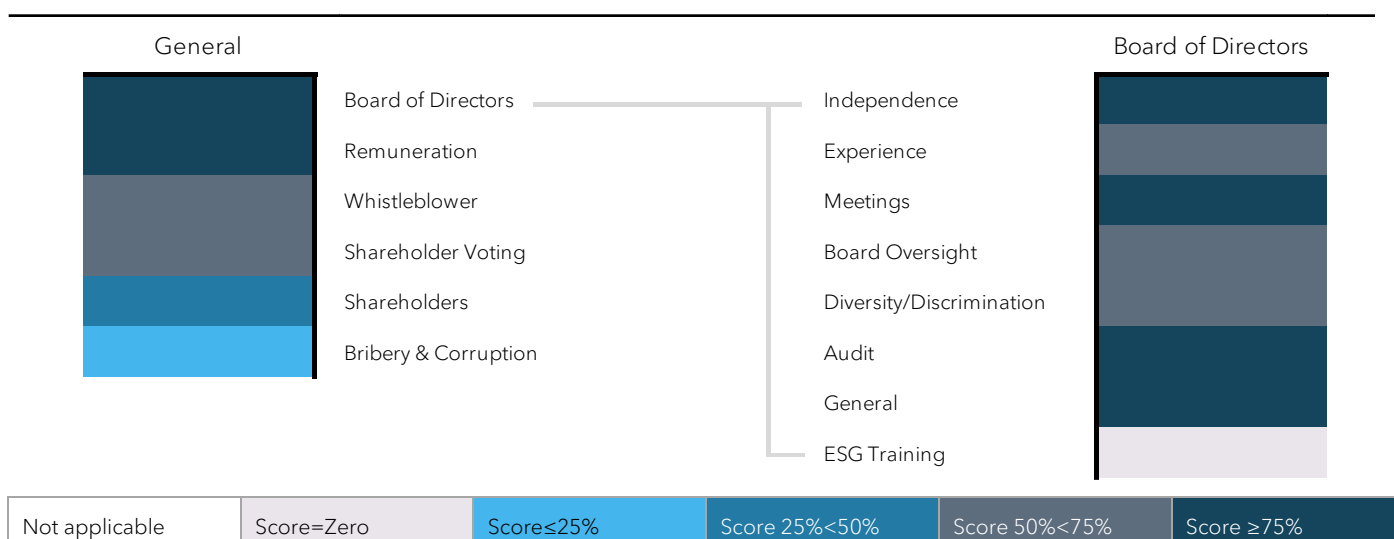


Table 3. Governance disclosure heat maps



CONTROVERSIES

Media Article Incident	Source	Article Date
Practising privileges of consultant revoked	https://www.spirehealthcare.com/patient-information/patient-notifications/	12 January 2019
Employment tribunal against Spire	https://assets.publishing.service.gov.uk/media/5d3aca9640f0b604e6814a9a/Miss_G_Makkos_v_Spire_Healthcare_Ltd_2301290-2018_Full.pdf	01 April 2019
Senior leaders criticised for failures	https://www.yorkshireeveningpost.co.uk/news/people/long-list-failures-found-inspectors-spire-leeds-hospital-479096	04 July 2019
Spire dismissed surgeon on the grounds of malpractice, after he carried out unnecessary surgery	https://www.penningtonslaw.com/news-publications/latest-news/2019/spire-healthcare-expands-its-independent-review-of-anthony-dixon-s-colorectal-practices , https://www.medicalaccidentgroup.co.uk/blog-square/mesh-surgery-compensation-claim/	28 November 2019
Compensation to paramedic after misconduct by surgeon	https://www.thompsons.law/news/news-releases/medical-negligence-news/spire-healthcare-negligence-back-in-the-spotlight-as-paramedic-secures-settlement-after-botched-operation-at-the-hands-of-michael-walsh	10 December 2019
Spire doctors and nurses struck off or suspended	https://www.getsurrey.co.uk/news/surrey-news/doctors-nurses-midwives-struck-suspended-17358168	11 December 2019
Medical complications	https://www.birminghammail.co.uk/news/midlands-news/granddads-bile-duct-severed-during-17429727	16 December 2019
Criticism over bonus share awards	https://www.standard.co.uk/hp/front/spire-opthalmologists-fine-cma-cartel-pricefixing-a4485096.html	07 January 2020
Criticism by inquiry for not doing enough to contact former patients of disgraced surgeon	https://www.standard.co.uk/news/uk/spire-healthcare-surgeon-operations-patient-recall-a4344146.html	24 January 2020
Reports of unnecessary procedures performed by Spire surgeon	https://solihullobservers.co.uk/news/hundreds-of-patients-recalled-to-a-solihull-private-hospital-in-second-surgery-scandal/	28 January 2020
Third surgeon at Spire hospital linked to breast surgery scandal is also subject to internal investigation	https://www.shropshirestar.com/news/uk-news/2020/01/28/work-of-third-surgeon-scrutinised-at-ian-paterson-linked-private-hospital/	28 January 2020
Spire cancel patient's operation 5 times	https://www.bristolpost.co.uk/news/bristol-news/spire-hospital-bristol-appointments-cancelled-3796557	31 January 2020
Surgeon dismissed on grounds of unnecessary surgery	https://www.theguardian.com/society/2020/feb/16/michael-walsh-private-hospital-spire-ian-paterson	16 February 2020
Price-fixing or anti-competitive practices	https://violationtrackeruk.goodjobsfirst.org/violation-tracker/Spire-Healthcare-Ltd-and-Spire-Healthcar	01 July 2020
Unnecessary shoulder operations performed on patients	https://www.ft.com/content/fa48db0e-1502-4122-8822-cf06e6e1fe99	06 October 2020
Two-thirds of private sector capacity block-purchased by NHS England was left unused, sparking concerns of miscommunications over contracts	https://www.hsj.co.uk/finance-and-efficiency/leaks-reveal-two-thirds-of-private-hospital-capacity-went-unused-by-nhs/7029000.article	01 December 2020
Senior consultant sexually assaulted nurse	https://www.dailymail.co.uk/news/article-9388587/Consultant-57-sues-healthcare-chain-2-7m-accused-sexually-assaulting-nurse.html	22 March 2021

Ordered to pay £20,000 after it delayed informing patients about malpractice	https://www.bbc.co.uk/news/uk-england-leeds-56931154	29 April 2021
Care quality violation	https://violationtrackeruk.goodjobsfirst.org/violation-tracker/Spire-Healthcare-Limited	30 April 2021
Employment tribunal against Spire	https://assets.publishing.service.gov.uk/media/61683d84e90e07197483b733/Mr_S_Upthank_v_Spire_Healthcare_Limited_2300894-2019.pdf	15 September 2021
Labour standards violation	https://violationtrackeruk.goodjobsfirst.org/violation-tracker/Spire-Healthcare-Limited-0	25 September 2021
Victims received compensation after misconduct by now-retired surgeon	https://www.yorkshirepost.co.uk/health/yorkshire-patient-receives-pay-out-after-number-of-botched-operations-by-surgeon-at-private-spire-hospital-in-leeds-3490529	10 December 2021
Consultant struck off medical register over dishonesty	https://www.bbc.co.uk/news/uk-england-surrey-59651631	14 December 2021
Total Score Reduction		2.3

